

**Council Members**

Chair: Peter Haddock  
Cr Allan Birchfield  
Cr Andy Campbell  
Cr Brett Cummings

Cr Frank Dooley  
Cr Peter Ewen  
Cr Mark McIntyre



**THE WEST COAST**  
REGIONAL COUNCIL

**PUBLIC COPY**

**Meeting of Council**

*(Te Huinga Tu)*

**Tuesday, 9 April 2024**

**Following the completion of the  
Resource Management Committee Meeting**

**West Coast Regional Council Chambers, 388 Main South Road, Greymouth**

**and**

**Live Streamed via Council's Facebook Page:**

**<https://www.facebook.com/WestCoastRegionalCouncil>**

# **COUNCIL MEETING**

# Council Meeting

*(Te Huinga Tu)*

## AGENDA *(Rarangi Take)*

1. **Welcome *(Haere mai)***
2. **Apologies *(Ngā Pa Pouri)***
3. **Declarations of Interest**
4. **Public Forum, Petitions and Deputations *(He Huinga tuku korero)***  
LGNZ  
Speakers – Sam Broughton (President), Susan Freeman-Greene (Chief Executive), Simon Randall (Policy and Advocacy Manager)
5. **Confirmation of Minutes *(Whakau korero)***  
5.1 Minutes of Council Meeting 5 March 2024  
**Matters Arising**
6. **Actions List**
7. **Chairs Report (verbal update)**
8. **Reports**
  - 8.1 Treasury and Cashflow Functionality
    - 8.1.1 *WCRC Treasury and Cashflow Function - Status Quo and Proposal*
  - 8.2 Emergency Fund Replenishment
    - 8.2.1 *Restoring WCRC emergency fund to pre-flood levels – Two options for discussion.*
  - 8.3 2023/34 Long-Term Plan: Consultation Document and Supporting Documentation
    - 8.3.1 *Long-Term Plan Consultation Document*
    - 8.3.2 *Long-Term Plan Supporting Documentation*
    - 8.3.3 *User Fees and Charges Schedule*
    - 8.3.4 *Asset Management Plans*
    - 8.3.5 *Statements of Service Performance*
9. **General Business**

**PUBLIC EXCLUDED BUSINESS**

**10. Confirmation of Public Excluded Minutes**

**10.1** Minutes of Council Meeting 5 March 2024

**Matters arising**

**11. Actions List**

**12. Reports**

**12.1** Vector Control Services – Operational Report

**D. Lew**

**Chief Executive**



**Purpose of Local Government**

The reports contained in this agenda address the requirements of the Local Government Act 2002 in relation to decision making. Unless otherwise stated, the recommended option promotes the social, economic, environmental, and cultural well-being of communities in the present and for the future.

**Health and Safety Emergency Procedure**

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**THE WEST COAST REGIONAL COUNCIL**

**MINUTES OF THE COUNCIL MEETING HELD ON 5 MARCH 2024  
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL  
388 MAIN SOUTH ROAD, GREYMOUTH,  
COMMENCING AT 9.30AM**

**PRESENT:**

P. Haddock (Chairman), A. Birchfield, A. Campbell, F. Dooley, P. Ewen, B. Cummings, M. McIntyre.

**IN ATTENDANCE:**

D. Lew (Chief Executive), S. Tripathi (Governance Advisor (via Zoom)), S Morgan (Acting Infrastructure Manager), A Pendergrast (Acting Corporate Services Manager), F Love (Chief People and Capability Officer), C Barnes (Compliance Team Leader), C Mills (Project Accountant), L Sadler (Planning Team Leader), S. Perchig-Gibli (Committee Chair - The West Coast Local Advisory Committee (LAC) for Fire and Emergency (FENZ)), T. Donaldson (Committee member - The West Coast Local Advisory Committee (LAC) for Fire and Emergency (FENZ)), T. Johnson (Committee member - The West Coast Local Advisory Committee (LAC) for Fire and Emergency (FENZ)), B. McMahon (Media).

**1. Welcome (*Haere mai*)**

The Chair opened the meeting with the prayer and welcomed everyone to the meeting.

The Chair noted that the meeting will commence with the Council meeting due to the public forum.

**2. Apologies (*Ngā Pa Pouri*)**

The Chair called for apologies. There were none.

**3. Declarations of Interest**

The Chair called for declarations of interest. There were none.

**4. Public Forum, Petitions and Deputations (*He Huinga tuku korero*)**

The Chair invited the team members of the The West Coast Local Advisory Committee (LAC) for Fire and Emergency (FENZ) to speak. S Perchig-Gibli spoke and introduced herself and the team to the Council. She gave a brief overview of FENZ's operation around the country and FENZ's engagement in other natural hazards like tsunami, cyclone etc. Discussion was held regarding radio stations in the West Coast region especially for farmers, to which T Johnson responded that the dairy company had its own transmitter, but they still needed power to operate. The Chair stated that the Councillors would contact the team directly regarding any further questions due to time constraints. Other concerns that were briefly discussed were community kits, formal communications in different languages etc. The CE commented that he was personally aware of the West Coast LAC and would set up a meeting for LAC and the Council to get together and discuss the engagement further.

Agenda item 8.4 – Reinstatement of Cr Allan Birchfield was addressed, and a brief discussion was held around the process of considering the late agenda item.

## 8. Reports

### 8.4 Reinstatement of Councillor Allan Birchfield

It was noted that this agenda item was discussed in the Council meeting of 29 January 2024, but not being on the agenda of the 29 January 2024 meeting, it was presented to this Council meeting. Cr Dooley stated that he was not happy with this item being on the agenda for this meeting, as it was already discussed in the previous Council meeting.

**Moved** (Haddock/ McIntyre) *that the Council reinstates Cr Allan Birchfield as the member of the Resource Management Committee public meeting effective 5 March 2024.*

*Carried*

The Council meeting was adjourned at 9.48am.

The Council meeting reconvened at 11.19am.

## 5. Confirmation of Minutes (*Whakau korero*)

### 5.1 Minutes of Council Meeting 29 January 2024

The Chair called for any corrections to the minutes of the meeting of 29 January 2024 meeting. There were none.

**Moved** (Ewen/ Campbell) *that the minutes of the meeting are confirmed true and accurate.*

*Carried*

Cr Dooley voted against the motion.

### Matters Arising

There were none.

## 6. Actions List

The following was discussed and noted for update to the actions list –

- Item 1 – Ongoing.
- Item 2 – Completed. To be deleted.
- Item 3 – Completed. To be deleted.
- Item 4 – Completed. To be deleted.
- Item 5 – Completed. Copy of the submission to be emailed to the Councillors.

**Moved** (Haddock/ McIntyre) *that the Council receives the Actions List for information.*

*Carried*

## 7. Chairs Report

The Chair remarked that February had proven to be another busy month for both the Council and its staff. He expressed satisfaction with the successful integration of new staff members at the Council and noted that the organization was attracting high-quality applicants for vacant positions.

In February, Minister Shane Jones visited the Coast, providing an opportunity for the Chair to meet with him. Discussions with the Minister and CE focused on the Westport Flood Resilience Work and the Waiho River at Franz

Josef. Time was also dedicated to briefing Incoming Ministers, and the Council's concerns were well received, with plans for future discussions underway.

Since the previous Council meeting, hearings on TiGa Minerals and TTPP Submissions have been held.

The Chair acknowledged the recent realignment of the Council's staff structure, with nearly all staff members (95%) accepting the changes positively. Although the realignment led to a reshuffle of positions, there were no job losses reported.

The Chair disclosed his attendance at the following meetings during the period:

- 30 January – Hosted NZPAM manager & key staff
- 01 February – Post Waiho flood de-brief
- 02 February – Resilient Westport Steering Group Meeting #8, followed by, Kanoa Funding Agency Zoom Meeting
- 08 February – Extraordinary Infrastructure Governance Committee meeting
- 13 February – Resilient Westport Group – out of cycle budget meeting
- 14 February – TTPP Committee meeting – Grey District Council Chambers
- 16 February – Pike 29 Memorial Track opening, followed by Meeting with Minister Shane Jones, followed by Official Opening Greymouth Pounamu Pathway building
- 20 February – Risk & Assurance Committee meeting
- 26 February – Meeting Westland District Mayor and Chief Executive – Waiho River/Tatery Stream Avulsion, followed by, Mayors, Chairs, and Iwi meeting
- 27 February – Presentation to Kanoa Advisory Board regarding our IRG and Westport Flood scheme works. The board thanked the Council and the staff on the progress on the Waiho, Hokitika, Greymouth, and Westport flood projects.
- 29th February – Zoom meeting with Government officials to provide further Information on briefing to Ministers and our IRG works.

Regular meetings were held with the Chief Executive, along with communication with Mayors, Stakeholders, and Ratepayers as needed.

It was noted that the presentation to Kanoa Advisory Board of 27 February 2024 meeting is to be circulated to the Councillors.

**Moved** (McIntyre/ Birchfield) *that the Council receives Chair's verbal report.*

*Carried*

## **8. Reports**

### **8.1 Service Performance Measures Report**

C Mills spoke to the report, which was prepared after gathering information from multiple business units and teams. Most of the measures were showing positive progress, marked as "On-Track", and "Achieved", with a few items falling behind.

The Chair acknowledged that while there was improvement compared to Q1, there was still a significant amount of work required, especially in relation to Rating District meetings.

It was noted that the service measure of “Maintaining a register of Natural Hazards on the Website” (page 14 of the agenda), will be completed by 30 June 2024.

As for the service measure of “Processing all resource consent applications without incurring any cost to Council due to the RMA discounting regulations” (page 18 of the agenda) it was noted that if the consent was pending a response from affected parties, then it was not considered as a measure not met.

Service performance measures were highlighted as crucial as they undergo auditing. During the long-term plan process, the Council determines the level of services to measure and sets rules to ensure they are measurable and verifiable. Auditors ultimately assess the level of service against these measures, scrutinizing the information provided and ensuring the Council’s assigned status of "On track" or "Achieved" is accurate. The year-end audit covers both service performance levels and financials, with auditors paying particular attention to key performance indicators.

**Moved** (Dooley/ Cummings) *that the Council receives the attached Service Performance Measures Report for the quarter ended 31 December 2023 (i.e. Quarter two of the 2023/24 financial year).*

*Carried*

## **8.2 Non-Rate related Aged Receivable Debt Collection Procedures**

C Mills spoke to the report.

It was noted that T Fitzgerald will provide the Council with an update on the debt collection process for a single debtor with a large outstanding amount in the 90-day plus category. The Council inquired about whether legal action had been initiated or if a dispute was hindering collection of the debt.

Councillors also requested an update on the amount of debt that has been written off.

Additionally, it was mentioned that cash flow forecasting for projects had been implemented, with Kanoa paying the Council in advance for these projects. A similar arrangement was recommended for Westport.

It was further noted that the Corporate Services team had implemented the process outlined in the Risk and Assurance Committee meeting in November 2023. Accountants were working with business area owners to identify parties, including government organizations, who owed funds and were taking steps to recover those funds.

It was noted that C Mills will send a letter to resource consent applicants with unpaid fees, notifying them that they had 30 days to make payment.

**Moved** (Dooley/ Cummings) *that the Council receives the report.*

*Carried*

## **8.3 Governance Policy and Documents Review**

Noted that the report at Attachment 1, titled “West Coast Regional Council Remuneration Policy”, is to be edited to include “..... and the principles of being a good employer” under the heading “Policy Purpose”.

**Moved** (Dooley/ Haddock) *that Council resolves to*

1) *Review and approve the attached Remuneration Policy after the above correction to the Attachment -1.*

*Carried*

F Love spoke to the report. It was noted that the Delegation Policy should be updated as a matter of priority to align with the organization's restructuring. It was confirmed that the revised Delegations Policy would be presented to the Council in the upcoming meeting cycle. Following this, the Business Continuity Plan was identified as the next item for review.

In addition, it was noted that the debt collection policy related to rates had been reviewed during the Long-Term Plan (LTP) process and was deemed current. The non-rate policy had been accepted and adopted by the Council on 6 November 2023, but there were some implementation issues requiring attention with respect to internal processes. A suggestion was made by A Pendergrast to present a paper addressing these concerns at the next Risk and Assurance Committee meeting.

It was noted that the Compliance and Enforcement Policy, followed by the Elected Members' Allowance and Reimbursement Policy, were scheduled for upcoming reviews.

It was further noted that a paper outlining the timelines for the role and review of all policies would be presented at the next Council meeting.

**Moved** (Birchfield/ Ewen) *that the Council resolves to –*

2) *Note the governance documents and policies identified for review and update.*

3) *Provide direction on prioritizing the governance policies for review and subsequent submission back to Council for Council approval.*

*Carried*

## **9. General Business**

Cr Birchfield praised the Consents and Compliance team for doing a very good job. There was no criticism on the team's work when the consents issues were discussed earlier in the meeting. He also mentioned he had expressed his appreciation to R Clark for her work on Taylorville Park the previous month.

It was noted that the CE was engaging with DOC regarding the contaminated sites program. The CE had received a wealth of information from DOC and had plans to verify if a map or list of all contaminated sites was included in the information provided. Additionally, the Ministry for the Environment had opened the next round of funding for contaminated sites; people who have noticed contaminated sites can apply for funding to clean up those sites. It was further noted that the Council is maintaining regular communication with DOC.

It was noted that Taylorville Park did not have consent for green waste.

It was also noted that a paper containing information on contaminated sites and future steps will be presented at the next Council meeting.

The Chair expressed appreciation to Mark Davies, who is retiring from DOC, for his valuable contributions and work.

**PUBLIC EXCLUDED BUSINESS**

**Moved** (Dooley/ Haddock) *that:*

1. *The public be excluded from the following parts of the proceedings of this meeting, namely – agenda items 10 and 11 (all inclusive);*

<b>Agenda 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 7 of LGOIMA for the passing of this resolution</b>
10.1	<i>Minutes of Council Meeting 29 January 2024</i>	<i>The item contains information relating to commercial, privacy and security matters</i>	<i>To protect commercial and private information and to prevent disclosure of information for improper gain or advantage (s7(2)(a), s7(2)(b), and s7(2)(j)).</i>
11	<i>Actions List</i>	<i>The item contains information relating to commercial, privacy and security matters</i>	<i>To protect commercial and private information and to prevent disclosure of information for improper gain or advantage (s7(2)(a), s7(2)(b), and s7(2)(j)).</i>

*and that*

2. *Darryl Lew be granted permission to remain at the meeting even after the public has been excluded, as his knowledge of the subjects will be beneficial for the discussions at hand; and that*
3. *The Governance Advisor also be permitted to stay for the meeting.*

The Council meeting then moved into a public-excluded session at 12.09pm.

.....  
Chair

.....  
Date

<b>Report to:</b> Council	<b>Meeting Date:</b> 9 April 2024
<b>Title of Item:</b> Actions List	
<b>Report by:</b> Sarah Tripathi, Governance Advisor	
<b>Reviewed by:</b> Darryl Lew, Chief Executive	
<b>Public excluded?</b> No	

### **Report Summary**

A summary of items that require actions.

### **Draft Recommendations**

The recommendation is that the Council receive the Actions List for information.



## ACTIONS LIST

Item No.	Date of Meeting	Item	Officer	Update
1.	5 March 2024	Delegations' manual.	CE/ Chief People and Capability Officer	Ongoing  Financial delegations' paper to be presented in Council meeting of May 2024. The remainder will follow in the next meeting cycle once the GMs have been appointed.
2.	5 March 2024	To make submission to Central Government and the relevant Ministers to inform Central Government of the potential consequences of implementing the functional needs test and how it has the potential to de-rail minerals applications that impact wetlands on the West Coast.	Acting Consents and Compliance Manager	Completed. Copy of the submission emailed to the Councillors on 20 March 2024.
3.	5 March 2024	Presentation to Kanoa Advisory Board regarding our IRG and Westport Flood scheme works (meeting held on 27 <sup>th</sup> February 2024) to be emailed to the Councillors.	Acting Infrastructure Manager (via IRG – Programme Manager)	Completed. Copy of presentation emailed to the Councillors on 13 March 2024.
4.	5 March 2024	With respect to the debtor with substantial debt in 90-day plus category has the Council commenced collection action or a legal process or is there a dispute holding up collection of that debt.	Finance Manager	It was reported to the Council meeting of 5 March 2024 that there was a substantial debt outstanding at 90 days of around \$667,060. This related to an error on Council's behalf and should not have been invoiced. The debt relates to two invoices both of which affect the VCS business unit and will have to be reversed before the end of the 2023/2024 financial year. This 90-days figure was the result of two invoices being issued and subsequently issued again at a later date. These invoices were never correctly credited back and reissued. We are confident that

Item No.	Date of Meeting	Item	Officer	Update
				given the new debt collection process and the internal controls around issuing and reissuing invoices this won't happen again.
5.	5 March 2024	To update Councillors on quantum of debt that was written off.		At present there is no actual debt that gets written off for the non-rate related aged receivables report This is because there is a substantial amount of work required into reviewing the outstanding debt pertaining to over 90 days and we have not previously had the resource to do that. We would be looking to review these debts within the next financial year. We would look to write off small balances (such as anything under a \$1 as uneconomical to collect) but to date we have not been doing that either. Council allows for a provision of doubtful debts in its Annual Plans and Annual Reports (2022/2023 Annual Report was \$56k provision).
6.	5 March 2024	To send the letter to the resource consent applications for which the fees is unpaid stating they have 30 days to pay.	Project Accountant	The non rates receivable collection process was implemented from 1 January 2024 so any resource consent applications with outstanding amounts longer than 30 days will be issued a letter after the 20th of this month.
7.	5 March 2024	A paper on the update of adoption of non-rate aged receivables debt collection process to be presented to the Council.	Acting Corporate Services Manager	A paper would be presented to the Risk and Assurance Committee meeting of May 2024.
8.	5 March 2024	To present to the Council the timeline on Council's policies reviews.	Chief People and Capability Officer	To be addressed in May 2024 meeting.
9.	5 March 2024	To obtain the contaminated site list or map from the DOC and email it to the Councillors.	Acting Infrastructure Manager	Addressed in the report for 9 April 2024.

Item No.	Date of Meeting	Item	Officer	Update
10.	5 March 2024	To present the paper on the contaminated site and Ministry of Environment's contaminated site funding program.	Acting Infrastructure Manager	Addressed in the report for 9 April 2024.

<b>Report to:</b> Council	<b>Meeting Date:</b> 9 April 2024
<b>Title of Item:</b> Treasury and Cashflow Functionality	
<b>Report by:</b> Chantel Mills, Project Accountant	
<b>Reviewed by:</b> Darryl Lew, Chief Executive	
<b>Public excluded?</b> No	

### Report Purpose

The purpose of this report is to provide Council with:

- a. An update on the various debt funding option available to it and currently being used, and
- b. A proposal to improve the treasury and cashflow functions from a risk and practicality perspective.

### Report Summary

This report outlines a proposal to improve the treasury and cashflow functions from a risk and practicality perspective.

### Draft Recommendations

It is recommended that Council resolve to:

1. Receive this report and note the attachment, and
2. Endorse the proposed state outlined in this paper, including:
  - a. Council require a minimum balance of \$3 million funding be held on call, and
  - b. The Westpac overdraft of \$0.5 million be removed, and
  - c. The Westpac Multi-option Credit Line (MOCL) agreement be renewed for a further two years, and
  - d. The Westpac Multi-option Credit Line (MOCL) be increased from \$2.5 million to \$3 million.

### Issues and Discussion

#### Background

At present, Council do not have a requirement to maintain a minimum daily balance of cash on call in the 00 daily transactional account. WCRC have access to a **\$500k overdraft facility** on the Westpac 00 daily transactional account. The overdraft is automatically accessed if the 00 daily transactional bank account becomes overdrawn following a payment. There is a 1.20% per annum (p.a) monthly line fee on the overdraft facility (i.e. \$500 per month) and the interest rate charged on funds drawn down is based on Westpac's Commercial Lending Rate (CML) plus a customer margin (i.e. CML of 10.15% p.a. at present + 0.00%). Interest is calculated daily and charged monthly. The Westpac overdraft facility represents the most expensive source of borrowed funds available to Council.

WCRC have access to a **\$2.5 million multi-option credit line (MOCL)** facility with Westpac which provides Council with quick access to funds (i.e. within hours). To access MOCL funds, WCRC banking authorisers (at least two) contact Councils' Westpac relationship manager via email and request the release of \$X funding. Westpac then release the funding to Councils 00 daily transactional bank account.

The existing MOCL facility, which is due to expire on 1 July 2024, incurs a monthly line fee calculated at 0.35% p.a. on the MOCL facility (i.e.  $\$2.5\text{m} \times 0.35\% / 12 = \$729$  per month). The fee is charged monthly for the benefit and flexibility of having access to these funds at short notice.

The interest rate charged on funds drawn down from the MOCL is consists of the base rate, being the Official Cash Rate (OCR) plus 0.30% p.a line fee plus WCRC's customer margin of 1.15% p.a. The current interest rate is 6.95% p.a (i.e. OCR of 5.50% + 0.30% + 1.15%) and is applied to the daily balance of the outstanding loan and charged monthly. (E.g. If the outstanding MOCL balance is  $\$1,000,000$  @ 6.95% p.a. /365 =  $\$190.41$  daily interest charge).

The interest rate charged on the MOCL facility is lower than that charged on the Westpac overdraft facility but is higher than the interest rates charged by the Local Government Funding Agency.

Most of the borrowing by WCRC is with the **Local Government Funding Agency (LGFA)**. LGFA funding can be accessed with 2-3 days' advanced notice at lower rates than those on the Westpac overdraft and Westpac MOCL. The minimum amount of funding available from LGFA in one transaction is  $\$1$  million dollars and the minimum LGFA term is one month.

Council became an LGFA Guarantor in September 2023, which gives Council access to cheaper borrowing rates on any new debt drawn down in the future.

## Discussion

The existing Westpac MOCL agreement is due to expire on 1 July 2024.

Council staff have met with Westpac and obtained indicative pricing for a further two years should Council to the MOCL agreement. The indicative pricing provided by Westpac would consist of the base rate (i.e. OCR) plus 0.35% p.a line fee plus WCRC's customer margin of 1.50% p.a. On this basis the current MOCL interest rate would be 7.35% p.a (i.e. OCR of 5.50% p.a + 0.35% p.a + 1.50% p.a) opposed to the current rate of 6.95% p.a.

Considering the expiring MOCL agreement, staff have taken the opportunity to also review the practicalities of administering Councils daily treasury and cashflow requirements. Staff propose the following changes to the status quo:

1. Council should hold a minimum balance of  $\$3$  million funding on call, and
2. The Westpac overdraft of  $\$0.5$  million should be removed, and
3. The Westpac Multi-option Credit Line (MOCL) agreement should be renewed, and
4. The Westpac Multi-option Credit Line (MOCL) should be increased from  $\$2.5$  million to  $\$3$  million.

The proposed changes will provide Council with:

1. A minimum cash buffer of  $\$3$  million in the form of cash on call rendering the overdraft facility unnecessary,
2. Continued quick access to funding under the MOCL in emergencies,
3. Lower overall borrowing rates from Westpac.

## Considerations

### Implications/Risks

Access to appropriate and affordable funding options is essential for Council to operate under normal and emergency scenarios.

### Significance and Engagement Policy Assessment

There are no issues within this report which might trigger matters in this policy.

### Tangata whenua views

Staff are not aware of any issues within this report which would impact tangata whenua.

### Views of affected parties

Staff are not aware of any issues within this report which would impact any affected parties.

### Financial implications

#### Future

Periodic review of the status quo has highlighted some scope for efficiencies in the way Council administers the daily treasury and cashflow functions. It is essential these functions running smoothly and provide ratepayers with quick, affordable access to funding if / when the need arises.

### Legal implications

Not applicable

### Attachments

**Attachment 1:** WCRC Treasury and Cashflow Function - Status Quo and Proposal

**Attachment 1: WCRC Treasury and Cashflow Function - Status Quo and Proposal**

<b>WCRC Treasury and Cashflow Function - Status Quo and Proposal</b>				
<i>Example 2 is the preferred option in this paper</i>				
<i>The examples illustrate the <u>worst case scenario</u> by assuming the funding options have been fully drawn down for a full year. This is NOT planned to be an annual budget cost.</i>				
			<i>Example 1</i>	<i>Example 2</i>
	<b>Existing MOCL agreement (expires 1 Jul 2024)</b>	<b>Extended MOCL agreement</b>	<b>Status Quo*</b>	<b>Proposed state*</b>
Cash on Call (minimum)			\$0	\$3,000,000
Westpac O/D facility			\$500,000	\$0
Westpac MOCL facility			\$2,500,000	\$3,000,000
<b>Total borrowing facilities with Westpac</b>			<b>\$3,000,000</b>	<b>\$3,000,000</b>
<b>Cost of Westpac O/D facility</b>				
O/D Line fee % p.a	1.20%	1.20%		
O/D Line fee \$ p.a			\$6,000	\$0
Commercial lending rate % p.a	10.15%	10.15%		
Customer margin % p.a	0.00%	0.00%		
O/D interest rate % p.a	10.15%	10.15%		
O/D interest \$ p.a			\$50,750	\$0
<b>Cost of Westpac MOCL facility</b>				
MOCL Line fee % p.a	0.35%	0.35%		
MOCL Line fee \$ p.a			\$8,750	\$10,500
Official Cash Rate (OCR) % p.a	5.50%	5.50%		
MOCL Line fee % p.a	0.30%	0.35%		
WCRC Customer margin % p.a	1.15%	1.50%		
<b>MOCL interest rate % p.a</b>	<b>6.95%</b>	<b>7.35%</b>		
MOCL interest \$ p.a			\$183,750	\$220,500
<b>TOTAL</b>			<b>\$249,250</b>	<b>\$231,000</b>
* The indicative rates provided to Council by Westpac should the MOCL agreement be extended for a further two year on 1 July 2024				
The impacts of compounding interest have been ignored in the examples provided.				

<b>Report to:</b> Council	<b>Meeting Date:</b> 9 April 2024
<b>Title of Item:</b> Emergency Fund Replenishment	
<b>Report by:</b> Chantel Mills, Project Accountant	
<b>Reviewed by:</b> Darryl Lew, Chief Executive	
<b>Public excluded?</b> No	

### Report Purpose

The purpose of this report is to provide Council with:

- a. An update on the Department of Internal Affairs (DIA) contribution towards the replenishment of Councils' emergency fund, commonly referred to as the "Catastrophe Fund".
- b. An opportunity to discuss Councils preference for replenishment of the emergency fund to the pre-flood level.

### Report Summary

This report outlines the history of the Catastrophe Fund, the funds current balance, and two options available to Council for the replenishment of the fund to the pre-flood level.

### Draft Recommendations

It is recommended that Council resolve to:

1. Receive this report and note the attachments, and
2. Provide instruction on the preferred option for the replenishment of the Catastrophe Fund to the pre-flood level following the receipt of the first instalment of \$869,565 (excl GST) from the Department of Internal Affairs (DIA) on 20<sup>th</sup> February 2024 under the "Building Westport's Flood Resilience" agreement for this purpose.

### Issues and Discussion

#### Background

In 2011, Council placed \$1 million into a Catastrophe Fund held with JB Were. The Catastrophe Fund was fully liquidated in May 2022 and has been held in 100% cash since May 2022. Interest income earned on the investments is currently reinvested into the fund on a quarterly basis when received.

The Catastrophe Fund was accessed twice in the year ended 30 June 2023 to fund emergency works related to the July 2021 and February 2022 Westport floods (i.e. \$35,000 withdrawn in February 2023 and \$472,000 withdrawn in March 2023). Total withdrawn in the 2022/23 financial year was \$507,000.

On 14<sup>th</sup> September 2023, a Funding Agreement between the Department of Internal Affairs and West Coast Regional Council for Building Westport's Flood Resilience was signed. The funding package set aside \$22.9 million to co-invest in the building of future flood resilience in Westport and encompassed several initiatives.

One of the funding initiatives was the contribution from DIA of \$1 million (excl GST) towards the restoration of WCRC's emergency fund to the pre-flooding level.

**Extract:** Budget Summary - Funding Agreement between the Department of Internal Affairs and West Coast Regional Council for Building Westport's Flood Resilience (signed 14 September 2023)



## Westport Flood Resilience: Budget Summary

	Description of request from councils	Amount requested in business case	Amount provisioned by Government funding	Explanation
	Immediate emergency works	<del>\$3.3m</del>	\$1m	A contribution to restore West Coast Regional Council's emergency funds to pre-flooding levels.

### Current situation

On 19<sup>th</sup> January 2024, WCRC invoiced DIA for \$869,565 (excl GST) towards the replenishment of Council's emergency fund per the funding agreement. Council staff are in the process of raising an additional invoice to DIA for \$130,435 (excl GST) to bring the total GST exclusive amount of funding for the replenishment of the emergency fund to \$1m per the funding agreement.

Council received payment of the invoiced amount (i.e. \$869,565 excl GST) on 20<sup>th</sup> February 2024.

The net closing value of the Catastrophe Fund at 29<sup>th</sup> February 2024 was \$500,310 and the net positive interest income return on the fund was \$15,551 for the eight months to 29<sup>th</sup> February 2024. This represents a budget interest income shortfall on the fund in the 2023/24 year-to-date of \$14,449.

### Westport emergency flood works

- Council have not previously rated for the emergency flood works required in Westport following the 2021 and 2022 flood events.
- Based on the information provided to DIA with INV 224072 (and subsequently reviewed by the writer) Council have spent a total \$2,287,712 (excl GST) on emergency works at Organs Island (\$1,590,137 excl GST) and Kawatiri Scour (\$697,575 excl GST).
- After deducting the \$1m (excl GST) funding from DIA to replenish the WCRC emergency fund, there's a funding shortfall of \$1,287,712 across the Organs Island and Kawatiri Scour projects.
- To date, Council have funded the emergency flood works in Westport through borrowings.
  - New LGFA loans (i.e. not rolled over loans) since the July 2021:

LGFA Deal Ref	Date	2021/22	2022/23	2023/24
12296	26/11/2021	(1,000,000.00)		
13672	26/05/2022	(750,000.00)		
14003	15/07/2022		(1,000,000.00)	
16880	13/06/2023		(1,830,000.00)	
17497	18/08/2023			(3,000,000.00)
<b>Grand Total</b>		<b>(1,750,000.00)</b>	<b>(2,830,000.00)</b>	<b>(3,000,000.00)</b>

#### Notes:

1. New borrowing since July 2021 **does NOT all** relate to emergency flood works.
2. LGFA Deal Ref 14003 is directly 'tagged' on a 1:1 basis to the One District TTP Plan.
3. LGFA Deal Ref 17497 was drawn down in response to a cashflow shortage in August 2023 which was partially due funding non-rated projects such as Westport related flood works, and the debt funded One District TTP Plan. Further work is required by the Finance team on the Loan-book to substantiate the breakdown.

- Council utilised its Westpac Multi-Option Credit Line (MOCL) facility in August 2023. The loan balance at 31 March 2024 is \$1.915m.

### Discussion

This paper provides Council with two options for consideration and are summarised in **Attachment 1: Restoring WCRC emergency fund to pre-flood levels - Options for discussion.**

**Option 1:** Replenish the catastrophe fund to \$1m and repay some of the debt incurred as a result of emergency flood works undertaken in Westport prior to the funding agreement being signed on 14<sup>th</sup> September 2023. The balance of the catastrophe fund would be \$1m and there would be \$0.5m available to repay some current debt (i.e. the MOCL).

**OR**

**Option 2:** Add the total funding provided for by DIA (i.e. \$1m excl GST) to the existing catastrophe fund balance held with JB Were. The balance of the catastrophe fund would be greater than \$1m.

### Considerations

#### Implications/Risks

#### Significance and Engagement Policy Assessment

There are no issues within this report which might trigger matters in this policy.

#### Tangata whenua views

Staff are not aware of any issues within this report which would impact tangata whenua.

#### Views of affected parties

Staff are not aware of any issues within this report which would impact any affected parties.

#### Financial implications

##### Current budget

The full year 2023/24 budget for return on investment on the Catastrophe Fund is \$45,000.

##### Future

#### Legal implications

Not applicable

## Attachments

**Attachment 1:** Restoring WCRC emergency fund to pre-flood levels – Two options for discussion.

**Attachment 1: Restoring WCRC emergency fund to pre-flood levels – Two options for discussion.**

<b>Funding for the Replenishment of WCRC emergency fund to pre-flood level</b>	<b>\$ (excl GST)</b>	
Funding available per the funding agreement signed on 14th September 2023	\$ 1,000,000	
<u>Less</u> Funds invoiced and received from DIA on 20th February 2024 (Inv 224072)	\$ 869,565	
<b>Funding yet to be invoiced to DIA by WCRC*</b>	<b>\$ 130,435</b>	
	<b>Option 1</b>	<b>Option 2</b>
	<i>Restored to \$1 million?</i>	<i>Restored by \$1 million?</i>
<b>Catastrophe Fund balance at 29 February 2024</b>	<b>\$ 500,310</b>	<b>\$ 500,310</b>
<b><i>Plus one of the following two options</i></b>		
<b>Option 1:</b> Restore the WCRC's emergency fund to \$1 million <u>and</u> use the balance of funds to repay debt incurred by Council on Westport related emergency works prior to the Funding Agreement being signed on 14th September 2023	\$ 369,255	
<b>Option 2:</b> Restore the WCRC's emergency fund by \$1 million		\$ 869,565
<b>Catastrophe Fund balance at 31 March 2024**</b>	<b>\$ 869,565</b>	<b>\$ 1,369,875</b>
Funds available after restoring the WCRC's emergency fund to pre-flood levels and <b>available to repay debt</b> as a result of Westport emergency works prior to DIA funding being received	\$ 500,310	\$ -
Funds invoiced to and received from DIA for the replenishment of the WCRC's emergency fund to pre-flood levels*	\$ 869,565	\$ 869,565
* As at 31 March 2024		
** Excludes net interest receivable in March 2024		

<b>Report to:</b> Council	<b>Meeting Date:</b> 9 April 2024
<b>Title of Item:</b> 2024/34 Long-Term Plan: Consultation Document and Supporting Documentation	
<b>Report by:</b> Aaron Pendergrast, Principal Financial Advisor; Nichola Costley, Contractor	
<b>Reviewed by:</b> Darryl Lew, Chief Executive	
<b>Public excluded?</b> No	

## Report Purpose

The purpose of this report is to receive, consider and adopt the following documents for public consultation:

- The supporting information that is relied on for the content of the Consultation Document, including the strategies and policies.
- The Consultation Document for the preparation of the 2024/2034 Long-Term Plan.

## Report Summary

This report seeks Council adoption of the Long-term Plan Consultation Document and supporting documentation for public notification on 12 April 2024. Adoption of the Long-term Plan Consultation Document is required to progress business as usual for Council.

Council's total proposed rate requirement for 2024-25 (year 1 of the Long-term Plan) is an increase of 20.8% on 2023-24. This is comprised of a General Rate increase of 27% and Targeted Rate increase of 10% for year 1.

## Draft Recommendations

### It is recommended that Council:

1. Receives this report on the Consultation Document and supporting information for the 2024/2034 Long Term Plan
2. Adopts the supporting information that is relied on for the content of the Consultation Documents
3. Adopts the Consultation Document that will form the basis of the 2024/2034 Long-term Plan
4. Publicly notifies and invites submission on the Consultation Document and Supporting Documentation for the 2024/2034 Long-term Plan pursuant to the special consultative procedure of the Local Government Act 2002

## Issues and Discussion

### Background

The Local Government Act 2002 requires every local authority to have an operative long-term plan. A long-term plan is intended to:

- Describe the activities of the local authority
- Describe the community outcomes of the local authority's district or region
- Provide integrated decision-making and coordination of the resources of the local authority
- Provide a long-term focus for the decisions and activities of the local authority
- Provide a basis for accountability of the local authority to the community.

In years in which a long-term plan is not prepared, an annual plan is required to be produced. While the long-term plan has an audit requirement, there is no such obligation on an annual plan. This reflects the importance of the long-term plan in relation to the annual plan.

A consultation document is required to be prepared as part of the special consultative procedure to be used in preparing and adopting a long-term plan. The purpose of the consultation document is to provide an effective basis for public participation in local authority decisions-making processes relating to the content of a long-term plan by:

- Providing a fair representation of the matters that are proposed for inclusion in the long-term plan, and presenting these in a way that –
  - o Explains the overall objectives of the proposals, and how rates, debt, and levels of service might be affected
  - o Can be readily understood by interested or affected people
- Identifying and explaining to the people of the region, significant and other important issues and choices facing the local authority and region, and the consequences of those choices
- Informing discussion between the local authority and its communities

Before adopting a Consultation Document the local authority must prepare and adopt the information that:

- Is relied on by the content of the Consultation Document
- Is necessary to enable the Auditor-General to give the audit report required
- Provides the basis for preparation of the long-term plan.

## Discussion

### Consultation Topics

The LTP-CD has two key consultation topics:

1. How to balance the budget reflecting the need to stop using debt to pay for every-day costs, and investing in the organisation so that it is fit for purpose for the future; and
2. Future funding of the Predator Free Te Kinga Project following the end of external funding support in year 2.

### Policies and Strategies

The policies and strategies underlying the development of the Long-term Plan have been workshopped by Council throughout the process. They are included as attachments to this report.

### Schedule of Use Fees and Charges

A review of user fees and charges has been completed. The main change is an increase for all fees and charges to reflect actual inflation costs since 2021. The changes proposed seek to ensure they are fair, cover actual and reasonable costs, and those who benefit from our services are they primary contributors (to avoid these being subsidised by the general ratepayer).

Feedback is being sought on the Schedule at the same time as the Consultation Document.

### Transfer of Ownership for flood protection assets

Council is proposing to transfer ownership of the flood protection assets of the Grey Floodwall and the Havill Wall (Franz Josef) from the respective District Councils. Management of flood protection assets is part of the business of Council and the transfer will provide for greater coherency in their management.

## Audit

The Consultation Document must contain a report from the Auditor-General on whether it gives effect to its statutory purpose and the quality of the information and assumptions underlying the information provided.

*This report is not available to WCRC at time of writing this report, but is expected to Council before the meeting on the 9<sup>th</sup> April.*

EY are finalizing their audit on behalf of the Auditor-General and will need to confirm that the Consultation Document provides an effective basis for public participation in the decisions about the proposed content of the 2024/2034 Long-Term Plan, because it fairly represents the matters proposed for inclusion in the long-term plan, and identifies and explains the main choices facing the Council and region, and the consequences of those choices. Further, the information and assumptions underlying the information in the Consultation Document are reasonable.

## Public Consultation

The following timetable is envisaged to complete the adoption of the 2024/2034 Long-term Plan:

### *Tuesday, 9 April 2024 – Ordinary Council Meeting*

- Adoption of the supporting documentation for the 2024/2034 Long-term Plan
- Adoption of the Long-term Plan Consultation Document

### *Friday, 12 April 2024*

Public notification of the Consultation Document and supporting documents for the 2024/2031 Long-Term Plan for public submissions. Available on Council's website and at public libraries across the region.

### *Friday, 10 May 2024*

Public submissions on the Long-term Plan Consultation Document and supporting documentation for the 2021/2031 Long-term Plan close (4-week period)

### *Monday, 20 May 2024*

Hearing of submissions on the Long-term Plan Consultation Document and supporting documentation for the 2024/2034 Long-term Plan.

### *Tuesday, 21 May 2024*

Deliberations to consider the submissions received on the Long-term Plan Consultation Document and the supporting documentation, adopt or not adopt the staff recommendations on submissions and instruct staff to prepare the final Long-term Plan and supporting documents in a way that reflects the decisions that Council has made.

### *Tuesday, 25 June 2024*

Council meeting for the 2024/2034 Long-term Plan to be adopted and resolution for the rates strike made.

## **Options Analysis**

There are two options for Council can consider. These are:

1. Adopt the supporting documentation and Long-term Plan Consultation Document that will form the basis for the preparation of the 2024/2034 Long-term Plan as presented and then commence with the special consultative process.

2. Amend, or reject, the supporting documentation and the Long-term Plan Consultation Document that will form the basis for the preparation of the 2024/2034 Long-term Plan and review the process.

Option	Advantages	Disadvantages
Adopt the supporting documentation and Long-term Plan Consultation Document that will form the basis for the preparation of the 2024/2034 Long-term Plan as presented and then commence with the special consultative process.	The public consultation and engagement procedure will commence and the regional community can have their input into the 2024/2034 Long-term Plan.	No disadvantages identified.
Amend, or reject, the supporting documentation and the Long-term Plan Consultation Document that will form the basis for the preparation of the 2024/2034 Long-term Plan and review the process.	No advantages identified.	Potential delay in consultation risks meeting statutory deadlines.

### Costs and Benefits

The costs and benefits have been identified in the advantages and disadvantages described above.

### Considerations

#### Implications/Risks

The draft Long-term Plan sets out a number of rate and charging increases that will impact the community and likely generate some public reaction.

#### Significance and Engagement Policy Assessment

In terms of the Significance and Engagement Policy, the decision is assessed as being significant. This assessment is based on the following criteria:

- The issue will affect a large number of residents and ratepayers to a moderate extent
- The issue will potentially generate wide public interest within the region

The community's view will be ascertained through consultation and engagement, via the special consultative process outlined in the Local Government Act 2002, on the 2024/2034 Long-term Plan.

#### Tangata whenua views

There are no special matters in this report which require consideration under this heading.

#### Views of affected parties

Views of affected parties will be ascertained through the special consultative process and the ability for affected parties to make submissions and be heard in support of those submissions.



### **Financial implications**

The Long-term Plan sets out the 10-year budget for the Council.

### **Legal implications**

This report and the associated recommendation comply with the appropriate statutory requirements imposed upon the Council.

### **Attachments**

- Long-Term Plan Consultation Document
- Long-Term Plan Supporting Documentation:
  - Financial Strategy
  - 30-Year Infrastructure Strategy
  - Revenue and Finance Policy
  - Investment and Borrowing Policy
  - Significance and Engagement Policy
  - Rates Remission and Postponements Policy
  - Policy on the Remission and Postponements of Rates on Maori Freehold Land
  - Policy of CCO's
  - Policy on Financial Contributions
- User Fees and Charges Schedule
  - Forecast Financial Statements
  - Funding Impact Statements
  - Significant Forecasting Assumptions
  - Rating Funding Impact Statement
- Asset Management Plans
- Statements of Service Performance

# West Coast Regional Council Long-term Plan Consultation Document 2024 – 2034

**LONG-TERM PLAN  
CONSULTATION TOPICS:**

Balancing the budget

Predator Free Te Kinga

Our updated Strategies  
and Policies

Changes to our User Fees  
and Charges

Transfer of ownership of  
the Grey Floodwall and  
Havill Wall

**Find out more about  
these changes in this  
Consultation Document**

Your feedback is important. Have we got this right?  
Want to make a submission? Check out the back page for how to provide  
feedback.

## Welcome,

There is no doubt that we have a number of challenges ahead of us as we grapple with rising costs, higher interest rates, inflationary pressures, increasing demands and internal systems and processes that are no longer fit for purpose.

The change in government has led to a respite in the legislative direction being pushed down such as the Resource Management Act Reforms. We will be watching closely to see what changes are made so that we can adapt our work programmes and budgets appropriately, either through this process or in future Annual Plans.

However, we will still be proposing a significant increase to the General Rate for year 1. This is in part catch-up for what hasn't been rated for in the past, but also in conjunction with the high inflation environment we are currently experiencing. This year is big, but it is happening to local government right across New Zealand.

The business of Council, and the levels of service we are expected to deliver on continue to grow. Rates have been held artificially low for too long. The budgets prepared as part of this Long-term Plan reflect the true cost of doing business. Ultimately, we have to return to surplus. We believe the approach we have outlined in our Financial Strategy, and summarised in this consultation document, will get us there.

Essentially, we are proposing that investment in the organisation's capital works, including corporate service system upgrades, will be funded by debt for the first 3 years of this Long-term Plan, but then the tide will turn, and we will be able to start to pay down this debt. This 'rate smoothing' approach forms the main topic in this consultation document we are seeking your feedback on.

Targeted rates, particularly in Westport, will also experience some big movements. Where these are expected we have highlighted it in this consultation document so ratepayers are aware of what is being proposed.

There is a lot of work to be done and we have attempted to balance your needs as a community with those projects we must undertake. Not everything will be done in year 1, but over time the important work will get completed.

We'd like to hear from you. Make your submission to help make a difference for the future.

Peter Haddock  
Chair

Darryl Lew  
Chief Executive

### Why are you receiving this document from us?

We're planning the next 10 years, based on what we hear from you as well as what we have to deliver as part of our legislative functions. We would like your feedback to make sure we have got it right.

We want your feedback on our consultation topics – to find out more go to pages 10-12 of this Document	
How do we fund an increased rate requirement of 20.8% for 2024-25? Do we borrow to smooth out the rate increase, or don't borrow and just rate at a higher amount from year 1 to avoid taking on debt?	Should the Predator Free Te Kinga Project receive funding from the General Rate from year 3 once its external funding ceases?



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## Preparing for the future

We have developed this Long-term Plan through the lens of preparing for the future. Whether this is as result of adapting to the hazards we live amongst, the legislative requirements facing us, or lifting our ability to undertake our business as usual activities. This all requires investment in order to deliver on the outcomes sought by our community.

The choices made in the past on where we live and do business have made us susceptible to the impacts of natural hazards. We need to adapt, or defend as required, to build resilience and to protect the economic, social and cultural well-being of our communities. Decisions must be affordable and take a long-term perspective with our communities having a clear understanding of the risks they are living with. The greater awareness of natural hazards by communities is leading to higher expectations placed on local government for the provision of structural protection and better emergency response and recovery.

Our roles and responsibilities are primarily determined by central government policy and legislation. The change in government will result in a change of focus for local government. However, it is likely that Councils will continue to face significant legislative challenges over time. The extent of change is not yet fully known, but it will shape the Council's work programmes in meeting the region's natural resource management responsibilities. The incorporation of these changes into our stewardship of the natural environment must be undertaken in a pragmatic manner so that economic development opportunities can still be realised. We are working together with our iwi partners on this journey as there is great strength found in standing together and pursuing a strong future for Tai Poutini – West Coast.

Along with the rest of the country, we are being called upon to do more, do it better and do it faster. Looking to the future, our work programmes must be targeted, delivering on the ground results and achieving the best outcomes for regional ratepayers and West Coast communities. Council will need a build a solid foundation to deliver on the levels of service committed to.

There will be tough decisions to make as the quantum of work ahead of Council must be adequately resourced and funded. Some of this work will be driven through central government direction, potentially resulting in the loss of regional decision-making, while other activities will be at the request of our community. However, there are opportunities ahead of Council to capture efficiencies for local government across the region through adoption of an aligned service model for various functions<sup>1</sup>.

### Highlights from the last Long-term Plan

#### 2021 – 2022

- Kawatiri Business Case submitted to Minister the Minister of Local Government seeking co-investment for Westport resilience projects.
- Notification of the Proposed Te Tai o Poutini Plan (combined district plan for the West Coast).
- Final piece of the Buller River flood monitoring system installed and commissioned.

#### 2022 – 2023

- Operational evacuation plan completed for Westport.
- Completion of the Kawatiri Scour and Organs Island emergency protection works.
- Council's partnership with Poutini Ngāi Tahu formally recognised – awarded the *Best Practice Award in Consultation and Participation Strategies* by the NZ Planning Institute for the Mana Whakahono ā Rohe Arrangement.
- Confirmation of the presence of Great Spotted Kiwi on Mount Te Kinga.

#### 2023 – 2024

- Waiho River Management Strategy.
- Increasing capability and capacity of staff resources.
- Commencement of the Westport Flood Protection project.
- First identification of South Island Kaka on Mount Te Kinga by Council staff.
- Undertook major consenting projects representing real economic development – TiGA, Westland Mineral Sands.
- Opening of the Regional Council Westport office as part of the flood protection project in April 2024.
- 'One Voice' briefing to the incoming government prepared on behalf of the West Coast Mayors, Chairs and Iwi – a pivotal document to elevate the development of the region.

<sup>1</sup> For more information on the Reform of Local Government and the four West Coast Council's approach to aligning services refer to pages 18 – 19 of the draft Long-term Plan 2024-25.

## Opportunities and Challenges - GENERAL

### Resourcing

The West Coast Regional Council is the smallest of the regional councils yet must deliver the same services and functions as the other regions of New Zealand. Resourcing is therefore one of our biggest challenges. We prioritise our resource management efforts in areas where the greatest resource pressures occur and in specific areas as directed by central government policy.

A region spanning 600km, equivalent to the distance between Auckland and Wellington, provides challenges in the way Council efficiently and effectively undertakes its roles and responsibilities, but also presents opportunities to adopt new technology and processes.

Underinvestment in the past has meant that Council's systems and processes are under pressure to perform as required and are not delivering on customer expectations.

Recruitment of suitably qualified staff is an issue hampering organisations across the West Coast. This is compounded by a chronic housing shortage for when staff are recruited from outside of the region.

From 1 July, we are planning a significant investment in the back-office services that keep this Council running.

We need to make major investment in our technology to meet changing the changing requirements of today's world, as well as meeting the needs of our customers to make working with us as easy and efficient as possible.

These upgrades have not been included as a consultation topic as we feel for the community's best interests, there is no alternative but to undertake this investment.

### Climate change and natural hazards

The need to understand and address the increasing impact of climate change on communities is growing. While we can't predict earthquakes, scientific research indicates there is a 75% probability of an Alpine Fault earthquake occurring in the next 50 years, and there is a 4 out of 5 chance that it will be a magnitude 8+ event.

Planning for the impacts of a changing climate is an important consideration we apply across all of our work programmes. While some of this work has been undertaken over many years other projects have been included in this Long-term Plan for the next 1-3 years as we work with our communities to build resilience to the impacts of climate change.

Natural hazard investigations and the impacts of severe weather events and other hazards have led to new planning provisions being included in Te Tai o Poutini Plan (the combined district plan for the West Coast). A Plan Change to update the Regional Policy Statement natural hazard and flooding provisions is planned for year 1 of this Long-term Plan. These provisions provide the framework for how communities can grow and develop into the future. Council's flood warning and telemetry information is some of the most accessed data on our website. Operating a comprehensive flood network of rainfall and river level recorders across the region supports flood warning and response activities. This information is also feeding into more sophisticated computer modelling to provide a predictive flood warning and forecasting system – this is increasingly important to prepare communities in advance of flood events and provide reliable data for flood mitigation infrastructure, planning and design. An upgrade to improve the reliability of the network has been planned for year 1. On behalf of the community, we manage 23 rating districts throughout the region providing flood and erosion protection. Maintenance and renewals are undertaken on the direction of the respective rating community, and is dependent in many cases on affordability. A key component to managing these assets is improving the collection and recording of asset condition information. New asset management databases have been included in the technology upgrade planned for years 1 and 2. When events do occur, we coordinate the emergency management response helping communities to respond to, and recover from, floods, earthquakes and other such disasters.

Work to improve our preparedness, and to mitigate and avoid the impacts of such issues is built into our work programmes across the *Infrastructure and Resilience*, *Natural Environment* and *Policy and Regulation* Activity Groups.

### Rapid pace of technological change

A wide range of technology is used across our organisation – it is key to how we work with our partners, communities and stakeholders.

The rapid pace of technological change means that we must be able to adapt quickly and invest to continue to improve, and in some places bring our systems up to present day expectations, to continue improving our service delivery and outcomes for the environment. In the past, information technology systems could be expected to provide services for 10 - 15 years, these days it is more likely to be 5 - 10 years which is placing pressure on both local government and the entire public service. New systems require investment in onboarding, implementation, and training. The standard of information being demanded by the Auditor General is also increasing. This is requiring investment in better systems and processes to meet these standards.

Rapid advances to technology are changing the way we can gather, manage and share data. This in turn, creates changing expectations from our communities around how they can access and utilise the information we hold.

Over years 1-2 of the Long-term Plan, Council is intending to invest in new data and document management systems, core financial systems and reporting tools, a fit-for-purpose spatial platform for GIS and aerial imagery and asset management systems for the management of Rating District asset information.

### Briefing to the Incoming Government – Elevating New Zealand through development of the West Coast

In December 2023, the West Coast Mayors, Chairs and Iwi submitted a briefing to the incoming government on the opportunities to work together to drive economic growth, enhance infrastructure and community resilience, and promote sustainable practices across key sectors within the region. The purpose – to create a strong investment climate, stimulate job creation and enhance the quality of life for our community, as well as to contribute to economic growth for New Zealand. There are significant opportunities available for the region provided that the right regulatory settings are put in place and critical infrastructure is invested in.

We are extremely optimistic about the future of our region: there are significant opportunities for economic development leading to greater employment and prosperity for our communities.

#### Potential Future Funding Support

With a new Government in place, there may be opportunity to seek funding support for various Council initiatives. It is unclear as to the nature of these initiatives during the drafting of this Long-term Plan, therefore any co-funding support required from the community will need to be consulted on in due course, either as part of a special consultative process or future Annual Plan.

## Opportunities and Challenges - SPECIFIC

### Westport

Westport was hit by severe flooding in July 2021 and February 2022. It is likely to face further flood events in the future. The West Coast Regional Council, Buller District Council and Te Rūnanga o Ngāti Waewae, on request of the Minister for Local Government, submitted a proposal for co-investment to improve Westport's flood resilience. In Budget 2023, the Government set aside \$22.9 million for a number of flood resilience initiatives.

There is a significant programme of works ahead of both the Regional and District Council over the next three years. The Councils are committed to working together to present, where possible, joint community engagement processes in progressing these works. For the Regional Council, the funded packages of work include:

- \$15.6M (plus up to \$10.2M from the Regional Council) for floodwalls to reduce the risk of flooding.
- \$1.5M for the reforestation of the Organs Island area.
- \$500,000 to improve local emergency management capability.
- \$250,000 for a sea level monitor / tide gauge to improve early warning systems.

A Regional Council Westport Office will be opening in April 2024 to support the flood protection project. This will also act as a hub for community engagement and consultation for the scheme.

### Westport Rating District – Targeted Rates

We have commenced the building of flood protection infrastructure on behalf of the Westport Rating District. It is anticipated that project spend will be \$1.38M in the current 2023/24 financial year funded by \$1.03M of grant funding and \$0.35M in debt funding as the local share contribution.

As this works progresses, there will be ongoing financial implications. We want ratepayers in this area to be aware of what this means for their Targeted Rate.

#### Year 1

Will see \$0.75M drawn down for construction works. Debt is being used by Council for the local share contribution to spread the rating requirement and create intergenerational equity.

A financial cost of \$65,813 will be required from the Rating District (made up of interest charges of \$52,650 per annum, \$13,163 in principal repayments – repayments over 80 years, and maintenance costs of \$99,700 (1% of the capital value of the \$9.97M project to year 1 end).

*Total targeted rate for year 1 related to this project - \$165,513*

#### Year 2

An additional \$4.73M will be drawn down for another \$11.4M in construction works. With this second year of works, the targeted rate is forecast to increase to \$575,268 (made up of interest charges of \$289,150 per annum, \$72,288 in principal repayments and maintenance costs of \$213,830 (1% of the capital value of the \$20M project in year 2)).

*Total targeted rate for year 2 related to this project - \$575,268*

#### Year 3

The final \$2.6M will be drawn down to complete the construction – a total local share of \$8.37M, all drawn down debt. At the conclusion of the project, the targeted rate is forecast at \$762,680 (made up of interest charges of \$418,400, \$104,600 in principal repayments and maintenance costs of \$239,700 (1% of the capital value of the \$23.97M project. These are per annum costs).

*Total targeted rate for year 3 related to this project - \$762,680*

Through the Financial Strategy, Council has elected to align debt repayment to the life of new assets (over 80 years), in particular the Westport Flood Protection Project, for generational equity purposes.

### Waiho River Future Management Strategy

In August 2023, Council engaged independent experts in hydrology, engineering and river modelling to develop a ten-year Management Strategy (the Strategy) for the Waiho River. A community meeting was held in Franz Josef on 11 October for the Technical Advisory Group to present their findings and future considerations for managing the Waiho River and to seek feedback from local residents.

Continual aggradation due to a high sediment load and constrained river channel from flood protection works has resulted in ongoing issues. A recent avulsion into the Tatare Stream to the north has the potential to cause significant problems in the future, including threatening the Westland District Council's wastewater oxidation ponds, the closed Franz Josef Landfill, Milton and Others stopbank, State Highway 6, the ecological value of Lake Pratt, for the occupation of the Stony Creek, Tatare and Top 10 Holiday Park areas, and the surrounding farmland.

The management strategy to date has always been one of control through protection structures such as stopbanks, revetments and groynes. The risk can be partially reduced by releasing the river to the south to occupy more of its floodplain (currently private farmland). However, substantial risk reduction is only realised once all stopbanks on the south side of the river are removed, including the State Highway stopbanks from the Waiho River bridge to Canavan's Knob. If the river is not released to the south, the risk of a north stopbank failure impacting the town and State Highway will increase with time.



Community feedback indicated 70% support of the proposed River Management Strategy provided that there were appropriate arrangements made for the buyout of property.

#### Next steps:

West Coast Mayors, Chairs and Iwi are lobbying the new government, and writing to the Chief Executive of the Ministry of Business Innovation and Employment, to progress the release of funding for the South Side of the River now a plan for the future has been developed. Note that there is currently no funding included in the Long-term Plan for these projects. They are contingent on co-funding support being provided by Government.

This funding is for:

- Strengthening of the existing stopbanks on the south side to allow time for the Waiho River Future Management Strategy to be implemented.
- Strengthen the emergency management arrangements in conjunction with the local community.
- Progress the Waiho River Future Management Strategy for the southside.

## Our approach to Zero Carbon

Not only does Council have a role in assisting our communities to adapt and mitigate against the impacts of climate change, we also have a role to play in the reduction of emissions. To progress this Council will need to measure its own baseline emissions.

Confirming Council's emissions baseline will be undertaken in year 1 of this Long-term Plan and will be used to determine what actions, and their associated cost, can be made to progress emission reduction.

In the interim, Council is intending to undertake the following actions:

- All new vehicle replacements will be hybrid vehicles except where a diesel ute(s) will be required to access specific offroad locations
- Revegetation of Organs Island as a wide area of indigenous riparian forest as part of the Westport Flood Resilience project
- Tender documents will include provisions to ascertain how contractors intend to reduce or offset their emissions, considerations that will be given a weighting through the evaluation processes.

The financial implications of any outcome from the emission baseline investigation can be consulted on through future Annual Plan processes or built into the 2027 Long-term Plan development.

## Our work programmes and must do projects

As the Long-term Plan has been developed we have redesigned the Groups of Activities to better reflect the work areas of Council. This includes reviewing the various levels of services, performance measures and targets so that they represent a more modern and contemporary set of measures in the current context and better assess our service to the community.

A summary of our Groups of Activities and work programmes is outlined below. For more information, the Groups of Activities, Levels of Service, performance measures and targets is available at [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation)

### Regional Leadership

The Regional Leadership Group of Activities provides effective, transparent governance on behalf of the community while ensuring that Council operates within statutory requirements. It combines a wide range of activities that allows the organisation to take a strategic outlook, coordinate actions with other partners in the region and continue to build a meaningful relationship with communities and Poutini Ngāi Tahu.

This Group of Activities also encompasses the essential corporate and support functions required to support staff in delivering on the levels of service committed to as well as ensuring Council is operating in an efficient, accountable and

A new Government elected in 2023 has started having an impact on the legislation which applies to local government including the roll back of the Resource Management Act reform. There are likely to be other changes which may impact Council work programmes, for example Significant Natural Areas and the Freshwater Reforms. Where possible, these changes will be incorporated into this Long-term Plan as we work through the consultation, hearings and decisions process, or through the Annual Plans over the next few years.



legislatively compliant manner. These systems need to be future-proofed to support the work carried out on behalf of the environment, economy and community.

Communication and engagement functions assist with connecting Council with the community. Connecting the community in a timely and accessible way to decision-making, and the work of Council is critical. Council will be working to modernise information available to the public by building a fit-for-purpose spatial platform, including updated aerial imagery and natural hazards data.

This Group of activities includes Governance, Working together with Poutini Ngāi Tahu, and the back office functions which support the organisation including finance, customer services, information technology, human resources and communications.

## Infrastructure and Resilience

The choices made in the past on where communities become established and do business have made them susceptible to the impacts of natural hazards. The short and long-term impacts from natural hazards and climate change have on people's homes, businesses and well-being can be devastating. There is a need to adapt, or defend as required, to build resilience and work together with communities to be better understand and be prepared (and recover faster from) future events and emergencies. This remains a key focus of this Long-term Plan.

Council's priority for the next ten years is in supporting communities with the management and administration of their rating districts, building the resilience of the region through emergency management functions, lifting the robustness of the hydrology network to provide greater flood warning information and building awareness of the natural hazards communities live within.

This Long-term Plan contains an Infrastructure Strategy which identifies the four most significant issues for the flood and erosion protection schemes on the West Coast and how Council intends to manage these. We know that we have incomplete asset condition information and are investing in more robust systems and processes to better inform decision-making for our Rating Districts. There is a considerable work programme ahead of us as the Westport Flood Protection Project progresses and other potential projects may come online provided Government co-funding becomes available. Recruitment of new engineering staff, and managing external contractors closely, will assist in the timely delivery of these projects and improving the management of information for these assets.

The West Coast is exposed to a wide variety of natural hazards that impact on people, property, infrastructure and the environment. The Resource Management Act requires that natural hazard risk and climate change are addressed as part of the planning across the region. While this work is funded under this Group of Activities, the outcomes contribute to work programmes across Council.

This Group of activities includes Infrastructure – flood and erosion protection, Emergency Management, Flood warning and Natural Hazards.

## Natural Environment

The West Coast natural environment is generally in good shape, particularly when compared to other parts of New Zealand. However, some of our land, water, air and ecosystem resources are under pressure. Council is constantly collecting information on the quality of natural resources across the region to gain a better understanding of issues and emerging trends.

Council's environmental science monitoring programme involves the interpretation of data and reporting on the state, conditions and use of land, air, water, coast and marine resources within the region and reporting against relevant standards and guidelines. Science investigations into causes and effects are undertaken as well as new and existing initiatives to improve environmental outcomes. Regional resource management plan changes are supported with science, so that plan changes are informed with rigorous evidence.

Council has a statutory responsibility for monitoring the State of Environment locally. This is reported on formally every three years. Along with more frequent updates, this provides information on any risks of resource use as well as informing policy review and development. It also enables Council to respond in a timely manner to any adverse effects from resource use from an operational perspective. Water quantity information is gathered through the hydrology work undertaken by Council under Flood Warning and the *Infrastructure and Resilience* Group of Activities.

Part of protecting and enhancing the biodiversity and natural environment of the West Coast is through the work undertaken in biosecurity. Pest management is a core function of Council and is implemented through the Regional

Pest Management Plan as well as monitoring, and if required, enforcing. Council's role in biodiversity is limited, with work focused on the Predator Free Te Kinga project, recognising the significant amount of land administered by the Department of Conservation across the region.

This Group of activities includes [Monitoring of our water and air resources](#), [Biodiversity and Biosecurity](#).

## Policy and Regulation

The natural resources of the West Coast are critical to the wellbeing of the region and its community. Council has a range of activities to manage our natural resources, which if done well, can benefit both the environment through the protection accorded, and regional communities by having pragmatic planning documents and effective consenting processes enabling ease of business and development.

Considerable work is required to ensure Council's regional planning documents are up to date. Reviews undertaken will be based on robust evidence gathered through the various monitoring programmes. Government reform will likely continue to influence much of Council's work over this Long-term Plan in the review of planning frameworks.

Regional plans are implemented through administering consents and undertaking compliance monitoring and enforcement. Council's work over many years is now paying dividends within the dairy sector which is enabling a shift in focus to the monitoring of other areas activities where compliance can be further enhanced. Given the extent of the region there is a reliance on the public alerting us to potential issues. Investigating environmental complaints is an important part of the work Council does to safeguard the environment.

This Group of Activities also includes Council's delegated authority to provide for marine oil spill planning and response.

This Group of activities includes [Resource Management Act Policy and Planning](#), [Consent activities](#), [Compliance activities](#), [Transport activities \(including Total Mobility\)](#), [Navigation and Harbour Safety](#). It also includes Council's responsibility to provide for marine oil spill planning and response.

### Regional Plan Reviews

Many of our Regional Plans have reached, or are reaching, the end of their 10-year operative lives. Significant work is required to review and update them based on the current legislative environment and environmental pressures.

#### Regional Policy Statement

Requires a Plan change to incorporate latest information and changes in legislation in regards to natural hazards, flooding provisions and other matters.

#### Regional Land and Water Plan

Expires in 2024. Plan change required to incorporate freshwater management provisions and to review and update other matters.

#### Regional Coastal Plan

Expires in January 2026. A full review was commenced in 2023.

#### Regional Air Plan

Expired in July 2012. Preliminary work commenced in 2013 but went on hold awaiting legislative direction. Full review of Plan is required.

#### Regional Pest Management Plan

Expires in 2028. Drafting to commence in 2025/26 and will include consultation on the inclusion of pest animals.

## Commercial Activities

Council has several investments and commercial operations. Surplus revenue generated by this Activity Group will be used to supplement the General Rate reducing the rating burden on ratepayers where possible.

Commercial activities include Council's quarries and Vector Control Services (VCS) business unit. Growing these commercial activities to reduce the reliance on rate funding is central to the management of this Group of Activities.

This Group of activities includes the Investment Portfolio and Council's commercial operations – VCS and Quarries.

## For the future

If there are significant changes to our work programmes over the next three years we will need to seek your feedback through the Annual Plan process. At this stage we believe we have included everything we need to within this Long-term Plan, however we have identified that there may be some changes as a result of a review to be undertaken on the rating districts. Find out more below.

## Rating District Review

Council currently administers and manages flood and erosion protection assets for 23 rating districts across the region. The way in which the rating districts have been established, and decisions made at the time, have resulted in a range of different rating scenarios being set, for example they are rated on multiple classifications within one rating district

which can be based on capital value, land value or land area. The quantum of rating districts and various characteristics of each creates a level of complexity and inefficiency for their ongoing management.

The construction of the majority of rating district assets were undertaken during the time where Government provided subsidies of 3:1. Ongoing renewals, maintenance and other costs are borne primarily by those afforded protection from the assets. There is a significant number of ratepayers that live outside the rating district boundaries who enjoy a degree of benefit that these assets provide, whether it be the protection of assets such as roads, rail and power, or services in an urban area, shops, schools and recreational facilities.

Council is proposing that a review of the rating districts will be undertaken during this Long-term Plan. The review will also consider charging those with a property currently outside of a rating district a 'flat fee' to go towards the ongoing maintenance and renewal of rating district infrastructure across the region. This flat fee is similar to the uniform annual general charge and would be a set amount accorded to each property regardless of its size of capital value.

The majority of Regional Councils around New Zealand have a percentage of their general rate that goes to the ongoing maintenance of their region's rating districts. The West Coast has 22,678 rateable units with approximately 16,000 of these already paying into a rating district. This new fee would not capture those properties already paying targeted rates for flood and erosion protection. The new fee would recognise that everyone who lives on the West Coast benefits from the rating districts, spreading the load for ongoing maintenance and renewals, and providing a service all benefit from.

## Consultation Topics

We are seeking your feedback on the issue below. Under the Local Government Act, Councils must show what their preferred option is. However, this is not final and is why it is important that we hear from you. Feedback received from submitters is worked through by Council before a final decision is made.

### Balancing the budget

We need to talk about money.

Apart from the last Long-term Plan, Council has attempted to increase rates in very small increments. This is despite the requirements on the organisation growing. This requires appropriate resourcing to deliver the capital projects programmed and the investment to ensure Council is fit for purpose to deliver on the community's expectations. It's essential that we have a clear and prudent approach to aligning our expenses with our income, which includes rates. This is called a balanced budget and looks out 10 years. Over the past two years, the shortfall between Council's revenue and expenditure has been funded by debt. This is not sustainable.

Our rate requirement is increasing in year 1 of the Long-term Plan. The main drivers of this are:

- Increasing Council resourcing to rebuild the corporate service functions and implement new IT systems
- Reviewing our Regional Plans
- Progressing Te Tai o Poutini Plan (combined district plan for the West Coast)
- Commencing construction of the Westport Flood Protection Project.

We need to check in with you on what you think about our preferred option for achieving a balanced budget.

Other means to reduce the rates requirement, including using dividends from our investments as well as how to trim other work programme areas and exploring external revenue sources have been investigated. Despite some assistance from these sources, a significant increase in rates is still required in year 1, and then subsequent years, to meet the increase in operating expenditure so that we achieve a balanced budget.

While the proposed increase in rates is large in percentage terms, the dollar amount in rates, particularly for the general rate collected is relatively small.

**How are we proposing to solve this funding issue?** There are two options to consider:

#### **Option 1 (PREFERRED) smooth rate increases through borrowing**

Council's total rate requirement for 2024-25 is an increase of 20.8% on 2023-24. This is proposed to be funded by:

- Increasing the General Rate by 27% in year 1, followed by 12% in year 2 and then increases of no more than 7.5% per year; and
- Increasing the Targeted Rate by 10% in year 1, 20% in years 2 and 3, followed by increases of no more than 7.5% from year four for the remainder of the Long-term Plan.

Debt would be used to fund the operational expenditure for Te Tai o Poutini Plan (combined District Plan) and any project costs related to the restructure of the organisation (i.e. in the Corporate Services department). An operational cash deficit is forecasted for the first three years of the Long-term Plan before returning to surpluses in year four onwards. These surpluses will be used to pay down debt that has been used to smooth the impact on rates.

This approach addresses the required increase in rates head on as opposed to a number of years of large increases. Extending the time before returning to surplus would not provide any further benefit to the community as it increases the debt Council holds resulting in more to be paid back over time.

While there is more risk to the community under this proposed funding option due to external factors such as changes to central government requirements, interest rates and other matters outside of our control, we consider that this is the most appropriate approach to offset the initial rating increase as ratepayers are also being affected by the 'cost of living crisis'.

Note:

1. The total amount paid will vary across the region and increase as the capital value of your property increases.

### Option 2 – Fund increases through rates

Council's total rate requirement for 2024-25 is an increase of 20.8% on 2023-24. An alternative way to fund it is by:

- Increasing the General Rate by 44% in year 1, followed by 12% in year 2 and then increases of no more than 7.5% per year; and
- Increasing the Targeted Rate by 14% in year 1, 20% in years 2 and 3, followed by increases of no more than 7.5% from year four for the remainder of the Long-term Plan.

This is not our preferred option due to the significant rating increase this would impose in the first year and the sustained increases of this rating level in the following years.

Option 1 (preferred)				Option 2			
<ul style="list-style-type: none"> <li>- Increasing the General Rate by 27% in year 1, followed by 12% in year 2 and then increases of no more than 7.5% per year; and</li> <li>- Increasing the Targeted Rate by 10% in year 1, 20% in years 2 and 3, followed by increases of no more than 7.5% from year four for the remainder of the Long-term Plan.</li> </ul>				<ul style="list-style-type: none"> <li>- Increasing the General Rate by 44% in year 1, followed by 12% in year 2 and then increases of no more than 7.5% per year; and</li> <li>- Increasing the Targeted Rate by 14% in year 1, 20% in years 2 and 3, followed by increases of no more than 7.5% from year four for the remainder of the Long-term Plan.</li> </ul>			
But what will that cost me?				But what will that cost me?			
	Year 1	Year 2	Year 3		Year 1	Year 2	Year 3
Per \$100,000 CV*	\$54.82	\$61.39	\$66.00	Per \$100,000 CV*	\$64.14	\$71.83	\$77.22

\*Capital value of your property + GST

Refer to the Rates Affordability Benchmark graph years 4-10 p.56 of the draft Long-term Plan 2024-34

Note that other targeted rates relating to flood and erosion protection may be payable depending on the location of the property.

### Predator Free Te Kinga

Launched in May 2020, the Predator Free Te Kinga project aims to eradicate possums and reduce the pest population from 3,700ha of Mt Te Kinga as part of a coordinated predator control programme across the wider Lake Brunner basin. Since commencement of the project, populations of great spotted kiwi have been discovered on the mountain, rare fernbirds have been seen towards the summit, and NZ falcon, kea and kaka have been spotted within project boundaries. A local farmer noted that she has not seen kaka in the area for many years, although they used to be relatively common. Reduction in possum numbers may have also led to a resurgence in some highly palatable species such as southern rata, kamahi and totara. Native white clematis blooms have been particularly prominent this year within the area.

Through the successful implementation of the programme, the Te Kinga project has led to outcomes other than purely environmental protection. Partnering with other organisations, landowners and community groups that have complementary goals has resulted in:

- The education of rangitahi to achieve a level three in pest management in partnership with the Papa Taiao Earthcare and West Coast Trades Academy.
- Interaction with Moana School through visits and support with their trap lines.
- Supporting farmers within the project area with pest management.
- Building community awareness and understanding of the benefits of the project through outreach days.
- Developing a volunteer base to carry out trapping work in the surrounding farmland and lifestyle blocks.
- Information sharing with other projects throughout New Zealand to help develop a coordinated approach and better technology towards the national predator free goal.

The support of the local community and landowners for the project has also been significant, enhancing a greater connection to the surrounding environment.

Currently, years 1 and 2 of this project are funded externally in the Long-term Plan by Predator Free 2050. This funding will cease in year 3.

**Future funding of Predator Free Te Kinga?** There are two options to consider:

#### **Option 1 (PREFERRED) using rates to support the continued delivery of this project**

Fund \$87,470 in year 3 of the Long-term Plan to continue the delivery of the Predator Free Te Kinga Project. Projected future costs for delivering this project are expected to increase at the rate of inflation applicable to wages and broader expenditure.

**But what will that cost me?**

It will cost \$0.93 + GST per \$100,000 of Capital Value in year 3 with minimal increases year on year to keep up with inflation.

**Option 2 cease delivery of this project**

Council ceases involvement and delivery of the Predator Free Te Kinga Project. If there is no other organisation, Trust or Group that is willing to fund and deliver ongoing protection then the gains made and identified above will be eroded over time as pest animals become re-established.

**But what will that cost me?**

There would be no cost to the ratepayer.

<b>Option 1 (preferred)</b>				<b>Option 2</b>			
Commence funding of \$87,470 in year 3 of the Long-term Plan to continue the delivery of the Predator Free Te Kinga Project.				Council ceases involvement and delivery of the Predator Free Te Kinga Project.			
<b>But what will that cost me?</b>				<b>But what will that cost me?</b>			
	Year 1	Year 2	Year 3		Year 1	Year 2	Year 3
Per \$100,000 CV*	N/A	N/A	\$0.93	Per \$100,000 CV*	N/A	N/A	\$0

\*Capital value of your property + GST

For more information on the Predator Free Te Kinga project go to

[www.wcrc.govt.nz/environment/biosecurity/predator-free-te-kinga](http://www.wcrc.govt.nz/environment/biosecurity/predator-free-te-kinga) or check out 'Predator Free Te Kinga' on Facebook for the latest news and information.

## Other matters for consultation

The three yearly Long-term Plan process provides Council with an opportunity to review and amend policies that impact the social, economic, cultural and environmental wellbeing of our communities. Now is the time for you to provide feedback on our Strategies, Policies and other matters.

### Financial Strategy

The Financial Strategy is Council's high-level document guiding financial management. It provides a guide to Council on how to operate its finances in a prudent and sustainable manner and to develop and maintain a strong and resilient balance sheet. Among other things, the Strategy sets out a number of overarching financial principles for Council to consider when reviewing various financial decisions and it provides a sensitivity analysis for Council to be aware of the potential impact from various unplanned events and provides guidance and the levers at our discretion to react to those events.

This Financial Strategy has been reviewed to provide a more strategic focus for Council. Areas of change include a revision of the Council's decision-making principles and new debt repayment term assumptions – high investment and rate increase in the first 3 years followed by a more conservative return to a new business as usual level of financial prudence. The Strategy identifies considerable debt drawdown in support of significant new capital works driven by central government support.

*What do you think?* For more information you can read a copy of the proposed policy in full at [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation)

### Significance and Engagement Policy

Understanding the needs and wants of our communities helps inform the decisions we have to make. The more significant the issue, the more important it is that we engage with the people who are more likely to be affected. Our Significance and Engagement Policy sets out when we will engage with our community and how we will do it.

Only minor changes have been made to this Policy in the updating of the Addendum which lists our strategic assets.

*What do you think?* For more information you can read a copy of the proposed policy in full at [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation)

### Revenue and Financing Policy

Our Revenue and Financing Policy details how each of its activities should be funded, whether through rating, fees and charges, or other sources of income like government grants or subsidies. In determining who pays, we have considered who benefits from each activity, how much they benefit and whether anyone else has played a part in causing the issue.

In this Long-term Plan we have redesigned our Groups of Activities to better reflect the work areas of Council. This includes reviewing the various levels of services, performance measures and targets so that they represent a more modern and contemporary set of measures in the current context and better serve to assess our service to the community.

*What do you think?* Full details on how we propose to fund activities is available in the Revenue and Financing Policy at [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation)

### Rates Remissions and Postponement Policy

Council recognises the ongoing financial pressures being felt by the community. The Rates Remissions and Postponements Policy was updated as part of the 2021 Long-term Plan process. There are no changes proposed to this Policy.

*What do you think?* For more information you can read a copy of the proposed policy in full at [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation)

### Remission and Postponement of Rates on Māori Freehold Land

Council is required to adopt a policy on the remission and postponement of rates on Māori freehold land taking into account the principles of the preamble to Te Ture Whenua Māori Act 1993 and the matters identified in Schedule 11 of the Local Government Act 2002. This policy is made under Sections 102, 108 of the Local Government Act 2002 and has been updated as part of this Long-term Plan process.

The objectives of the Policy on the Remission and Postponement of Rates on Māori Freehold Land is to:



1. To recognise that certain Māori-owned land may have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates.
2. To recognise that the Council and community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is consider non-collectable.
3. To support the connection of mana whenua and Māori to their traditional lands and resources, and cultural values, where appropriate through the short, medium and long term relief from rates.
4. To meet the requirements of the Local Government Act 2002 and to support the principles in the preamble to Te Ture Whenua Māori Act 1993.

*What do you think?* For more information you can read a copy of the proposed policy in full at [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation)

### Infrastructure Strategy

Our Infrastructure Strategy is focussed on the management and administration of flood defences and river and coastal protection structures on behalf of 23 rating districts across the region. While Council does not have a legal requirement to build and maintain flood and erosion schemes, it does so under the agreement and instruction of its beneficiaries; the rating districts.

Importantly, this strategy identifies the assumptions, risks and uncertainty that underpin the proposed approach. This includes, for example, uncertainty about future levels of service given the impact of climate change and affordability for ongoing maintenance and renewals for some rating districts.

We have made the following assumptions in regards to our infrastructure delivery in the development of this Long-term Plan:

Forecasting assumption	Risk	Level of uncertainty	Reasons and financial effect of uncertainty
Capex do-ability resourcing	The forecast capital expenditure may not be able to be completed within the predicted timeframes	High	Council is confident that it will have the capacity required in-house, and will be able to source the appropriate external capacity, to achieve the proposed capital works programme. To ensure that Council can plan ahead in areas that require resource consents, professional contractors will be engaged and overseen by project managers. There is always a risk that the people needed will not be available when required. This can lead to delays in completing projects. This is managed by including timing expectations in respective procurement processes and maintaining regular and early communication with contractors so that plans can be adjusted and the risk of delays reduced.
Asset condition	Council has incomplete asset condition information leading to uncertainty over the timing for maintenance and renewals	High	The assumption has been made that Council has low quality or incomplete asset condition knowledge and this could lead to poor infrastructure capital decision making. It could also lead to poor maintenance planning assumptions or incorrect timing of renewal capital works. Council is committed to improving knowledge of its asset conditions through both process and technological improvements within the next two years and increasing professional asset management capability and capacity within the organisation. A further assumption has been made that all assets will deliver the required level of service over their documented useful life. However, incomplete asset information could allow critical asset failures before they are scheduled for planned maintenance and renewal and could lead to loss of service for a period of time. Where this loss of service is found to be the case, Council will consult with communities around the affordable levels of service will be in the future. It is likely that any conversation of this nature would result in a decrease in service levels without significant reinvestment requirements



*What do you think?* For more information you can read a copy of the proposed strategy in full at [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation)

### User Fees and Charges

Alongside the development of the Long-term Plan, we have reviewed our User Fees and Charges to ensure they are fair, cover actual and reasonable costs, and that those who benefit from our services are the primary contributors to avoid these being subsidised by the general rate.

Changes include:

- A total increase of 14% for all fees and charges on those set in 2021 to reflect the actual rate of inflation over this time. This includes the staff charge out rate. Future increases will be as per the Local Government Cost Index.
- Fees for the review of consents under section 128 of the Resource Management Act have been clarified.
- Increase in consent processing costs to reflect the additional time required to undertake this activity.
- Consented gravel take fee will apply to all consented gravel takes over 100m<sup>3</sup>. The fee is proposed to increase from 15c/m<sup>3</sup> to 25c/m<sup>3</sup>.
- Fees for Biosecurity activities have been clarified.

Dairy monitoring inspections will be reduced over time recognising the good compliance record in this sector.

If you hold a resource consent, or use our other services, these changes will apply to you. A detailed list of all changes can be found in the front section of the *Draft User Fees and Charges Schedule*. This is available on our website at [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation)

### Grey Floodwall transfer of ownership

The Grey Floodwall is a strategic asset which is currently under ownership of the Grey District Council. The Grey Floodwall is made up of a number of different components, including but not limited to the wall itself, flood banks, pipes, floodgates, drainage ducts and pumps. Some of these are flood protection assets and some are stormwater assets. **It is proposed to officially transfer ownership of the flood protection assets to the Regional Council during year 1 of the Long-term Plan.**

The floodwall structure ownership of the Grey District Council is the result of a historical decision. All costs for it are paid by the Regional Council including insurance, maintenance and renewal costs. The Regional Council also rates for the floodwall and make all operational decisions with regards to it. The proposal to transfer ownership of the asset to the Regional Council is therefore a logical one.

A Joint Floodwall Committee has been established to help manage the asset, with both Councils having representation on this Committee. The asset transfer will not change this arrangement, although it will be timely to review the terms of reference for the Joint Committee to ensure they are up to date.

No conflicts of interest regarding the proposed transfer have been identified. A condition assessment will be undertaken on the assets to be transferred prior to the transfer taking place. Financial implications relate to maintenance and operational budgets which are not included in the Long-Term Plan financial forecast or targeted rates. If Council does take over the flood protection assets there is likely to be some increased costs relating to the depreciation and maintenance of some of these.

### Havill Wall transfer of ownership

The Havill Wall is a strategic asset which is currently under the ownership of the Westland District Council. **It is proposed to officially transfer ownership of this asset to the Regional Council during year 1 of the Long-term Plan subject to Council confirmation of a suitable condition assessment. This process ensures that upon any transfer, the asset is at a service level consistent with its required design.**

The Havill Wall was built in 2017 by Westland District Council to provide protection to the oxidation ponds and wider community following a flood event in 2016. Multiple other flood protection structures on the Waiho River are managed by the Regional Council as part of the Franz Josef Rating District, and management of such assets is part of the core business of this Council. The proposal to transfer ownership of the asset to the Regional Council is therefore a logical one with it to become a wider part of flood protection for the community.

A Joint Committee has been established to help manage the assets of the Rating District, with both Councils having representation. While community membership on the Committee is being revised this is not anticipated to impact the transfer of the asset.

No conflicts of interest regarding the proposed transfer have been identified. If Council does take over this asset, financial implications will relate to the ongoing insurance and maintenance costs of the asset.

## A summary of Council’s budget

### What does the work cost?

As we have explained throughout this consultation document, rates have been held artificially low for many years. The shortfall between Council’s revenue (made up of rates, user fees and charges, dividends, subsidies and grants) and its expenditure has been funded by debt. This is not sustainable.

Our annual budget for 2023/24 was approximately \$22.8M. To meet the challenges and requirements ahead of us we are expecting our total operating expenditure for all Council activities in year 1 to be approximately \$25.2M.

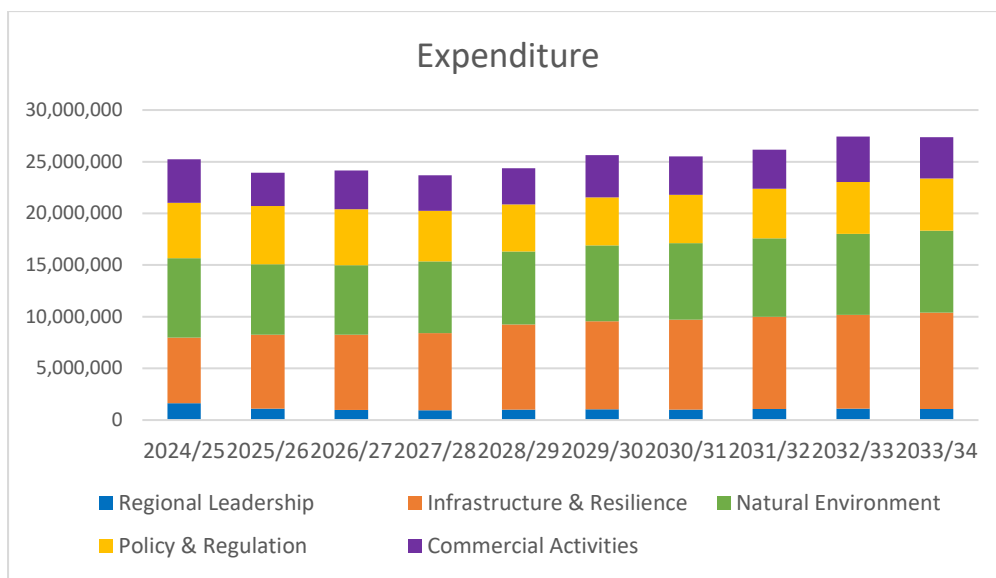
### 10-year expenditure budget

Council’s work programmes are represented across five groups of activities. The proposed budget reflects the construction of the Westport Flood Protection Project as well as our regional policy and planning work, Te Tai o Poutini Plan and the work required to rebuild our Corporate Service functions.

Here’s how our expenditure looks over the next 10 years.

Activity Groups	2024 - 25	2025 - 26	2026 - 27	2027 - 28	2028 - 29	2029 - 30	2030 - 31	2031 - 32	2032 - 33	2033 - 34
Regional Leadership	1,644,632	1,109,222	975,559	942,971	1,001,975	1,031,955	999,575	1,074,917	1,096,863	1,067,591
Infrastructure & Resilience	6,351,346	7,138,715	7,296,962	7,484,224	8,263,235	8,523,218	8,701,619	8,916,958	9,094,317	9,336,143
Natural Environment	7,674,299	6,832,793	6,710,624	6,921,291	7,038,494	7,350,053	7,422,718	7,576,954	7,819,910	7,916,778
Policy & Regulation	5,343,894	5,642,654	5,425,400	4,903,144	4,550,526	4,654,679	4,685,868	4,811,120	5,013,291	5,071,690
Commercial Activities	4,227,017	3,209,564	3,742,527	3,442,788	3,524,151	4,068,780	3,698,290	3,793,553	4,407,698	3,985,390
<b>TOTAL</b>	<b>25,241,188</b>	<b>23,932,949</b>	<b>24,151,072</b>	<b>23,694,419</b>	<b>24,378,381</b>	<b>25,628,685</b>	<b>25,508,069</b>	<b>26,173,502</b>	<b>27,432,079</b>	<b>27,377,591</b>

Note that there are no comparative funding figures for 2023 – 24 as Council has taken the opportunity to reset its business to better reflect the organisation’s work areas. The number of Activity Groups has decreased from seven to five as part of this.



### How will we pay for it?

We are facing increasing costs, and there’s a balance between what work needs to be done and what we can reasonably ask our community to contribute. While your rates go a long toward paying for the work we do, we don’t expect you to pay for everything. Where possible we are funding our work through a user pays approach, meaning that the order of funding preference is:

1. User Fees and Charges
2. Targeted Rates
3. General Rates
4. Uniform Annual General Charge

#### 10-year operating revenue budget

Council’s funding largely comes from rates and user fees and charges, with grants and investment income making modest contributions.

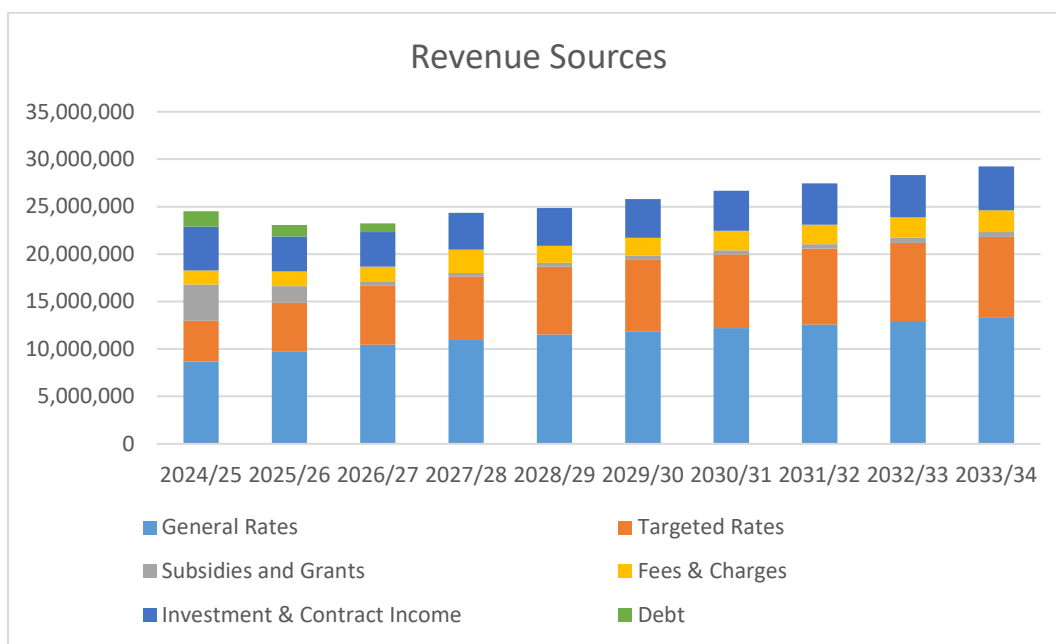
We also utilise subsidies and grants where possible.

This is how we expect to cover our costs in year 1 of the Long-term Plan.

FUNDING SOURCES	2024-25
General Rates	8,673,741
Targeted Rates	4,304,270
Subsidies and Grants	3,818,609
User Fees and Charges	1,465,231
Investment & Contract Income	4,633,471
Debt*	2,345,866
<b>TOTAL INCOME IN YEAR 1</b>	<b>\$25,241,188</b>

\*Council is proposing to fund operating costs through debt for years 1 -3 to smooth the rates increase as per the Financial Strategy, before returning to surplus and paying back debt from year 4.

Here’s how we expect to cover our costs over the next 10 years.



## What does it mean for your rates?

With the work required to be undertaken we have tried to lessen and smooth the load by spreading the increase over several years where we can and fund some activities through borrowing. Note that we are seeking your feedback on this approach as part of the consultation on this Long-term Plan which may change depending on what we hear from you.

We are required, under the Local Government Act 2002, to have a balanced budget. In other words, we need to raise enough income each year to pay for our day-to-day work. If we are unable to balance the budget and we go into debt to fund our work, we need to demonstrate that we are taking a financially prudent approach to paying back that debt.

Increasing rates is not something we take lightly, and we have considered all options to fund the work that is being asked of us by our communities and central government, while rebuilding our finances to be sustainable for the future to enable us to deal with the challenges ahead, both known and unknown.

### Key financial statements:

- We are proposing an increase in general rates in 2024/25. Due to the timing differences of QV valuations, the general rate per \$100,000 capital value is different for each district. The 2024/25 general rate per \$100,000 CV for each district is:
  - Buller District \$60.15 per \$100,000 CV (\$50.25 in 2023/24) GST incl
  - Grey District \$64.96 per \$100,000 CV (\$50.26 in 2023/24) GST incl
  - Westland District \$64.01 per \$100,000 CV (\$50.31 in 2023/24) GST incl
- We are proposing an increase in the UAGC from \$155.69 in 2023/24 to \$192.59 (GST incl.) in 2024/25 (see more about the UAGC in the info box on this page).
- Rating District targeted rate examples are based on the rate requirement, or budgets, created by management. These are subject to change depending on the agreed outcomes of the rating district meetings to be held during April / May 2024.
- The Targeted Rate for TTPP has reduced from the 2023-24 Annual Plan due to all expenses now being paid for by debt whereas previously some costs had been funded through rates directly.

Our Financial Strategy outlines the funding approach in more detail.

The rates invoice you receive from us later in the year will differ between properties and districts. As a rule of thumb, the increases stay in proportion to your property's capital value. Property valuations are undertaken on a three yearly cycle on the West Coast. The next round of valuations are:

- 1 September 2024 Grey District
- 1 September 2025 Buller District
- 1 September 2026 Westland District

Other targeted rates relating to flood and erosion protection for the rating districts across the region will also apply. For more information on these refer to the Detailed Rating Assessment [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation)

Due to construction of the Westport Flood Protection Project, there is a higher targeted rate demand on this rating district than elsewhere on the West Coast.

	Year 1	Year 2	Year 3
Total targeted rate increase (forecast LTP)	10%	20%	20%
Westport targeted rate increase (annual)	36%	248%	33%
Westport targeted rate increase (cumulative from 2023/24)	36%	374%	529%
Rate requirement cumulative increase for 2023/24 Targeted rate (Westport)*	\$165, 513	\$575,268	\$762,680

\*The targeted rate for the Westport Rating District was \$121,332 in 2023-24

### What is a Uniform Annual General Charge

Council introduced a Uniform Annual General Charge (UAGC) in 2018. A UAGC is considered a fairer way to spread the funding requirement for those functions and services that have no clearly identifiable benefiter, recognising that all ratepayers receive a base level of service regardless of the capital value of their property.

Whether you own a farm, house in town, lifestyle block or empty section you pay the same UAGC amount.

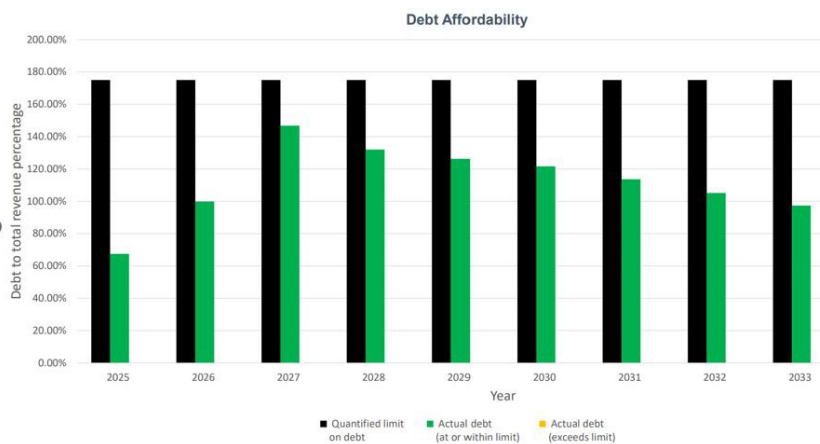
The UAGC is a component of Council's general funds and contributes to the following activities:

- Governance
- Working with Poutini Ngāi Tahu
- Emergency Management
- Flood Warning
- Monitoring of Air and Water
- Biodiversity/Biosecurity
- RMA Policy and Planning
- Regional Transport
- Consents and Compliance
- Commercial Operations

## What is the plan for borrowing?

Like all Councils, we must set debt limits that cap our total borrowing. Our debt limit is set at 175% of total revenue, though in the past we have borrowed well under that level.

To reduce the impact of a significant rate increases, we are proposing to spread expenditure across years and fund a proportion of this through borrowing for the first 3 years. After this time, we will be able to start paying down this debt. This will provide much needed funds for the Westport Flood Protection, Te Tai o Poutini Plan, reviewing our regional plans and rebuilding the corporate service functions and information technology systems from year 1.



Rating examples

Actual rating factors for 2024/25 will be calculated using actual rateable values at 1 July 2024, including changes to the valuation roll during 2023/24 and the impact of the Westland revaluation at 1 September 2023.

The following rates will be payable by all properties in the Buller District			
	Rate per \$100,000 of Capital Value (GST incl)		
Rate description	23/24	24/25	\$ Increase
General Rate	\$50.25	\$60.15	\$10.20
<b>Targeted Rates</b>			
Emergency Management	\$10.17	\$14.75	\$4.58
Te Tai o Poutini Plan	\$15.22	\$3.99	(\$11.23)*
<i>*This is a decrease on the 2023-24 Targeted Rate</i>			
Rate Description	Fixed charge		
Uniform Annual General Charge	\$155.69	\$192.59	\$36.31
<b>Rating District Targeted Rates</b> <i>Other targeted rates relating to flood and erosion protection may be payable depending on the location of the property</i>			
	Buller dwelling	Buller farm property	
<b>Capital Value</b>	<b>\$300,000</b>	<b>\$3,000,000</b>	
General Rate	\$180.44	\$1,804.36	
Emergency Management	\$44.27	\$442.69	
Te Tai o Poutini Plan	\$11.96	\$119.56	
<b>Fixed Charge</b>			
Uniform Annual General Charge	\$192.59	\$192.59	
<b>Total (excl. rating district targeted rates)</b>	<b>\$429.25</b>	<b>\$2,559.19</b>	
<b>Rating District Targeted Rates</b> <i>Other targeted rates relating to flood and erosion protection may be payable depending on the location of the property</i>			

The following rates will be payable by all properties in the Grey District			
	Rate per \$100,000 of Capital Value (GST incl)		
Rate description	23/24	24/25	\$ Increase
General Rate	\$50.26	\$64.96	\$14.70
<b>Targeted Rates</b>			
Emergency Management	\$10.17	\$14.75	\$4.58
Te Tai o Poutini Plan	\$15.22	\$3.99	(\$11.23)*
<i>*This is a decrease on the 2023-24 Targeted Rate</i>			
Rate Description	Fixed charge		
Uniform Annual General Charge	\$155.69	\$192.59	\$36.31
<b>Rating District Targeted Rates</b> <i>Other targeted rates relating to flood and erosion protection may be payable depending on the location of the property</i>			
	Grey dwelling	Grey farm property	
<b>Capital Value</b>	<b>\$300,000</b>	<b>\$3,000,000</b>	
General Rate	\$194.89	\$1,948.88	
Emergency Management	\$44.27	\$442.69	
Te Tai o Poutini Plan	\$11.96	\$119.56	
<b>Fixed Charge</b>			
Uniform Annual General Charge	\$192.59	\$192.59	
<b>Total (excl. rating district targeted rates)</b>	<b>\$443.70</b>	<b>\$2,703.71</b>	
<b>Rating District Targeted Rates</b> <i>Other targeted rates relating to flood and erosion protection may be payable depending on the location of the property</i>			

The following rates will be payable by all properties in the Westland District			
	Rate per \$100,000 of Capital Value (GST incl)		
Rate description	23/24	24/25	\$ Increase
General Rate	\$50.31	\$64.01	\$13.70
<b>Targeted Rates</b>			
Emergency Management	\$10.17	\$14.75	\$4.58
Te Tai o Poutini Plan	\$15.22	\$3.99	(\$11.23)*
<i>*This is a decrease on the 2023-24 Targeted Rate</i>			
Rate Description	Fixed charge		
Uniform Annual General Charge	\$155.69	\$192.59	\$36.31
<b>Rating District Targeted Rates</b> <i>Other targeted rates relating to flood and erosion protection may be payable depending on the location of the property</i>			
	Westland dwelling	Westland farm property	
<b>Capital Value</b>	<b>\$300,000</b>	<b>\$3,000,000</b>	
General Rate	\$192.03	\$1,920.27	
Emergency Management	\$44.27	\$442.69	
Te Tai o Poutini Plan	\$11.96	\$119.56	
<b>Fixed Charge</b>			
Uniform Annual General Charge	\$192.59	\$192.59	
<b>Total (excl. rating district targeted rates)</b>	<b>\$440.84</b>	<b>\$2,675.11</b>	
<b>Rating District Targeted Rates</b> <i>Other targeted rates relating to flood and erosion protection may be payable depending on the location of the property</i>			

## Audit Report



We've told you our proposed plans for the next 10 years. **Now, have your say and tell us what you think.**

# HAVE YOUR SAY

Have your say before 4.00pm  
10 May, 2024

**All submissions are made available for public inspection.** Note that names and feedback are included on papers available to the public and media. They can also be made public as part of Council's decision-making process (we will not make your phone or email details public). For additional room to comment, please include another sheet of paper.

NAME/ORGANISATION \_\_\_\_\_

STREET NO. \_\_\_\_\_ STREET NAME \_\_\_\_\_

SUBURB \_\_\_\_\_ TOWN \_\_\_\_\_ POSTCODE \_\_\_\_\_

EMAIL \_\_\_\_\_ PHONE \_\_\_\_\_

**SUBMITTING IN PERSON**

All submitters have the opportunity to present their feedback to Council during the hearings process.

Please indicate your preferred option below:

I wish to speak to my submission  I do not wish to speak to my submission

**Proposal 1 – Balancing the budget**

Circle your preferred option	<b>Option 1</b> Smooth rate increases through borrowing	<b>Option 2</b> Fund increases through rates	FURTHER COMMENTS:

**Proposal 2 – Future funding of Predator Free Te Kinga**

Circle your preferred option	<b>Option 1</b> Use rates to support the continued delivery of this project	<b>Option 2</b> Cease delivery of this project	FURTHER COMMENTS:

Do you have any other comments on our Long-term Plan?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

We are also seeking feedback on the draft Long-term Plan including our:

- Financial Strategy
- Infrastructure Strategy
- Policies
- User Fees and Charges
- Transfer of ownership of the Grey Floodwall and Havill Wall

## We need your feedback

Your submission must arrive at the Regional Council by 4.00pm, Friday 10 MAY 2024.

Feedback can be provided either:

Online:

By email: [feedback@wcr.govt.nz](mailto:feedback@wcr.govt.nz)

By post:

fill in a submission form and post to Long-term Plan, West Coast Regional Council, PO Box 66, Greymouth 7840

# Financial Strategy

## Overview

This financial strategy sets out the overall financial goals of the Council for the 2024–34 Long-term Plan. The Strategy builds on the current financial position by setting out where Council wants to be positioned during, and at the end of, the Long-term plan period. The Financial Strategy also provides guidance on how Council considers and approaches funding of expenditure proposals in the current Long-term Plan and informs the subsequent decisions for the duration of the 2024–34 Long-term Plan.

## Strategic context

According to the Local Government Act 2002, the purpose of the Financial Strategy is to:

- a. Facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure; and
- b. Provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

In presenting this Financial Strategy, Council has incorporated the financial assumptions as set out in the Long-term Plan and draws attention to the following assumptions:

1. There will be no significant growth in the population of the region over the Long-term Plan period;
2. Economic growth of the region will fluctuate, reflecting the volatility of the tourism sector, the current economic uncertainty, and the nature of the extractive industries (e.g. mining and forestry) that the West Coast region relies on; and
3. Growth in the rating base is not likely in the short term with the Department of Conservation, and other central government organisations, administering approximately 86% of the land in the region.

## Financial principles

The key management principles that underpin the financial strategy of the West Coast Regional Council are summarised below:

### Overarching principle

The West Coast Regional Council aims for prudent and sustainable financing of its operations and activities and to maintain a strong and resilient balance sheet.

### Council should aim for an operating surplus in most years

Operating surpluses arise from operating revenue exceeding operating expenses. Operating surpluses mean the Council is not borrowing to fund current expenditure. Council will require operating surpluses to service both existing and the planned rapid draw down of debt in support of forecast capital work particularly in the initial 1-3 years. It is expected that Council will generate this surplus from year 4 of the Plan.

### **The cost of significant capital expenditure should be spread over time so that the beneficiaries of the asset contribute towards the cost**

It is important to acknowledge that current ratepayers should not bear the full burden of capital expenditure by having to pay for these assets in full now as future generations will enjoy the benefits of those assets.

Any new assets will have debt repayments aligned to the life of the asset that may be out 80+ years. This means that the impact on rates will be minimised in the first instance, with the trade-off being that Council will be carrying a growing debt position with little effective payback for many years.

**Council should take only moderate risk with its investment assets and consider its risk exposure in the context of the balance sheet as a whole**

Given the statutory obligations on the Council to act prudently, the Council should hold an investment portfolio of relatively low risk and seek to optimise the risk/return trade off over the long term.

**Council promotes effective and efficient use of resources to achieve value for money**

Ratepayers expect the Council to use its resources efficiently and effectively and in ways that provide the most value. Plans for the efficient and effective delivery of the core functions of the Council should be in place to meet the demands of the region's ratepayers. Effectiveness will require some scaling of the capability of Council in the short term to support delivery of the capital work and planning requirements ahead.

**Council should seek to maximise the recovery of costs for services provided to specific individuals or businesses**

Cost recovery ensures that users value the services they receive from the Council and that Council has sufficient funding to continue providing the services critical to the operation and viability of the Council. Council's approach to cost recovery should be fair and reasonable, uniformly applied, easy to understand, transparent and predictable.

**Rates should be affordable, fair and equitable**

Rates on property are the primary source of income for Council. Rates should provide an adequate, fair and affordable source of funding for the Council to undertake the services and activities required of it. Where choices are made to fund services from a general rates pool rather than user charges, that should be transparent to ratepayers. Targeted rates are key to ensuring those who enjoy specific benefits for an asset or service provided by Council pay for that outcome. Where an activity contributes both a public and private good, an appropriate rating mix of General and Targeted is decided by Council.

**Council should seek external funding, where available**

The West Coast region is large, relative to the number of ratepayers. As such, Council should seek to lessen the burden on the ratepayers and activity seek opportunities to have work funded or co-funded from external sources. The trade-off from this approach is that while Council will save debt on the initial asset delivery, there will be a step change in levels of service for renewals and ongoing maintenance costs that directly impacts rate requirement over and above inflation and other factors, with little the Council can do to mitigate that change.

## Financial strategy – Sustainable change

### Introduction

This Financial Strategy sets out the overall financial goals of the Council for the 2024–34 Long-term Plan. The Strategy builds on the current financial position by setting out where Council wants to be positioned during, and at the end of, the Long-term Plan period.

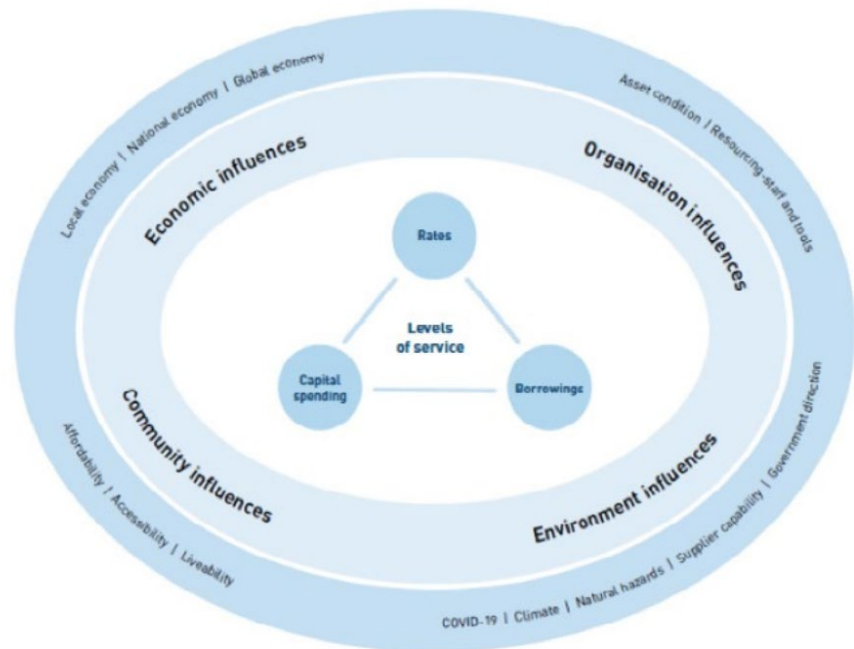
## Strategic context

The schematic reflects the range of internal and external factors in the Council's operating environment that impact its financial decision-making. These factors are pushing and pulling Council in differing directions, and the challenge is finding a balanced response.

Council's Financial Strategy triangle is affected by the three levers: rates, capex and debt.

The size of the triangle represents the level of service provided by the Council. A bigger triangle means an increased level of service (or new services). Changing only

one lever can be achieved without affecting service levels by allowing the other components to adjust. Changing more than one component means the third lever also must change, and thus service levels will change too.



## Our financial context – where Council is now

Against a backdrop of, and with increasing economic challenges world-wide including high inflation and increasing interest rates, Council is investing in several large capital works over the short term, including significant flood protection in the Westport, Greymouth, Hokitika and Franz Josef areas. Council fully funds depreciation for assets deemed to have a finite life (such as flap valves and concrete structures (e.g. culverts and weirs) but does not rate for depreciation of the earthworks and static flood protection assets, choosing instead to rely on a robust maintenance program to sustain the lives of these assets and service levels in the community. Deterioration of assets over time could occur if renewal or maintenance were deferred long-term. This is why Council deems it vital to rate and ensure funding requirements are met to avoid this outcome.

## Cost pressures

Council is exposed to a range of unavoidable cost pressures in its operations, the vast majority of which must be funded by rates. Shifting of costs and responsibilities from central government to local government, including proposed changes through Resource Management Act reform, climate change adaptation, carbon neutral requirements for Council, Biodiversity National Policy Statement etc., creates additional pressures for all councils. In addition, there are specific requirements under the Government's 2020 National Policy Statement on urban development that Council will be implementing and responding to through changes in the regional plans and processes to ensure sufficient development capacity for housing and business needs over the short, medium and long term. While housing is not a direct function of this Council, changing land uses and increased consideration for those District Councils that are building and developing has a flow on effect to Council resourcing and planning requirements. Council will need to increase capability and capacity to meet any new requirements and

the change they bring. The change of Government in October 2023 is likely to lead to some respite in the legislative direction being pushed down. While this Long-term Plan has been developed in the current environment, Council will be watching closely to see what changes are made so that work programmes and budgets can be adapted as appropriate.

In December 2020 the New Zealand Government, alongside its climate emergency declaration, launched The Carbon Neutral Government Programme, a major new initiative that requires the public sector to achieve carbon neutrality by 2025. This, as well as the Climate Change Commission's final report on decarbonising the economy, will require Council to not only map out its own carbon footprint, but to take into consideration an all of supply chain position as it invests in systems, skills, and changes in asset mix and delivery methods to meet this requirement. While Council intends to take a pragmatic approach to this journey there will be investment needed in people, skills, and systems to support this new business approach to Council's service delivery.

Another key area of added cost is the requirement for Council to produce Te Tai o Poutini Plan (TTPP), the combined district plan for the West Coast. There is considerable cost expected to take Council through the hearings and Environment Court processes, with ongoing resourcing for the next round of plan changes and rolling reviews also needing consideration. This is all on top of business-as-usual Council regulatory and planning work. This Long-term Plan proposes a mix of both rating and debt funding spread out across a number of years to support this work and create intergenerational equity over the region.

To mitigate against inflation cost pressures, Council uses a combination of industry-specific cost indices, and a composite index called the Local Government Cost Index (LGCI), which is published by BERL in September each year. If Council does not adjust budgets for this index, it erodes the amount that can be done for the same amount of dollars.

This means that Council is likely to have a limited scope soon to do new things and will need to consider carefully saying 'no' and focussing hard on the basics. Effort will need to be put into 'polishing the apple' even harder and doing more with less for Council's business as usual operations.

Council is committed to future proofing the organisation due to the many changes and challenges that are ahead. This will require investment in people, processes, skills, and systems to give the organisation the capability and capacity to do the job required and maintain levels of services for the community.

### How should we respond?

The 2024-34 Financial Strategy will draw upon many of the elements of the 2021-31 Strategy, largely because many of the key challenges such as the prioritised and timely delivery of capital works programmes, climate change and flood resilience, remain. However, whereas in the past Council has been reflecting the current environment, there is now a need to anticipate the future environment. Council will do this by preparing the organisation for the change known to be coming. Advocacy for increased Central Government funding to help deliver against their expectations and support for these work programmes will be needed. The key mechanisms Council will use to respond to the change coming is by:

1. Improving capital work and service delivery capabilities;
2. Providing a suitable future proof planning and regulatory framework that adapts to the changes afoot; and

3. Providing the necessary infrastructure to improve our flood protection and community resilience to climate changes that will accommodate change for Council, regional partners and other stakeholders.

Council should also continue to meet its fiscal prudence, and environmental sustainability obligations, and to understand both the short- and long-term trade-offs or benefits across all the well-being domains (social, environmental, economic and cultural) when making key decisions for the community. With the anticipated spike in capital expenditure and debt drawdown, it is paramount that Council carefully considers these trade-offs – not just in the short term but across the intergenerational spectrum. There is also an expected spike in cost as Council increases staffing levels to deliver this large wave of projects.

Finally, a focus to make the most of the enhanced opportunities from Government funding subsidies and other incentives to advance community outcomes, and to right size Council staffing in preparing for and supporting change, and operational expenditure is required.

### **The birds-eye view for the next 10 years**

Council sees the next 10 years of this Long-term Plan in two distinct phases.

**The first 5 years** are expected to be heavily focused on preparing for and delivery of the considerable capital works program that is dominated by Central Government grant funding. The funding comes with terms and conditions including timeframes for delivery, and Council intends to make the most of this opportunity to improve the region's flood protection assets.

There is also a very clear requirement for Council to adapt and deliver the changes that will come through with legislation and regulatory overhaul (such as the Resource Management Act reform) and those downstream effects to consenting and regulatory functions. Council is also aware that this, along with a number of other unfunded mandates from Central Government, introduces costs to ratepayers that are not only unavoidable but will continually pressure Council's decision making and subsequent setting of rating levels to pay for this change. In both cases, Council will need to increase capacity and capability of staff and systems to ensure it is ready for the future, and to avoid becoming non-compliant under new legislation.

Financially, this will lead to high levels of debt drawdown as projects progress that will take Council close to its self-imposed prudence limits. It is also likely that with all this extra focus and activity - on top of usual Council business - in what is a high inflation environment and with interest rates being elevated from recent historic lows that rating increases can be expected to be higher than in recent times.

**The second 5 years**, from year 5 onwards, Council will be taking a much tighter line on new infrastructure investment as there will be limited debt capacity to do the work, and unless there is clear Government support, will only be prioritising needed renewal and maintenance that will maintain the new level of service generated in the first 5 years investment. In short, capital works are forecast to decrease.

It is also expected that many of the changes in legislation and the regulatory environment will be better understood, and that Council will have been on a successful journey of capacity building to support the change and switching to a bedding in of what is to be the new normal for Council operations and services. The cost impact of these changes will be known, and the focus will switch to ensuring efficient

and effective delivery within the new framework, and a proactive cost recovery strategy will always be in play.

In summary, where the first 5 years is about rapid investment and upscaling in capability and costs to take advantage of grant funding and preparing for change, the second half of the plan calls for prudent management of the new levels of service and operational delivery and budgets of Council.

### Financial Strategy and Infrastructure strategy

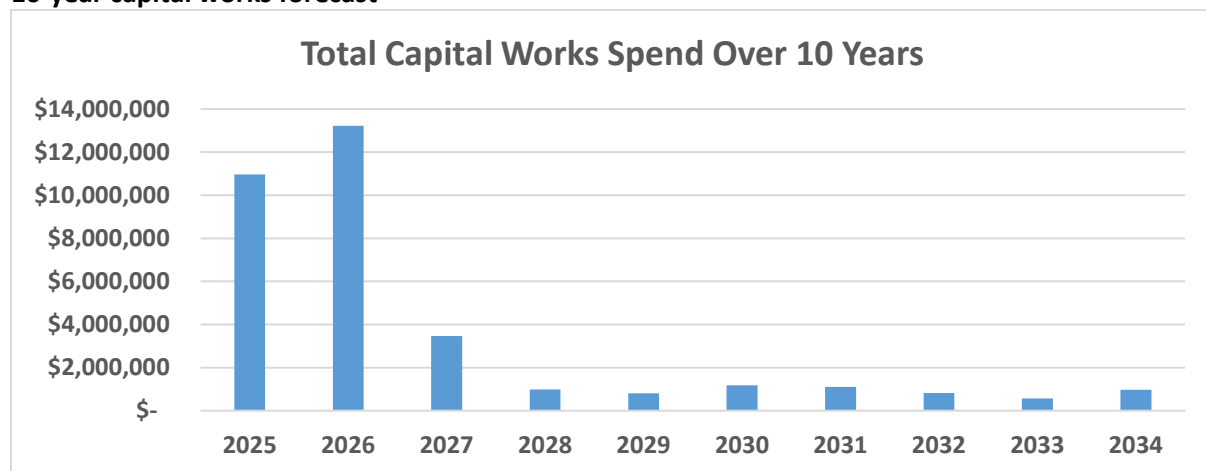
The Financial Strategy is the enabler for the Infrastructure Strategy which identifies flood protection, community resilience, and climate change response as the key areas of focus for the capital expenditure programme.

This in turn drives the Financial Strategy, which balances these infrastructure needs with the management of borrowings and rating impacts on the community. All major projects have been, and will continue to be, assessed and prioritised according to their critical need and government stimulus funding and benefit to the regional economy. The scale of capital works in the short term is such that Council will need to be very purposeful in finalising project delivery methods and ensure strong resourcing levels to avoid costly delivery delays.

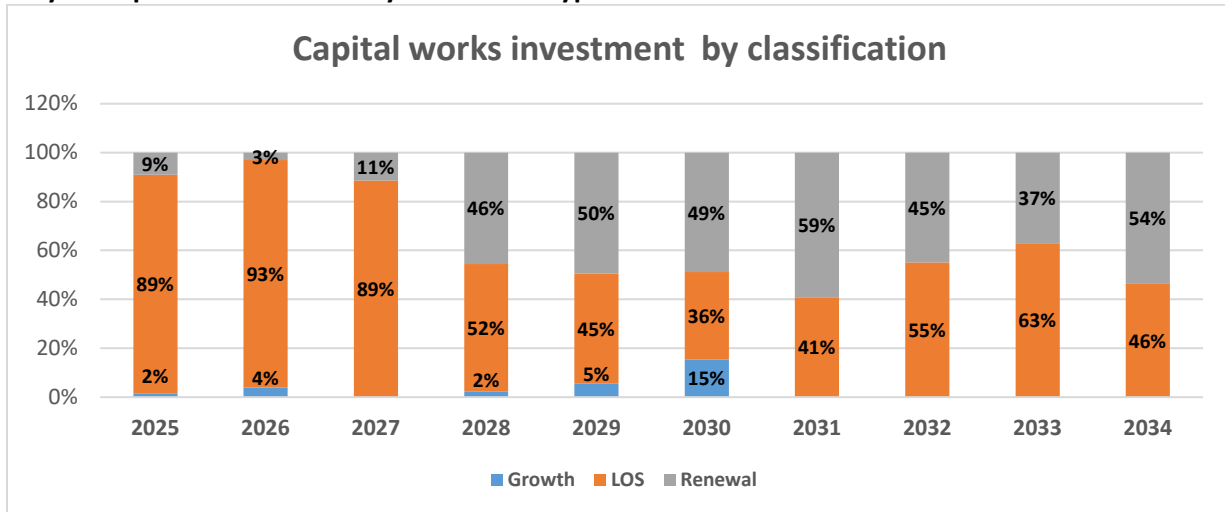
To ensure the delivery of the significantly increased programme of works, Council will use alternative delivery and procurement models, such as partnering and collaboration with key suppliers in the region that have the capability and capacity to scale up faster than Council. This could include longer term procurement models as well as bundling multiple projects into consolidated packages of work. In addition, the capacity and capability of project management and asset management staff must expand to manage certain key projects and to maintain an overview of the entire capital works programme.

Council believes under investment in critical infrastructure maintenance and renewals is not sustainable, and that it needs to make the most of the funding and time available now to upgrade the flood resiliency of the region as a top priority. The below graphs show the scale and type of investment Council is making over the 10 years of this Long-term Plan, while the table captures key projects within that investment. All should be read in conjunction with the rest of this document.

### 10-year capital works forecast



## 10-year capital work forecast by investment type



## Key capital projects and methods of funding

Project	Debt/Rates	Grant funding	Total Estimated Cost
Westport Flood Protection Project	\$8.37M	\$15.6M	\$23.97M

## Local Government (Reporting and Prudence) Regulations 2014 requirements

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

## Rates affordability benchmark

The Council meets the rates affordability benchmark if:

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rate increases equal or are less than each quantified limit on rates increases.

It is of note that Council sets the quantified limit in each of these benchmarks as opposed to any outside influence.



### Rates (income) affordability

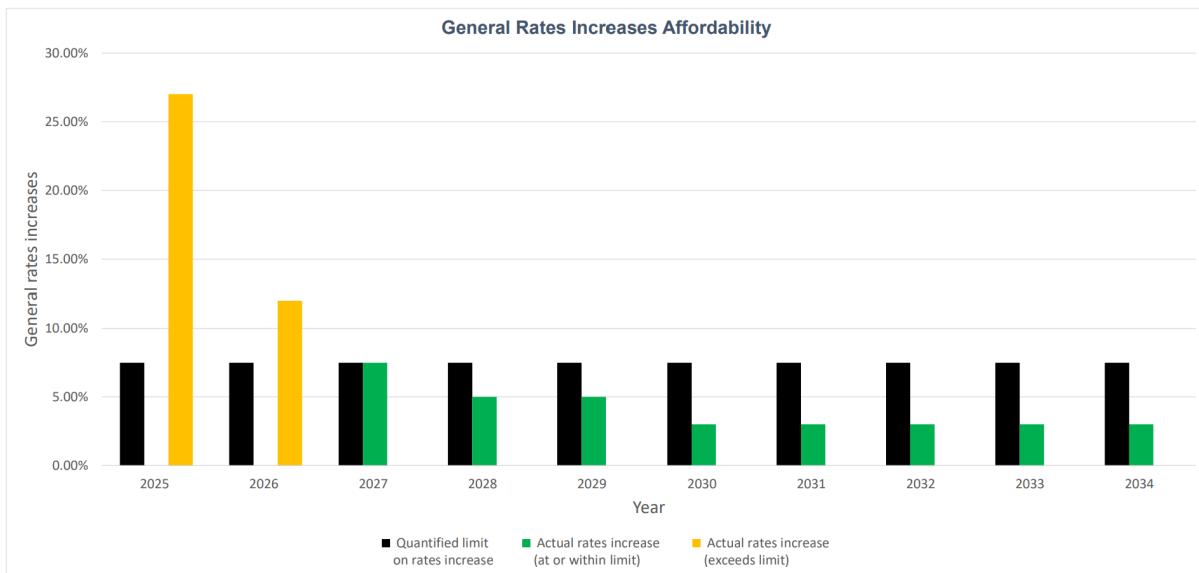
The following graph compares the Council’s planned general rates income (including Uniform Annual General Charge (UAGC)) with a quantified limit on general rates (including UAGC) contained in the financial strategy included in Council’s Long-term Plan. The quantified limit is that general rates (including UAGC) will not exceed 50% of total income (the quantified limit in the 2021-31 LTP was 50%).



From a dollar’s perspective, Council meets this benchmark in all years of the Long-term Plan.

### Rates (increase) affordability

The following graph compares the Council’s planned general rates (including UAGC) increases with a quantified limit on general rates (including UAGC) contained in the financial strategy included in Council’s long-term plan. The quantified limit is that general rates (including UAGC) increase will not exceed 7.50% per annum.



Council has made the decision to not meet this benchmark in the first 2 years of the Long-term Plan. The reason for this is to fast track the resources needed to take advantage of the Central Government funding as it relates to the Westport Flood Protection Project, and to tackle the issues of fast rising costs due to inflation and organisational rebuilding head on. It is not deemed prudent to under resource Council business during this critical period of activity as it could lead to missed investment opportunities and a lowering of services levels to the community.

### Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the Council’s planned borrowing with a quantified limit on borrowing stated in the financial strategy included in Council’s Long-Term Plan. The quantified limit is "proposed debt divided by total revenue" will not exceed 175%.



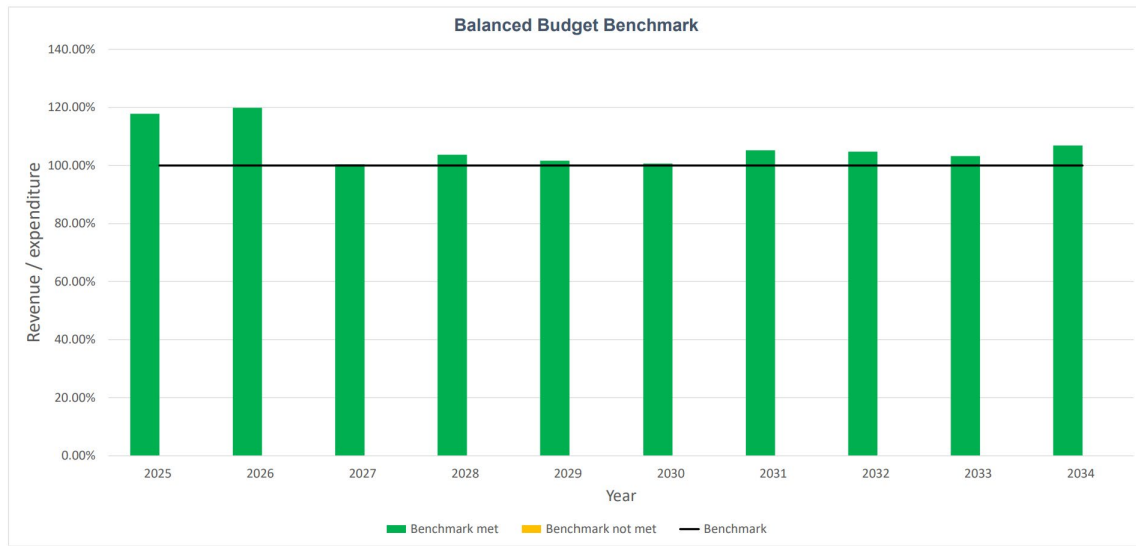
Council meets this important benchmark and its LGFA borrowing covenants in all years of the Long-term Plan. There is a steep rise in debt during the first three years due to the high level of planned capital works, ongoing Te Tai o Poutini Plan cost, and the use of debt to smooth rate increases that would otherwise be unaffordable. The reduction in debt in the second half of the Long-term Plan is related to the Council’s return to cash surplus from year four which will be used to start the debt repayment in line with the overall strategy of this document.

### Balanced budget benchmark

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

Council considers that achieving a balanced budget is desirable most years unless there are significant changes required for consideration to maintain service levels and / or implement new regulations. Any years that are not balanced will need to be balanced in years preceding or immediately after to keep Council books sustainable.

The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).



Council meets this benchmark and balances its budgets in all years of the Long-term Plan through a mix of funding methods noted elsewhere in this document.

### Essential services benchmark

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Network services means infrastructure related to:

- Water supply;
- Sewerage, and the treatment and disposal of sewerage;
- Stormwater drainage;
- Flood protection and control works; and
- Provision of roads and footpaths.

Council’s only network services relate to flood protection and control works. Council does not provide any other network services. These network services are in the form of assets such as rock protection, stop banks, seawalls etc. These assets are not subject to depreciation. Council’s capital expenditure on flood protection and control network assets will always be equal to or greater than the depreciation expense.

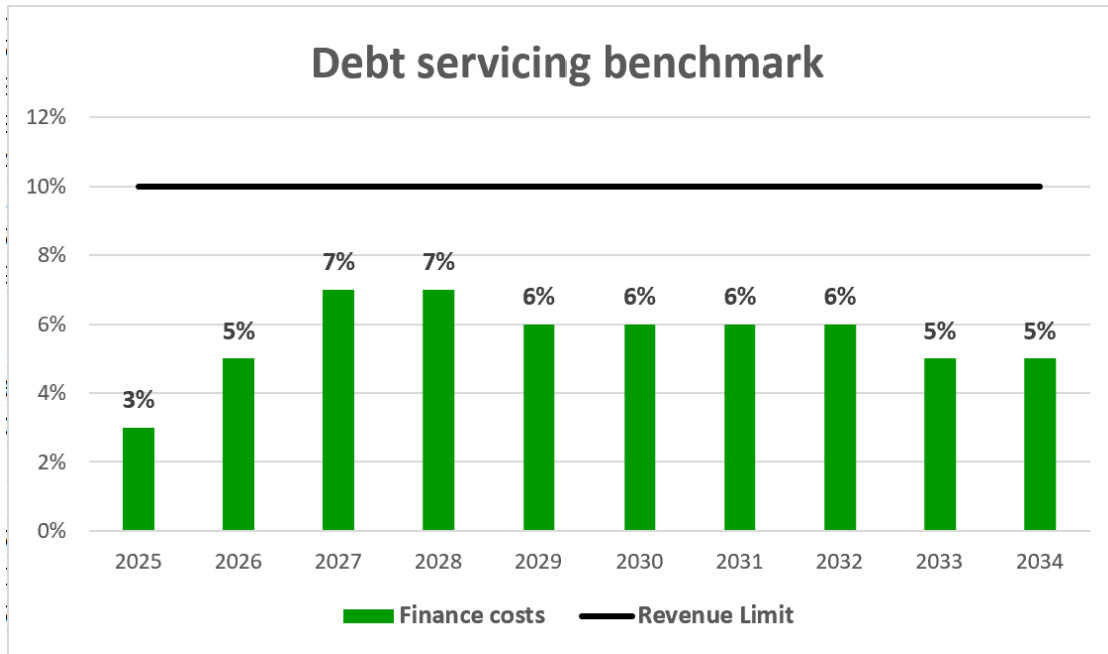
As there is no depreciation, the graph required by Schedule 5 of the Local Government (Financial Reporting and Prudence) Regulations 2014 cannot be produced.



### Debt servicing benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the region’s population will grow more slowly than the national population growth rate or even negative growth, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



# Infrastructure Strategy

## Purpose

This strategy has been prepared for the management of flood defences and river and coastal erosion protection infrastructure as required under the Local Government Act 2002, section 101B 6(a)(iv). This includes, but is not limited to stopbanks, floodwalls, groynes, sacrificial bunds, drainage channels, seawalls and river training works and culverts.

While the Local Government Act requires that the Infrastructure Strategy must include assets for flood protection and control works, Council may at its discretion include other assets. For this 2024 – 2054 Infrastructure Strategy, Council has opted not to include other assets and instead focus solely on those that provide flood and erosion protection across the region. Assets providing flood and erosion protection have a value of \$188.5 million comprising the bulk of Council’s \$193.3 million assets, or 97.5% of total assets.

The purpose of the Infrastructure Strategy is to:

- Identify significant infrastructure issues over the period of this strategy.
- Identify the principal options for managing those issues, and the implications of those options.
- Outline how the Council intends to manage these infrastructure assets and what the most likely scenario is for the management of these assets.

Capital and operating spend to meet the levels of service, as agreed with the community, for flood risk management, erosion control and other protection is also included. Flood protection and erosion control faces significant issues over the next 30 years; including those effects from climate, change, natural hazards and affordability issues.

This Infrastructure Strategy is aligned and linked to other key Council documents and strategies including the Financial Strategy and Asset Management Plans. The Infrastructure Strategy is adopted as part of the Long-term Plan process.

## West Coast flood and erosion protection

The West Coast Regional Council (the Council) manages and administers flood defences and river and coastal erosion protection structures on behalf of 23 rating districts across the region. While Council does not have a legal requirement to build and maintain flood and erosion schemes, it does so under the agreement and instruction of its beneficiaries; the rating districts. Council enables and assists these rating districts to build, manage and maintain their assets.

Working on behalf of the rating districts is a significant and integral part of the activity of Council. Rating district assets, in conjunction with an array of other activities, provide services to the region that are essential in managing risks associated with natural hazards, enabling economic productivity and providing for community wellbeing. Consequently, it is important that Council assists with the management of these assets in a way that ensures they are resilient to nature’s unpredictability, and that they can deliver on the levels of

### Financial Strategy

The Infrastructure Strategy and Financial Strategy are inter-related. The benefit of services, affordability and equity of rates are critical for the long-term wellbeing of the community. The 30-year financial projects of the Infrastructure Strategy have been integrated into financial models which in turn generate the reserve, borrowing and rating requirements. The Revenue and Financing Policy describes the funding sources for flood and erosion mitigation. The schemes are funded through a combination of targeted and general rates.

service<sup>1</sup> agreed with the respective rating district in the most cost effective manner for current and future generations.

Council is required to plan and manage its infrastructure needs across a thirty-year time horizon. This includes the assets constructed and maintained on behalf of the rating districts. Recognising that flood and erosion type infrastructure can provide benefits across a much longer timeframe than this, Council is seeking to adopt an inter-generational approach, applying consideration of an 80-year timeframe, to the management of these assets while acknowledging that:

- The decisions made today affect future generations; and
- Greater uncertainty will be realised over longer timeframes.

### Looking to the future

Over the next 30 years Council is seeking to work with communities across the West Coast to progressively reduce flood and erosion risk in a cost effective manner, integrating environmental, cultural and climate change considerations through supporting rating districts with physical structures, land use planning through regional and district planning instruments, and community awareness and preparedness as part of emergency management.

Doing nothing in managing and maintaining these assets assumes that existing levels of service would gradually reduce due to asset deterioration and projected climate change effects. Looking ahead, Council anticipates that supporting the rating districts with flood and erosion protection will continue to be a major activity of the organisation. Therefore, Council is seeking to work closely with Poutini Ngāi Tahu, stakeholders and communities to put in place strategies and structures that will endure well beyond the timeframes of this strategy.

### Council’s Infrastructure assets

Council manages and administers 23 rating districts on behalf of the community. These provide protection against flooding, river and coastal erosion, as well as channel maintenance, land drainage and river mouth openings. Located throughout the region from Karamea in northern Buller to Neil’s Beach in South Westland, infrastructure assets provide considerable benefits to the communities they protect.

Flood defences and river erosion protection	Flood defences	Coastal erosion protection	River erosion protection	Coastal river mouth opening
Inchbonnie Kowhitirangi Red Jacks Creek Taramakau Waitangitoana Wanganui Karamea Hokitika/Kaniere*	Franz Josef/Lower Waiho Greymouth/Coal Creek** Nelson Creek	Okuru Punakaiki Hokitika Seawall*	Hokitika Southside Whataroa	Saltwater Creek / New River (Part of the Grey Floodwall rating district)**
Flood defences and sacrificial coastal bund	Land drainage scheme	Creek clearance, river erosion protection, flood defences	Channel maintenance and river erosion protection	No infrastructure
Mokihinui Neils Beach	Raft Creek Kongahu	Vine Creek	Matainui	Westport Rapahoe

<sup>1</sup> ‘Level of Service’ means the defined service quality for a particular activity (flood protection) against which service performance can be measured.

\*Hokitika/Kaniere/Hokitika Seawall are all part of one rating district

\*\*Greymouth/Coal Creek/Saltwater Creek/New River are all part of one rating district

## Regional Infrastructure Challenges

Assets involved in flood and erosion protection are mostly considered perpetual in nature and are important to both the regional and national economy. The construction and maintenance costs of those assets are substantial and there is a need to ensure that any future expenditure is affordable. This will ensure the future performance of any scheme is preserved and flood and erosion protection will continue to be provided. This presents a financial challenge for the rating districts to ensure that the costs required to maintain their assets can continue to be met considering the significant issues that have been identified and outlined below.

Ensuring that the funding of asset-related costs matches the perpetual benefit derived from the assets will continue to be important in managing the affordability of these services. Hence Council's approach of management across an 80-year extended timeframe. Council recognises that some assets considered perpetual may be decommissioned depending on the changing risk profile of the hazard and the inability to continue to maintain the required level of service it is intended to provide. There is likely to be difficult decisions needing to be made by rating districts in the future.

## Significant Infrastructure issues over the next 30 years

The following tables summarises the most significant strategic infrastructure issues facing the rating districts over the next 30 years, the potential consequences of these issues and the Council's proposed approach to managing these issues.

The significant infrastructure issues are as follows:

- Adapting to climate change impacts
- Ensuring yesterday's assets perform to today's reliability expectations
- Risk of natural hazards
- Economic conditions and affordability

### Adapting to climate change impacts

#### Why is it an issue?

Climate change is likely to increase flood hazards and risks due to sea level rise, more frequent and severe storm events and place additional pressure on river systems caused by larger peaks in rainfall. New Zealand is moving into a "positive" Interdecadal Pacific Oscillation (IPO) cycle which has historically aligned with an increase to West Coast river levels as was experienced in the 1980's and 1990's. Retreat of the snowline and thawing of high alpine environs is exposing more mountain rock slopes. This may be causing an increase in the mobilisation of gravel into river systems leading to increased aggradation (Waiho and Wanganui).

All of these impacts will have implications for levels of service, scheme operations and maintenance activities, with some rating districts unable to afford the current levels of service and even be challenged to significantly reduce their level of service. Council may also be asked by the community to consider new flood or erosion strategies in response to the impacts of climate change.

#### Council's preferred approach to manage this issue

The preferred option is likely to be location and context specific. The various options, as identified below, may each be suitable for different areas. Consultation and planning through an adaptive pathways planning process will be required to assess optimal adaptation options.

#### Option

#### Implication



<b>Protect</b>	Depending on the context, this may be a preferable short- to medium-term approach. Costs will gradually increase over time, especially for coastal areas vulnerable to sea level rise and adjacent to aggrading river systems. Construction to take into account design standards (e.g., RCP6 for Westport flood protection)
<b>Avoid</b>	Increasingly restrict the redevelopment and development through land use planning tools in flood or erosion prone areas. This will require implementation through the Regional Policy Statement and Te Tai o Poutini Plan.
<b>Retreat</b>	There is increasing likelihood for managed or unmanaged retreat from at-risk areas due to increased risk and less funding available. The main implications are loss of land or development potential, and likely expectation for compensation. Land use planning through the Regional Policy Statement and Te Tai o Poutini Plan will form a key component of this management approach.
<b>Accommodate</b>	A strategy of less intervention means lower initial cost. Gradual adaptation over time through more resilient buildings and infrastructure. Requires acceptance of reducing levels of service over time.

**Alternative approaches considered and implications**

Reliance on current design standard to accommodate long-term impacts of climate change

- Reduction in level of service over time.
- Significant cost when stopbanks have to be redesigned and constructed

**Ensuring yesterday’s assets perform to today’s reliability expectations**

**Why is it an issue?**

Reliability is a critical component of the effective function of the network, and for delivering on our community outcomes. However, this can be impacted by assets not being maintained. In addition, while Council regularly inspects and collects important data about the condition of rating district assets, which helps inform the various operations and maintenance programmes, some aspects of an asset’s reliability cannot be fully assessed through this process.

**Council’s preferred approach to manage this issue**

Council expects to continue to undertake maintenance, and additional capital works as approved, on behalf of the rating districts to ensure assets provide the level of service agreed. This may lead to increased financial requirements due to expected impacts of climate change, higher environmental performance requirements and regulatory compliance.

It is forecast that approximately \$70.7 million will be undertaken as the operational work maintenance work programme in the next 10 years and approximately \$228.4 million over the next 30 years (these figures include inflation).

Council’s approach is to maintain the current design standards while noting in some instances this will require increased costs if the same level of protection is to be provided. Should rating districts not wish to undertake this work, Council will need to renegotiate the level of service.

A key component to managing this risk is improving the collection and recording of asset condition information. New operational procedures and data management systems are being implemented to facilitate this.

**Alternative approaches considered and implications**

Do nothing – assets could be allowed to deteriorate

- Reduced levels of service
- Short term costs savings
- Increased risk of asset failure, with associated risk to communities
- Environmental benefits (return of land to natural state for example)

Continue as per current practice with no increase in funding for maintenance

- Adverse economic impacts
- Similar levels of expenditure
- Reducing levels of service over time

## Risk of natural hazards

### Why is it an issue?

The West Coast is prone to severe storms and seismic risk. Extreme events such as flooding, storm surge and earthquakes pose significant threat to infrastructural assets and the services they provide. Research indicates there is a 75% probability of an Alpine Fault earthquake occurring in the next 50 years, and there is a 4 out of 5 chance that it will be a magnitude 8+ event. Due to the nature of where they are located, a number of infrastructure assets will be on “liquefiable” soils making them prone to damage in a major earthquake. Such events will also increase aggradation throughout river catchments.

### Council’s preferred approach to manage this issue

Accept the risk and repair if necessary. However, Council can also take the following measures to improve its responsiveness:

- Seek to reduce the damage potential of natural hazards on assets through additional design resilience for new and existing infrastructure
- Maintain procedures to enable a timely response before, during and following a natural hazard event
- Ensure funding policies are robust and appropriate.
- Maintain structural contingencies e.g., stockpiles of rock.

Council will maintain its Catastrophe fund to provide easily accessible funding in the event of a catastrophe. Earthquake standards will be considered in new asset builds. Community response plans will continue to be developed and implemented across the region through Council’s Emergency Management function.

### Alternative approaches considered and implications

Upgrade earthquake protection on all assets - Upgrading all assets would be cost prohibitive

## Economic conditions and affordability

### Why is it an issue?

The region’s economic conditions have an impact on the ability of communities to pay for the services provided. There are increasing pressures on the current level of funding to deliver more. In the future, there may be less funding available to fund flood and erosion protection. The affordability of the levels of service may be impacted by changes to the levels of natural hazard risk (increased aggradation and river flows), increased input costs and changes to the cost of compliance. As such, there is a significant amount of land that has enjoyed protection in the past that may no longer receive the same standard of protection.

Trends such as an aging population, urban drift and social inequality all have an impact on the ability to fund infrastructure.

Council and rating districts may need to carefully review the level of service for the future for affordability purposes.

### Council’s preferred approach to manage this issue

Council recognises the need to balance both the demand for current and additional services with the community’s ability to pay. Significant co-funding of capital expenditure for new projects (e.g. Franz Josef, Westport and Hokitika) and upgrades of existing projects (e.g. Mawhera) have been secured from central government. This has substantially reduced the impact on the ratepayers within the respective rating districts. This co-funding arrangement will be central to any further major capital expenditure projects. However, while

co-funding is advantageous to offset capital costs, at the completion of the work, the respective rating district will need to be able to fund the ongoing maintenance of the asset.

Council is increasing its advocacy into central government to secure additional funding to support rating district activities.

Given increasing pressures upon affordability, it is appropriate to keep under review the full range of scheme beneficiaries to assess if current funding policies continue to be appropriate.

Opportunities will be identified for cost efficiencies in the way work delivery programmes are procured. This includes a review of the quantum of rating districts and the way these are managed.

**Alternative approaches considered and implications**

Maintain current levels of service

- Reduction in cost increases – targeted to maintenance only

No upgrades undertaken or new infrastructure constructed

- Increased risk to property and people over time
- Escalation of costs beyond ratepayers’ ability or willingness to pay leads to lower levels of service or abandonment of schemes.

### Council's approach to infrastructure management

The West Coast Regional Council manages and administers flood and erosion protection assets on behalf of its rating districts across the West Coast region. Management of these assets is crucial to support the region as these assets serve to:

- Protect the economic productivity of the region
- Reduce risks to communities from natural hazards events
- Contribute to the safety and wellbeing of the community.

### Collecting and maintaining best possible data and information

Robust decisions are dependent upon the ongoing collection and management of appropriate information. Council will be undertaking the collection of data from regular river surveys, condition assessments and structural inspections. This data, and how it is managed and analysed, is critical to inform work programmes and associated activities. This also enables Council to identify and ensure appropriate management of the region's most critical assets.

Improving the quality and accuracy of data that supports informed decisions is an ongoing activity that Council is committed to, as well as systems and processes for the management of these assets.

This information will inform rating districts as to whether levels of service are being achieved, and if not, what action the rating district will fund to reach the agreed level of service.

### Identifying opportunities for cost efficiencies

The construction and ongoing maintenance of flood and erosion schemes can be significant in cost. Council intends to continue to identify efficiencies in the way it undertakes procurement, access to materials and other costs that make up these projects to reduce the burden on ratepayers where possible.

### Rating district review

Council currently administers and support 23 rating districts across the region. The way in which the rating districts have been established, and decisions made at the time, have resulted in a range of different rating scenarios. The quantum of rating districts and the various characteristics of each creates a level of complexity and inefficiency for their ongoing management. A review of the rating districts is planned for year 2 of this Long-term Plan to identify opportunities for future efficiencies.

### Responding to demands for new capital works

Council will consult with communities in relation to requests for any new capital work initiatives. Funding will be agreed based on Council's Revenue and Financing policy – a requirement of the Local Government Act. In general terms, this means that costs will be met by those that benefit or contribute to the need for the capital work.

### Renewal or replacement of existing assets

Provided assets are properly maintained, the majority of current assets will not depreciate unless compromised by an unmanageable event. The type of assets that will require a programme of replacement or renewal includes culverts, pipes and other structures that have a finite lifespan. Council undertakes an annual maintenance programme to ensure the integrity and longevity of these assets.

Council is proposing to implement a new maintenance fee for the Westport Flood Protection Project. This will commence in year 2 of this Long-term Plan at 1% of the capital cost of the asset at the time.

#### Scaling up of capacity to deliver Westport flood protection

The construction of the Westport flood protection will be one of the largest flood protection projects undertaken for many decades. Council has been scaling up resource inhouse to deliver this project on behalf of the Westport community. The bulk of construction of the Westport flood protection is anticipated to occur in years 2 and 3 of this Long-term Plan, and be completed in year 4.

### Transfer of Strategic Assets

#### Grey Floodwall

To date, the Grey Floodwall structure has been a strategic asset which has been owned by Grey District Council but managed by the West Coast Regional Council. Currently all costs associated with the flood protection components of the floodwall are paid by the West Coast Regional Council, including insurance, maintenance and renewal costs. The Regional Council also rates for the floodwall and makes all operational decisions with regards to it. The Councils have reached agreement to transfer the ownership of the flood protection assets of the floodwall to the West Coast Regional Council. The proposal to formalise the ownership of the asset is being consulted on by the West Coast Regional Council in this Long-term Plan.

A Joint Floodwall Committee has been established to help manage the asset, with both Councils having representation on this committee. The asset transfer will not change this arrangement, although it will be timely to review the terms of reference of the Joint Committee to ensure they are up to date.

No conflicts of interest regarding the transfer have been identified. A condition assessment will be undertaken on the flood protection components of the asset prior to the transfer taking place. Financial implications relate to maintenance and operational budgets, which are not included in the Long-Term Plan financial forecast or targeted rates. If Council does take over the flood protection assets there is likely to be some increased costs relating to the depreciation and maintenance of some of these.

#### Havill Wall (Franz Josef)

The Havill Wall was built in 2017 by Westland District Council to provide protection to the oxidation ponds and wider community following a flood event in 2016. Multiple other flood protection structures on the Waiho River are managed by the Regional Council as part of the Franz Josef Rating District, and management of such assets is part of the core business of the Council. The proposal to transfer ownership of the asset to the Regional Council is therefore a logical one with it to become a wider part of flood protection for the community.

A Joint Committee has been established to help manage the assets of the Rating District, with both Councils having representation. While community membership on the Committee is being revised this is not anticipated to impact the transfer of the asset.

No conflicts of interest regarding the proposed transfer have been identified. Transfer of the asset will only take place provided a robust condition assessment of the asset has been undertaken to ensure that it is of level consistent with other Regional Council managed flood and erosion protection assets. This process ensures that upon transfer, the asset will be to the intended service level and of a condition

consistent with its required design. Financial implications relate to the ongoing insurance and maintenance costs of the asset.

### Rating District Funding

The majority of projects are funded through their respective rating district. Capital works are typically funded through government grants, any reserve the respective rating district holds, via an external loan or combination thereof. Loans are repaid from a targeted rate on that rating district.

Annual operating costs and maintenance are confirmed with each rating district at an annual meeting and undertaken following confirmation.

Funding of Council engineers, additional staff support and administrative costs are funded in a 70:30 split between the rating districts and the General Rate, reflecting Council's user pays approach as well as the wider community benefit these services deliver.

The Infrastructure Strategy and Financial Forecasts assume no catastrophic floods or other natural disasters will occur. However, based on history, and the prediction of more frequent and more severe weather events occurring, the likelihood of some flood and coastal inundation and erosion events during the 30-year period of this Strategy is increasing. There is no accurate means to forecast when or where these events will occur.

Repairs to assets from extreme weather events can be funded through reserves, or a loan if required. In addition to this, Council holds insurance to cover rating districts by providing the 40% local share which then allows access to the 60% share in funding provided by the National Emergency Management Agency (NEMA) depending on the scale of event and its impact.

The excess on a claim under Council's insurance policy is 40% of \$1,000,000 for a flood event and 40% of \$500,000 for any other event.

### Infrastructure expenditure assumptions

The construction of new assets, or work to increase the rating district's level of service (e.g. raising the height or length of a stopbank) is regarded as capital expenditure, All costs related to repairs or maintenance is funded by the rating district.

The Infrastructure Strategy investment programme is based on the following assumptions:

- There is no deferred maintenance during the 30-year period.
- There are no new schemes identified for constructed other than what has been noted in this strategy.
- Expenditure figures are based on maintaining the current levels of service.
- For the Infrastructure Resilience Project capital works, and Westport, a 1% allowance based on capital expenditure is to commence in year 1 for maintenance purposes.
- Responding to major natural hazard events is assumed to be funded through insurance, the Catastrophe Fund and reimbursements from National Emergency Management Agency.
- Inflation adjustments have been made using BERL inflation indices.

While Council has modelled flood and inundation risk for many of the rating districts, and gained an understanding of the risk profile, a degree of uncertainty remains. Floodplains and river channels are

dynamic, and it is not possible for modelling to be undertaken for all potential storm profiles and flood scenarios, including the potential for structure failure of flood protection assets and long-term accretion of floodplains. Projects of climate change effects continue to be refined over time. The timing of replacement or upgrading of assets will reflect these outcomes.

### **Total expenditure**

Council expects to spend \$50.3 million on new or replacement infrastructure for flood and erosion protection between 2024 and 2054 (30 years). Over the same period, \$228.4 million is expected to be spent on non-capital related costs including ongoing maintenance, insurance, engineering expertise, modelling and loan repayments across the rating districts.

Infrastructure activity	Capital expenditure	Operational expenditure
Flood and coastal erosion protection	\$50.3M	\$228.4M

### Capital expenditure

Council’s forecast capital programme will continue to see significant expenditure in years 1 to 3 of this LTP. The primary driver of this expenditure is the Westport Flood Protection project which is anticipated to be completed in 2027.

Funding for additional capital works have been sought as part of the co-investment and flood resilience proposal in Te Uru Kahika’s *Before the Deluge*. This proposal identified additional funding required for Hokitika and Franz Josef to complement the Climate Resilience projects, as well the Wanganui River protection. However, given that the final funding decision for co-investment was yet to be made prior to the change in government in October 2023, these projects and their expenditure have not been included in this Infrastructure Strategy.

### Projected capital expenditure

Project	Debt/Rates	Grant funding	Total Estimated Cost
Westport Flood Protection Project	\$8.37M	\$15.6M	\$23.97M

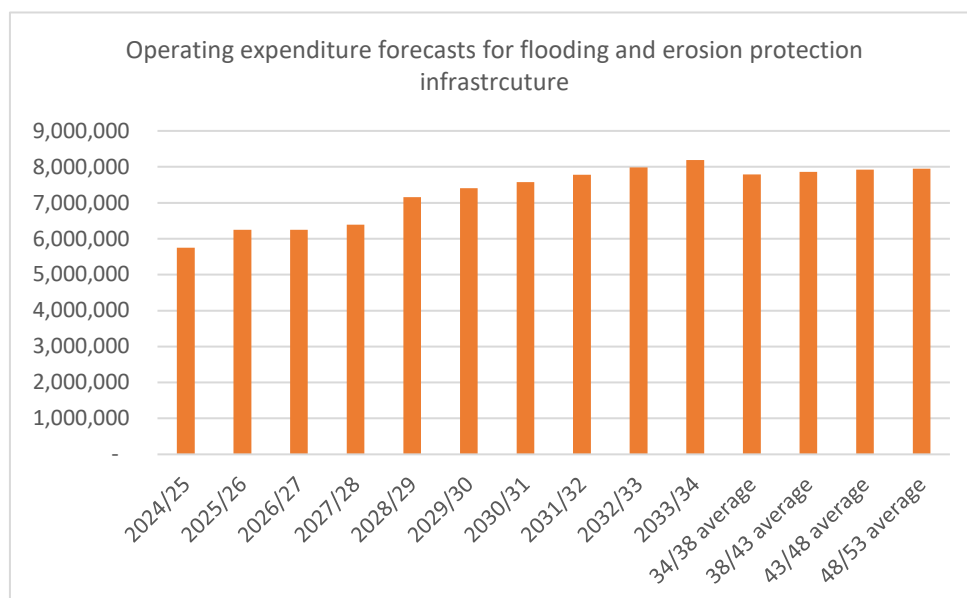
### Operational expenditure

Council spends only enough in maintenance to maintain the current levels of service on the assets it manages. All major new asset local share is debt funded for intergenerational equity reasons, and this is only likely where co-investment through grant funding from central government is available.

The right balance between routine planned and reactive maintenance is required so that assets are managed optimally in terms of functionality and cost. This balance is derived through the Asset Management Plans to maintain levels of service for the respective rating district and the Annual General Meetings of the rating districts. A work programme is confirmed at the meeting to detail the work that is to be undertaken over the coming year.

Asset Management Plans for each of the rating districts are available on the Council’s website [www.wcrc.govt.nz](http://www.wcrc.govt.nz)

Council plans to invest resources over the short-term for the provision of better data collection and usage of the information to ascertain what the long-term infrastructure requirements and levels of service are over the next





30 years. This will lead to more informed decision-making for the rating districts and Council.

Council employed engineers will continue to support the rating districts across the region particularly in the areas of ongoing maintenance, asset management and inspections. Independent project managers, consenting specialists, design and modelling consultants have been used successfully across a range of projects in the past. Council intends to continue this approach to enable the rating districts with flood and erosion protection.

#### Updating expenditure forecasts

It is expected that with each review of Asset Management Plans, Long-term Plan and the Infrastructure Strategy, the cost estimates will be updated, particularly in the early years of the respective project. This will enable the forecasts to be updated to reflect more detailed design and understanding of costs associated with those projects progressing in the early years.

## Revenue and Financing Policy

### Purpose

The Revenue and Financing Policy sets out how the Council's activities are funded. The requirements for this Policy are set out in the Local Government Act 2002 (sections 101–103).

### Overview

Council must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interest of the community. To achieve this Council makes certain there is sufficient revenue in its Long-term Plan and in its Annual Plans to meet expenditure needs. The Policy outlines the Council's: funding sources, including rates, grants, fees and borrowing funding considerations and decision-making processes, for example for operating expenses and capital expenditure.

### Available Funding Sources/Mechanisms

#### General Rates

This rating method is used to fund those services where the Council believes there is a public benefit even though it may not be to the whole community. It typically funds "public goods" for which there is no practical method for charging individual users as the benefit is wider than just specific users. General rates fund a range of services which are used by individual ratepayers to varying extents. The Council uses the general rate rather than several targeted rates to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also more straight-forward and cheaper to administer. Differentials are used to ensure that other rates mechanisms do not alter the incidence in rates between the major ratepayer groups. All general rates are set and assessed across the region (which includes the Buller, Grey and Westland District areas), but that might be on a uniform or a differential basis.

#### Uniform Annual General Charge

Council will use a Uniform Annual General Charge of \$192.59 (incl GST) as well as a general rate in the \$ of Capital Value. Council sees including the setting and assessing of a Uniform Annual General Charge as being a fairer way of spreading the imposition of the general rate over the region's ratepayers. This recognises that all ratepayers receive a base level of service regardless of the Capital Value of their property. The Uniform Annual General Charge will be set and assessed on all rating units.

Council sets its rate on a differential basis and it has decided for the 2024-25 year that the differential relationship for the categories are:

- Buller District Area 32% (34% last year)
- Grey District Area 39% (38% last year)
- Westland District Area 29% (28% last year)

Council checks the validity of these differentials from time to time using a comparison involving district Capital Values, district population and the number of rating units. These comparisons continue to support the above differentials as shown in the following table:

	<b>Buller</b>	<b>Grey</b>	<b>Westland</b>
% based on number of rating units	33%	38%	29%
% based on Capital Value	35%	36%	29%

% based on population	29%	43%	28%
<b>Average</b>	<b>32%</b>	<b>39%</b>	<b>29%</b>

### Targeted Rates

Council may set and assess targeted rates for the purpose of undertaking specific services or work for the benefit of all or part of the region. Council will be setting and assessing targeted rates to fund the following types of expenditure:

- Various river, drainage, and coastal protection schemes. These rates are only set and assessed over properties that have a direct beneficiary or cause/effect relationship with the service being provided.
- A Regional Emergency Management rate will be set and assessed across the region to fund Emergency Management responsibilities.
- Te Tai o Poutini Plan (the combined district plan for the West Coast) rate is set and assessed across the region to fund the work required in preparing this Plan mandated by the Local Government Commission Order in Council.
- The Warm West Coast targeted rate scheme requires homeowners who borrowed money from Council to improve their home heating and insulation, pay this amount back via regional rates. This scheme has been discontinued.

The Funding Impact Statement provides detailed definitions, description, and rating sectors for each of the targeted rates.

### Grants and subsidies

Used where they are available to fund both capital and operational expenditure to minimise the use of borrowing or to lower the impact on rates.

### Fees and Charges

These are used for those services where there is a benefit to an individual. If it is possible to efficiently impose a charge the Council does so, based on either recovering the full cost of the service or a rate that the market will pay. The market rate can limit the potential for charging in circumstances where the Council believes that a charge set too high will adversely reduce use.

### Investment Income

Council at present has funds under management with its Fund Manager. Council is currently using 100% of this income to offset rates.

Council also has a Catastrophe Fund of \$1million invested with its Fund Manager. Interest earned on this fund is retained 100% within the Catastrophe Fund. The Council has in place insurance cover on its infrastructure (Rating District assets) with a grouping of South Island Councils. The Catastrophe Fund of \$1million will provide easily accessible funding in the event of a catastrophe.

Environment Court appeals for RMA planning, enforcement and resource consents are unpredictable. If significant legal expenses are likely to be incurred, Council may consider using debt to cover legal fees to smooth the impact to rates and to avoid rating for expenses whose timing is uncertain.

### Rating District Balances

Various river, drainage and coastal protection rating districts have credit balances carried forward from year to year. At various times these credit balances will be utilised to fund works required in those rating districts.

## Borrowing

Council views debt as a smoothing mechanism and a means of achieving equity between time periods, however Council does not have an unlimited capacity to borrow, and the community does not have unlimited capacity to service those loans into the future. Therefore, Council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community.

Council's Long-term Plan envisages borrowing to fund:

- Scheme works where Council has sought the views of the contributing community prior to carrying out the river, drainage or sea protection works.
- Work programmes that have future benefits and where the expenditure is uneven, and borrowing is an effective strategy for smoothing the rating impact.
- To raise the local share of key projects that are otherwise substantially paid for through Central Government grant funding to achieve intergenerational equity outcomes.

Council borrows the funds required to carry out the works and normally rates the properties identified as benefiting from the works to service and repay the loan. Council seeks to match the term of borrowings to average life of assets where practicable. New loans drawn down for the key forecast capital works in this Long-term Plan will be repaid in line with the new asset life expectancy which could be up to 80+ years.

## Proceeds from asset sales

These may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There are no major planned asset sales programmed over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.

**Table 1: Summary of funding tools and how they are applied.**

Funding	Operating expenditure	Capital expenditure
General rates, including Uniform Annual General Charge (UAGC)	Used to fund expenditure	Used to fund expenditure and repay debt
Target rates including differential rates	Used to fund expenditure	Used to fund expenditure and repay debt
Fees and charges	Used to fund expenditure	Not used
Interest and dividends	Used to fund expenditure	Used to fund expenditure
Borrowing	Used to fund expenditure if required	Used to fund expenditure
Proceeds from asset sales	Used to fund expenditure	Used to fund expenditure and repay debt
Grants and subsidies	Used to fund projects	Used to fund projects
Surpluses from previous financial year or reserves	Used to fund expenditure	Used to fund projects

## Funding principles

In considering which funding sources are appropriate for each activity, Council has considered Section 101(3) of the Local Government Act:

- The promotion of community outcomes.
- User/beneficiary pays – the distribution of benefits between the community as a whole, any identifiable part of the community and individuals.
- Intergenerational equity – the period in or over which those benefits are expected to come.
- Exacerbator pays – the extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity.
- The costs and benefits of funding an activity in a different manner to the way other activities are funded, including consequences for transparency and accountability.
- The overall impact on the current and future social, economic, environmental and cultural well-being of the community.

## Changes to Funding Mechanisms

There have been several changes made in this Policy review due to the consolidation and restructure of Council’s Activity Groups. These changes have resulted in the consolidation of seven Activity Groups into five which are considered to better reflect the role and responsibilities of Council. An additional activity, Navigation and Harbour Safety, has been included in the *Policy and Regulation* Group of Activities, Vector Control Services (VCS) is no longer a separate Activity Group but included in a wider, new, *Commercial Activities Activity Group* along with Quarries. Hydrology and Flood Warning Services is now included within the *Infrastructure and Resilience* Group of Activities.

The below table and graphs summarise the funding policy of Council.

**Table 2: Summary of funding policies**

Activity Group	Activity	General Rates and UAGC	Targeted Rates	User Fees and Charges	Subsidy	Other
Regional Leadership	Governance	100%				
	Working with Poutini Ngāi Tahu	100%				
	Community Engagement	100%				
	Advocacy	100%				
Infrastructure and Resilience	Capital Works		100%			
	Rating Districts		100%			
	Emergency Management	40%	60%			
	Flood Warning	40%	60%			
	Natural Hazards	100%				
Natural Environment	Monitoring - Water	100%				
	Monitoring - Air	100%				
	Biodiversity	100%				
	Biosecurity	100%				
Policy and Regulation	RMA Policy and Planning	100%				
	Te Tai o Poutini Plan		100%			

	Regional Transport	36%			64%	
	Consents	30%		70%		
	Compliance	35%		65%		
	Navigation and Harbour Safety		100%			
<b>Commercial Activities</b>	Investment portfolio					100%
	Commercial operations			100%		

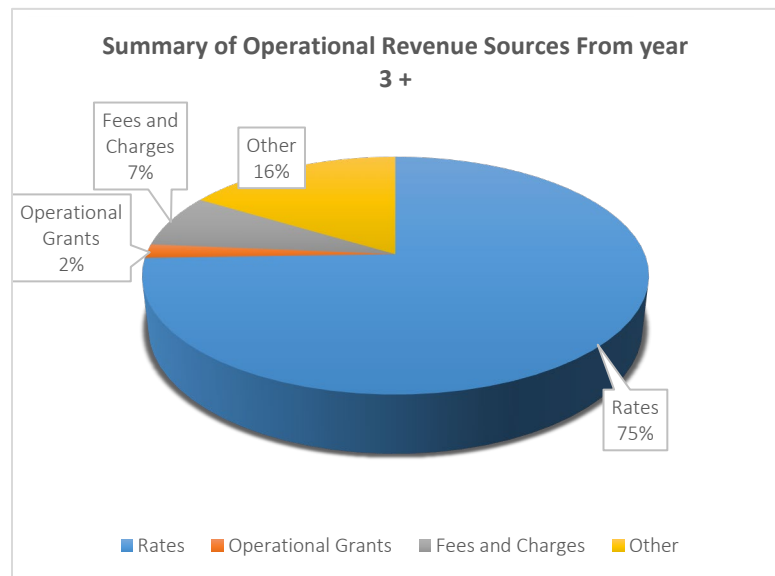
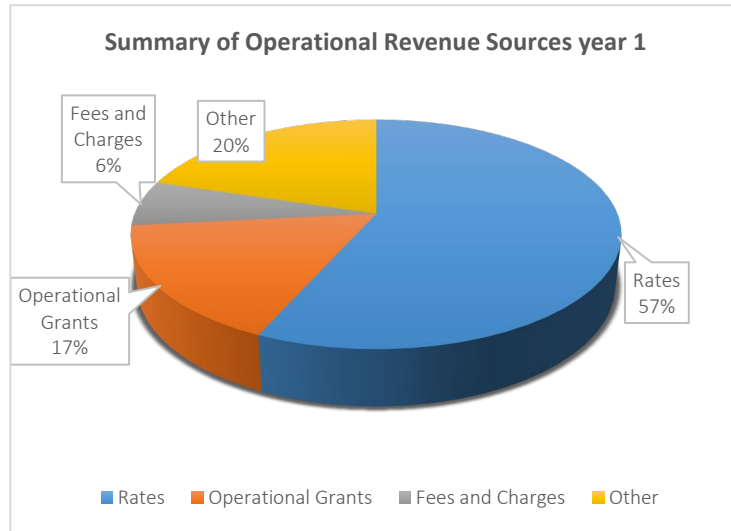
## Summary of Activity Funding Sources



## Funding of Operating and Capital Expenditure

### Operating Costs

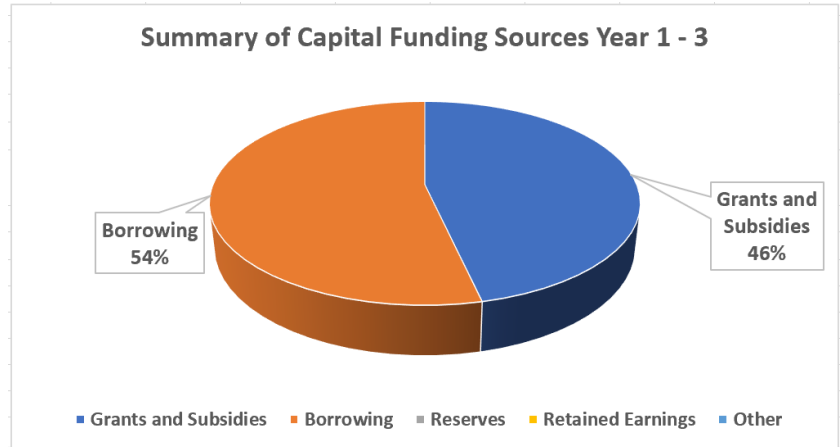
Council policy is to fund Operating Expenditure from rating revenue, user fees and charges, operational grant funding where available, and retained credit balances (e.g. rating district targeted rate credit balances). Council has elected to also fund Te Tai Poutini Plan costs through debt for intergenerational and affordability reasons. The following two graphs illustrate the change in the funding mix across the Long-term Plan of a decrease in available grants and subsidies which will result in a higher rate requirement.





## Capital Expenditure

Capital Expenditure can be funded by retained earnings, rating district credit balances (for flooding and erosion protection works), Central Government grants and subsidies, occasional sale of assets, or Council borrowing. In this Plan Council has elected to fund all capital works and local share contributions for the Westport Flood Protection projects through debt. It is worth noting, in the representative graphs below, that years 1 to 3 of the Long-term Plan has more capital work forecast (\$27.7M) than the rest of the other 7 years combined (\$6.4M). This is driven primarily through the delivery of the Westport Flood Protection project.



## Borrowing and Investment Policy

### Introduction

This Borrowing and Investment Policy (“the policy”) outlines the objectives and approach that West Coast Regional Council (“the Council”) shall adopt to manage its treasury exposures.

The policy is developed pursuant to the Local Government Act 2002 (“LGA”). For all borrowing activities it seeks compliance with Section 102 and Section 104 of the LGA. It discloses the Council’s principles of prudent financial management and risk mitigation strategies as they relate to the management of external debt.

For all financial market investing activities the policy seeks compliance with Section 102 and Section 105 of the LGA. It discloses the Council’s principles of prudent financial management and risk mitigation strategies as they relate to financial market investments.

The purpose of the policy is to establish a framework and guidelines within which the Council manages its treasury risks. While the Council does not seek to speculatively profit from its treasury activities, it recognises that active and prudent management of its treasury risks, within defined management parameters, will assist the Council in achieving its overall objectives.

It is recognised that the policy is an evolving document which can be amended and expanded to take account of changes in the Council’s operational activities and operating structure. The policy must be regularly monitored for compliance and appropriateness and, where necessary, the document updated with any changes to be approved by the full Council. Notwithstanding this, a formal review of the policy must be completed at least every three years, or more frequently if required.

It is also recognised the Council does not have a dedicated treasury function and the Corporate Services Manager (“CSM”) will effectively be responsible for treasury risk management as well as other duties. Hence it is essential that the policy reflects this structure and the other internal resources available to assist in this area.

### Treasury Objectives

The objectives of the treasury function should be consistent with the Council’s overall objectives, in particular recognising that the Council is a risk averse organisation which does not seek to profit from any speculative treasury activity. The primary objectives of the treasury function are to:

- Minimise the cost of the Council’s borrowing through monitoring and implementation of the most cost effective financing techniques giving consideration to balance sheet and other strategic limitations
- Mitigate the impact of interest rate volatility
- Ensure the Council’s continued ability to meet its financial obligations in an orderly manner, as and when they fall due in both the short and long term, through active liquidity and funding risk management
- Maintain dialogue and information flows to the Council’s funding providers to enhance the commercial relationship between the parties
- Ensure compliance with the Council’s financing and borrowing covenants and ratios specified in this document

- Safeguard the Council’s financial market assets by establishing and regularly reviewing financial market investment parameters and treasury credit limits and then managing financial market exposures within these limits
- Evaluate on an ongoing basis, the appropriateness of the current risk management processes
- Maintain adequate internal controls to minimise operational risk while recognising the limited number of personnel who participate in the Council’s treasury activities
- Control cash in an effective and efficient manner
- Produce accurate and timely information that can be relied on by the elected members and management of the Council that ensures policy compliance and maintains appropriate exposure monitoring procedures.

### **Organisational and responsibility structure**

An effective policy requires a clear understanding and definition of the structure of the treasury function and the responsibilities of all personnel involved in treasury management.

The following personnel are primarily responsible for the management of the treasury activities of the Council:

- Full Council (of elected members).
- Chief Executive Officer (“CEO”).
- Corporate Services Manager.
- Finance Manager (“FM”).

In addition to the above, the Council may retain on an ongoing or consultancy basis the services of an Independent Treasury Advisor.

The respective responsibilities of those personnel involved in the treasury function are detailed below.

#### Full Council

- Approves the policy document
- Approves any risk management strategies outside the delegated authorities outlined in this policy document
- Approves any amendments to the policy as recommended by the CEO
- Approves new borrowing facilities from the banking sector and capital markets upon the recommendation of the CEO
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure that the treasury function is operating in such a way as to ensure that the Council’s strategic objectives are being met.

#### Chief Executive Officer

- Approves all debt related interest rate risk management strategies submitted by the CSM
- Determines in consultation with the CSM the level of future core debt to be used for interest rate risk management purposes
- Submits to the full Council new or amended borrowing facilities which have been negotiated by the CSM

- Approves any amendments to this Policy recommended by the CSM, prior to submission to the full Council for approval
- Checks external counterparty advice on treasury transactions to records generated internally by other staff
- In the absence of the CSM undertakes the following treasury transactions or delegates to the FM where permissible under his/her permissions:
  - Funding from bank facilities and the capital markets including the Local Government Funding Agency (“LGFA”)
  - Interest rate derivative transactions relating to the hedging of the Council’s debt
  - Placing of deposits in the short term money market or fixed interest market
  - Investing in bonds in the fixed interest market.

#### Corporate Services Manager

- Organises all new or amended borrowing facilities which shall then be submitted to the CEO for approval and then to the full Council for final approval
- Reviews this Policy every three years or more regularly if required which shall then be submitted to the CEO for approval and then to the full Council for final approval
- Develops all interest rate risk management strategies in conjunction with the Independent Treasury Advisor for approval by the CEO
- Determines in conjunction with the CEO the level of future core debt is to be used for interest rate risk management purposes
- Reports to the full Council and CEO on overall treasury risk management issues on a regular basis.
- Manages the funding and liquidity activities of the Council
- Maintains lender relationships with the banks and the capital markets including the LGFA
- Undertakes all treasury transactions which will include but not be limited to the following:
  - Funding from bank facilities and the capital markets including the LGFA
  - Interest rate derivative transactions relating to the hedging of the Council’s debt
  - Placing of deposits in the short term money market
  - Investing in bonds in the fixed interest market
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure compliance with the policy parameters
- Prepares quarterly treasury reports
- Checks external counterparty advice on treasury transactions to records generated internally by other staff.

#### Finance Manager

Checks external counterparty advice on treasury transactions to records generated internally by other staff.

- Assists the CSM with the preparation of treasury reports.
- When delegated to so undertakes all treasury transactions which will include but not be limited to the following:
  - Funding from bank facilities and the capital markets including the LGFA
  - Interest rate derivative transactions relating to the hedging of the Council’s debt
  - Placing of deposits in the short term money market

- Investing in bonds in the fixed interest market
- Checks external counterparty advice on treasury transactions to records generated internally by other staff.

## **Interest Rate and Borrowing Risk Management**

### **Interest Rate Risk Management**

Interest rate risk management has the objective of containing the Council’s interest rate exposures in order to:

- Give a sufficient level of certainty to the Council’s funding costs while, at the same time, allowing the Council to participate if interest rates and credit spreads move favourably.
- Control variations in interest expense for the debt portfolio from year to year, taking into consideration any relevant budgetary assumptions.
- Recognise the Council’s exposure to the local and international economies and maintain sufficient flexibility in its interest rate risk management profile to enable the Council to respond when considered appropriate.

For the purposes of interest rate hedging, core debt projections should be supported by budgetary analysis contained in the Annual Plan and the Long-term Plan. Core debt is defined as the level of current and projected future debt as determined by the CSM in consultation with the CEO.

<b>Fixed Rate Cover Percentages</b>		
<b>Period</b>	<b>Minimum</b>	<b>Maximum</b>
0 to 2 years	40%	100%
2 to 4 years	20%	80%
4 to 8 years	0%	60%

The Council will maintain fixed interest rate cover of its core debt within the control limits detailed in the table above. Compliance with these parameters is not necessary if debt is less than \$3.0 million.

The CSM is primarily responsible for the monitoring and managing the interest rate hedging profile of the Council. If the fixed rate cover is below or above the Fixed Rate Cover Percentages, the reasons for the non-compliance with the policy must be documented in an exception report.

### **Approved Interest Rate Risk Management Instruments**

The approved derivative interest rate risk management instruments are as follows with definitions and examples of these instruments contained in Appendix II.

- Fixed interest rate swaps, including forward starting swaps.
- Forward Rate Agreements (“FRA”).
- Interest rate options – includes caps, swaptions and collars. For a collar the amount of the sold option must match the amount of the purchased option.
- Fixed rate term loans

Options on hedging floating rate debt with an exercise rate greater than 2.00% above the equivalent period interest rate at the time of inception cannot be counted as part of the fixed rate cover percentage calculation. For example, a two-year cap at 5.00% would only count as a fixed rate hedge if the underlying swap rate at the time of inception was greater than 3.00%.

In addition to the above derivative instruments, Fixed Rate Term Loans may also be used to manage the Council's interest rate risks.

### **Funding Risk Management**

Funding risk is defined as an inability to secure access to external lines of credit sufficient to enable the Council to achieve its strategic short term and long term objectives where the financial requirements to achieve those goals exceed the funds being generated from operating activities. Funding risk covers both working capital requirements and core debt.

- The Council must approve all new debt funding facilities and/or revision to the parameters of existing debt funding facilities.
- To ensure that all of the Council's debt is not exposed to excessive refinancing risk at any one time, no more than 40% of all debt facilities should mature within a rolling twelve-month period. Compliance with this provision is not required if total external debt is less than \$3.0 million.
- The CSM must renegotiate/replace maturing bank funding facilities on a timely basis. Specifically, the CSM must obtain an indicative letter of offer no later than two months before the maturity of any bank facility.

### **Liquidity Risk Management**

Liquidity risk management has the objective of ensuring that adequate liquid assets and funding sources are available at all times to meet the short term commitments of the Council as they arise in an orderly manner. Appropriate cash flow reporting mechanisms will be maintained to monitor the Council's estimated liquidity position over the next twelve months.

To manage liquidity risk the Council must maintain committed funding facilities at a minimum of 110% of the projected peak debt level over the ensuing twelve month period.

### **Counterparty Risk Management for Borrowing and Interest Rate Risk Management**

The management of counterparty credit risk in relation to the Council's borrowing and interest rate risk management activities has the objective of minimising financial loss through the default of a financial counterparty, usually a financial institution, due to the financial insolvency of the counterparty, the inability of the counterparty to perform due to country decree, or any other circumstance such as an adverse market event. The purpose of counterparty credit limits is to limit the loss that the Council may incur if a counterparty was to default or be unable to meet its obligations.

The Council's exposure to counterparty credit risk will be managed by entering into financial market transactions and funding arrangements with only approved counterparties. Approved counterparties are defined as follows:

- An approved counterparty must be a New Zealand Registered Bank or financial institution with a long term credit rating of 'A-' or above by Standard & Poor's ("S&P"), or the Moody's Investors Service ("Moody's) or Fitch Ratings ("Fitch") equivalents.

### **Local Government Funding Agency**

The Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA

- Provide guarantees of the indebtedness of the LGFA
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required
- Subscribe for shares and uncalled capital in the LGFA
- Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

### **Borrowing Limits**

Council will borrow to fund its total funding needs in accordance with the Annual Plan and Long-term Plan. Borrowing includes funding of short term working capital and long term capital investment. In general terms, Council approves borrowing through the annual and long-term planning process with public disclosure by way of resolution.

Ratios based on revenue and debt servicing are used for measuring a prudent borrowing level. The Council borrowing limits are based on the following LGFA ratios:

- Net interest will not exceed 20% of total revenue
- Net debt will not exceed 175% of total revenue
- Net interest will not exceed 25% of annual rates.

### **Financial Market Investments**

#### **Introduction**

The Council may invest surplus funds in financial market instruments, generally on a short term basis, and these funds are to be managed according to the parameters contained in Appendix I. These funds are separate from the 'Main Portfolio' and the 'Catastrophe Fund' both of which are managed externally.

#### **Restrictions on Investments**

In addition to the parameters contained in Appendix I, the following restrictions apply to investments in financial market instruments:

- No investment shall have a maturity date exceeding one year from the date of inception of the investment
- No investments shall be made in Council Controlled Organisations
- If a short term security is downgraded below 'A1' then that security must be sold within one month of the date of the downgrade. The exceptions to this are Term Deposits due to the inability in some cases to effect early repayment.
- If a long term security is downgraded below 'BBB' that security must be sold within three months of the date of the downgrade.
- All financial market investment transactions must be carried out with one of the following.
  - A New Zealand Registered Bank or financial institution with a minimum S&P Global Ratings ("S&P") long term rating of 'A-' or the Moody's or Fitch equivalent.
  - A full trading member or an advising member of the NZX.

#### **Local Government Funding Agency**

Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially higher than the return it could achieve with alternative investments. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

## **Operations and Procedures**

### **Introduction**

Arranging and agreeing transactions with external counterparties must occur within a framework of control and accuracy. It is vital to the internal control of the Council that all transactions are captured, recorded, reconciled and reported in a timely manner within a process that has the necessary checks and balances so that unintentional errors and/or fraud are identified early and clearly. Movements in financial market variables can be rapid and exposures to such movements that are not known due to inadequate transaction recording and reporting systems should not be allowed to occur.

### **Transaction Origination**

The following authorities shall apply in respect of the execution of treasury transactions on behalf of the Council that may commit it to all the related contractual obligations under these transactions. All such transactions are generally originated and agreed either verbally via the telephone or by email. Therefore, it is important that procedures are in place to control the activity.

### **Funding from Banks, the LGFA and the Capital Markets and Entering into Financial Market Investment Transactions**

- Funding from bank facilities, the capital markets and the LGFA or entering into financial market investment transactions with an approved counterparty entails the personnel of the Council, who are authorised to undertake these activities, verbally or by email agreeing with the counterparty the amount, type of debt or investment instrument, term selection and rate accepted.
- Once the deal is agreed, details of the transaction shall be entered on the relevant internal system.
- Once the confirmation of the transaction is received the details should then be checked by someone other than the person who entered into the transaction in the first place to ensure that the external confirmation is in accordance with the details on the Council's internal system.

Any discrepancies in the above procedures should be immediately communicated to the counterparty so that the correct details of the deal can be agreed. A report on the error shall be prepared by the person who transacted the deal in the first place and submitted to the CEO for sign-off. Where the CEO has transacted the deal, the report shall be submitted to the CSM. In this way there is a clear division of responsibility and a self-checking system.

### **Interest Rate Derivative Products**

Transacting interest rate derivative products with an approved counterparty entails the personnel of the Council who are authorised to undertake these activities, verbally or by email agreeing with the counterparty the amount, term selection and rate accepted. Once the deal is agreed details of the transaction shall be entered on the relevant internal system. Once the bank confirmation of the transaction is received, the details should be checked by someone other than the person who entered



into the transaction in the first place to ensure that the bank confirmation is in accordance with the details on the internal system.

Any discrepancies in the above procedures should be immediately communicated to the counterparty so that the correct details of the deal can be agreed. A report on the error shall be prepared by the person who transacted the deal in the first place and submitted to the CEO for sign-off. Where the CEO has transacted the deal, the report shall be submitted to the CSM. In this way there is a clear division of responsibility and a self-checking system.

### Settlement Procedures

All transactions are to be confirmed and reconciled to external confirmations and internal documentation before settlement. All transactions processed through the company bank accounts must conform to the Council's internal procedures and controls, and be reconciled to internal documentation and external confirmation(s).

### Cash Management

The CSM and the FM are responsible for day-to-day cash and short term debt management activities. Specifically, this will include the following:

- Ensure that appropriate cashflow projections are maintained, with the objective of managing an optimal cash position within approved parameters
- Undertake short term borrowing functions as required, thus minimising overdraft costs
- Ensure efficient cash management through improvements to the accuracy of forecasting
- Minimise fees and bank charges by optimising bank accounts, facility structures and merchant service agreements
- When operating as a net borrower, surplus funds will normally only be permitted only to be invested on a short term basis, usually until the next opportunity to repay debt. However exceptions to this may occur where it is prudent to do so, for example, the pre-funding of debt which is placed on term deposit until the funds are required.

### Reporting

#### Quarterly Funding and Debt Profile Report

This report forms the basis for the reporting of the Council's funding and associated interest rate risk management activity and provides the elected members and management with details about the Council's borrowing activities. The report shall contain the following:

- Total debt facility utilisation, including any debt sourced from a bank, the capital markets and the LGFA
- Interest rate maturity profile against percentage hedging limits
- New hedging transactions completed – interest rate risk management
- Weighted average cost of funds
- Funding profile against the policy limits
- Liquidity profile against the policy limits
- Exception reporting as required
- Summary of any unresolved exception reports
- Statement of policy compliance
- Commentary on economic conditions and the debt markets.

## Quarterly Treasury Report

This report provides the elected members and management with details about the Council’s financial market investment activities. The report shall contain the following:

- Total nominal value of the investment portfolio
- Details of individual investments
- Asset class percentages
- Credit rating profile
- Maturity profile
- Weighted average yield of the portfolio
- Statement of policy compliance
- Commentary on economic conditions and the financial markets.

### Appendix I: Authorised Investment Criteria for short term funds

Authorised Asset Classes	Maximum limit as a % of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ\$)	Credit Rating Criteria – S&P (or Moody’s of Fitch equivalents)**	Limit for each issuer subject to overall portfolio for issuer class
New Zealand Government or Government Guaranteed	100%	Government Stock Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities including the LGFA	50%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of ‘A-1’ or LT ‘BBB’ or ‘BBB+’ S&P ST rating of ‘A-1+’ or LT ‘A-’ or better	\$1 million \$2 million
Unrated local authorities where rates are used as security	25%	Bonds/MTRs/FRNs	Not applicable	\$1 million
New Zealand Registered Banks	100%	Call/Term Deposits Bonds/MTNs/FRNs	S&P ST rating of ‘A-1’ or LT ‘BBB’ or ‘BBB+’ S&P ST rating of ‘A-1+’ or LT ‘A-’ or better	\$1 million \$10 million
State Owned Enterprises	33%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of ‘A-1’ or LT ‘BBB’ or ‘BBB+’ S&P ST rating of ‘A-1+’ or LT ‘A-’ or better	\$1 million \$2 million
Corporates	25%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of ‘A-1’ or LT ‘BBB’ or ‘BBB+’ S&P ST rating of ‘A-1+’ or LT ‘A-’ or better	\$1 million \$2 million
Financials	25%	Commercial Paper Bonds/MTNs/FRNs	S&P ST rating of ‘A-1’ or LT ‘BBB’ or ‘BBB+’ S&P ST rating of ‘A-1+’ or LT ‘A-’ or better	\$1 million \$2 million

### APPENDIX 2: APPROVED DERIVATIVE INTEREST RATE RISK MANAGEMENT INSTRUMENTS

The following is a list of approved interest rate risk management instruments:

- Forward rate agreements (“FRA”)
- Interest rate swaps (“IRS”)
- Option on a swap (“Swaption”)
- Interest rate options
- Interest rate collar.

Products which create a contingent risk on the Council, for example, ratio options, are expressly prohibited.

## **Examples of the use of Derivative Risk Management Instruments**

### **Forward Rate Agreement**

An agreement between the Council and a bank counterparty protecting the Council against a future adverse interest rate movement. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the date and the benchmark rate.

#### Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. A FRA typically applies to a three month period, usually starting at some point within the next 12 months.

#### Example

The Council wishes to provide certainty on a portion of its floating rate borrowings over the event risk posed by an expected change in monetary policy at a point in the future. A borrower's FRA is purchased in say, December, at 2.50% for protection through the December to March period. It is described as a 3X6 FRA, i.e. the rate applies to a borrowing for three months starting in three months' time.

#### Outcome

If, on the rate set date in December, the three-month interest rate has climbed to, say, 3.00%, the Council receives the difference between this and the FRA rate of 2.50%. The Council then borrows at 3.00% with the payment received making the effective base borrowing rate 2.50%.

If, on the rate set date in December, the three-month interest rate has dropped to, say, 2.00%, the Council pays the difference between this and the FRA rate of 2.50%. The Council then borrows at 2.00% with the payment made making the effective base borrowing rate 2.50%.

### **Interest Rate Swap**

An interest rate swap is an agreement between the Council and a bank counterparty protecting the Council against a future adverse interest rate movement. The Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate.

#### Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rates are typically set every one or three months over the life of the swap.

#### Example

The Council fixes its interest rate on a quarterly basis on a portion of its planned borrowings by entering into a three-year fixed rate swap at 2.75%. The floating rate reference is three-month BKBM FRA rate.

#### Outcome

On a swap reset date, the three-month BKBM FRA rate is at, say, 3.25%. The Council borrows from its bank the principal, for three months at 3.25% plus the Council's margin. At the same time the bank pays the Council 3.25% on the principal amount for a three-month period. The Council then pays the bank 2.75% on the principal amount for a three-month period. This process is repeated at each reset date over the life of the interest rate swap. This means that The Council's effective interest rate is 2.75% plus its margin over the life of the interest rate swap. In practice, cashflows would be netted off if the swap and the underlying borrowing facility were with the same bank.

## Forward Start Interest Rate Swap

### Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period which commences at a future point in time. All other conditions are as with an interest rate swap.

### Example

The Council's strategic plan necessitates an increase in debt levels, the funding for which will be obtained from the LGFA. The debt is planned to be obtained from the LGFA in six months' time and the Council wishes to secure its borrowing costs and thus enters into a five-year swap with a six month forward start date at a rate of 3.00%. The Council would enter into a five-year fixed rate swap with a commencement date six months hence.

### Outcome

Regardless of where interest rates are in six months' time the Council has locked in its effective base borrowing rate at 3.00%.

## Options on a Swap - Swaption

### Objective

To provide the Council with the right but not the obligation to enter into a fixed rate swap at a future point in time, on an agreed principal amount and for an agreed period. A swaption is an option on a swap and requires a premium to be paid.

### Example

The Council wishes to secure a worst case rate for borrowings for a five year period in six months' time. There is a view however that interest rates will not move sharply higher and a decision is taken not to lock into a swap. A swaption is purchased at 3.25% for a cost equivalent to 5.5 basis points or \$2,500 per million.

### Outcome

If, at the time the borrowings commence, the five-year swap rate has moved above 3.25%, The Council exercises the swaption and borrows at 3.25% (all up cost is effectively 3.305%, the worst case rate). If, at the time the borrowings commence, the five-year swap rate has fallen to 2.75%, the Council abandons the swaption and borrows at 2.75% (all up cost is effectively 2.805%). Swaptions can also be cash settled, for example the purchaser would receive payment if at maturity it was in the money and then physically borrow at the market rate. Whether it is exercisable or cash settled is usually determined at commencement.

## Interest Rate Options

The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark floating rate (usually BKBM FRA rate).

### Objective

To provide the Council with worst case cover on its interest rate cost on an agreed principal amount for an agreed period. Rate sets are typically at three monthly intervals. A premium is payable for entering into an interest rate option.

#### Example

The Council wishes to secure a worst case rate over the event risk posed by a change in monetary policy. There is a view however that interest rates will not move sharply higher as a result of the event risk and a decision is taken not to lock into a forward start swap. An option is purchased at 3.25% for a cost equivalent to 35 basis points or \$14,560 per million. It is for 5 years and is priced at three monthly intervals.

#### Outcome

If, on any of the rate set dates the 90-day bank bill rate has moved above 3.25% the Council exercises the option and borrows at 3.25%. If on any of the rate set dates interest rates have fallen below 3.25% the Council walks away from the option and borrows at the prevailing three-month bank bill rate. This exercise will be repeated every three months over the life of the option.

#### Interest Rate Collar

The combined purchase (or sale) of a cap or a floor with the sale (or purchase) of another floor or cap.

#### Objective

To provide the Council with certainty as to its interest rate cost on an agreed principal amount for an agreed period, but at the same time, avoids the need to pay an up-front premium.

#### Example

The Council wishes to secure a worst case base borrowing rate of 3.25% for the next five years, but wishes to avoid paying a premium. In exchange for the worst case protection at 3.25%, the Council accepts a best case outcome of 2.50%. In this structure the Council has bought and sold options, with the respective option premiums offsetting each other. On each quarterly rate set date the Council will have a rate between 3.25% and 2.50%, these being the parameters of the collar.

#### Outcome

If, on any rate set date the three-month interest rate is in excess of 3.25%, the Council exercises its option and pays a base rate of 3.25%, for that three-month period, its worst case rate. If on any rate set date the three-month interest rate is below 2.50%, the bank exercises its option on the Council and forces the Council to pay 2.50%. If on any rate set date the three-month interest rate is between 3.25% and 2.50%, the Council borrows at the prevailing market rate.

## Significance and Engagement Policy

The purpose of this Significance and Engagement Policy is to enable Council to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities. This will determine the level of assessment and information to be provided, and the nature and extent of public input that may be appropriate in the circumstances.

The Policy will provide clarity about how and when communities can expect to be engaged in decisions made by Council. It will inform Council from the beginning of a decision making process about the extent, form and type of engagement required.

### The Policy

Engaging with the community enables the Council to understand the views and preferences of people likely to be affected by or interested in a proposal or decision. The Council wishes to apply a consistent and transparent approach to engagement.

An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.

The Council will take into account all of the following matters when assessing the degree of significance of proposals and decisions and the appropriate level of engagement:

- Whether there is a legal requirement to engage with the community.
- Whether community interest is high, or the likely consequences are controversial.
- Whether the proposal affects the level of service of a significant activity, and if so, to what extent.
- The level of financial consequences of the proposal or decision.
- Whether the proposal or decision will affect a large portion of the community.
- Any likely impact Māori cultural values and their relationship to land and water.
- The form of engagement used in the past for similar proposals and decisions.
- Whether community views are already known, including preferences on the form of engagement.

If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance. In general, the more significant an issue, the greater the need for community engagement.

Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002 or to carry out consultation in accordance with or giving effect to Section 82 of that Act on certain matters (regardless of whether they are considered significant as part of this policy).

For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.

*Note that this policy applies to Local Government Act processes only, not those undertaken under the Resource Management Act, the Biosecurity Act or other legislation.*

## When Council will engage

The Council will use the Special Consultative Procedure (in section 83 of the Local Government Act) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long-term Plan (in accordance with Section 93 A)
- The adoption, amendment, or revocation of bylaws if required under Section 156(1)(a)
- Unless already explicitly provided for in the Long-Term Plan, the Council will seek to amend its Long-Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:
- Alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- Transfer the ownership or control of strategic assets, as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of Section 82, where required to do so by law, including for the following specific issues requiring decisions:

- Adopting or amending the Annual Plan if required under Section 95.
- Transferring responsibilities to another local authority under Section 17.
- Establishing or becoming a shareholder in a Council-controlled organisation.
- Adopting or amending a revenue and financing policy, rates remission and postponement policy, or a policy on the remission or postponement of rates on Māori freehold land.

For such consultation, Council will make available information fulfilling the requirements of Section 82A; allow written submissions; and consider all submissions before making decisions.

## When the Council may not engage

There are times when it is not necessary, appropriate or practical to engage the community on a matter or decision. The Council may also choose not to consult on a matter and, if so, will make this determination in accordance with the criteria below and notwithstanding any legislative requirements.

The Council will not engage when:

- The matter is not of a nature or significance that requires consultation.
- The Council already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in the matter.
- There is a need for confidentiality or commercial sensitivity.
- The costs of consultation outweigh the benefits.
- The matter has already been addressed by the Council's policies or plans, which have previously been consulted on.
- An immediate or quick response or decision is needed or it is not reasonably practicable to engage, or
- Works are required unexpectedly, urgently, or following further investigations on projects already approved by the Council.

- Works required are related to the operation and maintenance of an existing Council asset and responsible management requires the works to take place.
- When Council has consulted on the issue in the last 24 months.

Where any of the above listed circumstances apply and consultation is not to be undertaken, the Council is still required to give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter (Section 78 (1)). The Act requires that this consideration be in proportion to the significance of the matters affected by the decision (Section 79 (1)).

## Principles of engagement

Council will:

- Be genuine in our consultation and engagement.
- Provide good information for feedback and, wherever possible, enable the community to consider options relating to the decision.
- Give a timely opportunity to have a say.
- Have an open mind to community feedback before making decisions.

When seeking your feedback or input Council will let you know:

- What is being proposed.
- Why it is being proposed.
- What options Council has.
- What the impacts are (if any).
- How you can provide feedback to have your say.
- The timeframes for responding.

## Engagement tools and techniques

Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Should an identifiable resident or group of residents be affected by any action proposed to be taken, such residents will be consulted specifically in addition to the formal consultation undertaken with the general public.

Council will also take into consideration that the community can feel ‘over consulted’. Each situation will be assessed on a case-by-case basis.

### Definitions

<b>Community</b>	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders
<b>Engagement</b>	Is a term used to describe the process of seeking information from the community to inform and assist decision making.
<b>Significance</b>	As defined in Section 5 of the Local Government Act (LGA) 2002 “in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as



assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- the region;
- any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; or
- the capacity of the local authority to perform its role and the financial and other costs of doing so.

**Strategic asset** As defined in Section 5 of the LGA 2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes any asset or group of assets listed in accordance with section 76AA(3) by the local authority (see following page).

## Schedule 1: West Coast Regional Council Strategic Assets

The following is a list of assets or group of assets that the Council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community:

- Okuru Rating District protection works
- Franz Josef Rating District protection works
- Waitangitōana River Rating District protection works
- Whataroa River Rating District protection works
- Matainui Creek Rating District protection works
- Wanganui River Rating District protection works
- Vine Creek Rating District protection works
- Kowhitirangi Rating District protection works
- Raft Creek Rating District drainage works
- Hokitika Southside Rating District protection works
- Hokitika Rating District protection works (including the Kaniere Rating District protection works)
- Taramakau Rating District protection works
- Inchbonnie Rating District protection works
- Grey Rating District protection works (including the Coal Creek Rating District Protection works)
- Red Jacks Creek Rating District protection works
- Nelson Creek Rating District protection works
- Punakaiki Seawall Rating District protection works
- Westport Rating District protection works
- Mokihinui Rating District protection works
- Kongahu Rating District drainage works
- Karamea Rating District protection works

### **Addendum**

Schedule 1 is Council's list of Strategic Assets as of 30 June 2024. Assets within the rating districts may change over the life of this Long-term Plan as a result of new infrastructure being constructed as part of the Westport Flood Protection project, or projects applied for in the *Before the Deluge* proposal.

Council is consulting on the transfer of ownership of the Grey Floodwall and Havill Wall (Franz Josef) for this Long-Term Plan. These assets will be included in the list of assets above should their transfer take place.

## Rates Remissions and Postponements Policy

### Statutory framework

This Policy is prepared under sections 102 (3), 109 and 110 of the Local Government Act 2002 (the Act).

This Policy covers both the remissions of rates under section 109 of the Act and the postponement of rates under section 110 of the Act.

This Policy is also prepared in accordance with the Local Government (Rating) Act 2002, where all land is rateable unless specified in that Act, or another Act states that land is non-rateable (refer Appendix 1). For the purposes of this Policy, the West Coast Regional Council is referred to as 'the Council'.

### Applications for remissions or postponement

All applications for remission or postponement must be in writing and must include the relevant information required for each type of remission or postponement. Applications should be:

- Mailed to: The West Coast Regional Council, P.O. Box 66, Greymouth, 7840; or
- Emailed to: rates@wrc.govt.nz

Applications will be considered on a case-by-case basis.

Remissions or postponements are only available to ratepayers identified in the Council's rating information database.

Remissions or postponements are limited to the rates set and assessed by the Council.

The approval of any remission or postponement is at the absolute discretion of the Council or its delegated officer as detailed in Council's Delegations Manual.

The categories in this Remissions and Postponements Policy are:

1. Remissions for Land 50% non-rateable
2. Remission of penalties on rates
3. Remission of rates on land protected for natural, historic, or cultural conservation purposes
4. Remission of rates on land subject to natural calamity
5. Postponement due to financial hardship
6. Postponement for business and economic development.

Where a rating unit for which Council has granted a rates remission is sold, leased, or otherwise disposed of, the rates remission shall be terminated at the time of disposal. If the new ratepayer qualifies for a rates remission under this policy, it is up to that ratepayer to apply for a rates remission.

### Reporting

Staff will maintain a register of approved applications and report this to Council's Risk and Assurance Committee quarterly.

## **Category 1**

### **Remissions for Land 50% non-rateable**

#### **Commentary**

Council has historically allowed a discretionary remission up to 50% in addition to the mandatory 50% remission. Land 50% non-rateable applies to:

- Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
- Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
- Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

#### **Policy Objective**

To facilitate the ongoing provision of community services and recreational opportunities for the residents of the West Coast.

#### **The purpose of granting rates remission to an organisation is to:**

- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the public, particularly disadvantaged groups. These include children, youth, young families, aged people and those who may be economically disadvantaged.

#### **Conditions and Criteria**

This part of the policy will apply to an applicant, who is the ratepayer, for land which is exclusively or principally used for the purposes as defined by Schedule 1 Categories of non-rateable land, Part 2 of the Local Government Act 2002. The application may be for up to 100% of rates installment on the land.

#### **The policy does not apply to:**

- Land used by organisations operated for private pecuniary profit.
- Land which holds a licence under the Sale and Supply of Alcohol Act 2012.

#### **Procedure**

The application for rate remission must be made to the Council prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. From time to time Council may request the documents outlined below from organisations wishing to receive a continuing remission. Failure to provide documents requested may result in the Council ending the entitlement to remission.

Remissions will cease if the criteria in the policy are no longer met.

Organisations making an application should include the following documents in support of their application:

- Proof of organisation structure;
- Land owned or used by the applicant;
- Details of the use of the land;
- Statement of objectives and how it aligns with this policy;
- Financial statements;

- Information on activities and programmes;
- Details of membership or clients.

## **Category 2**

### **Remission of Penalties on Rates**

#### **Policy Objective**

The objective of this part of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date because of circumstances outside the ratepayer's control.

#### **Conditions and Criteria**

Penalties are added to unpaid rates installments on the last working day of the month in which the installment was due.

Remission of penalties will be considered where payment has been late due to circumstances outside the ratepayers control. Remission will be considered in the case of death, illness, or accident of a family member, at the due date.

Remission of the penalty will also be considered if the payment received after the penalty date subsequently clears all outstanding rates at the date the penalty was applied.

Remission of penalties may be granted:

- Where payment is made within 14 days of the penalty date provided the ratepayer has made no late payment for rates within the previous three years; or
- Where the late payment has resulted from matters outside of the ratepayers control.

#### **Procedure**

Each application will be considered on its merits and a full or partial remission will be granted where it is considered just and equitable to do so.

The Delegations Manual sets out the delegated authority to consider applications for the remission of any rates in terms of this Policy, and if appropriate, to approve or decline them.

### Category 3:

#### Remission of Rates on Land Protected for Natural, Historic, or Cultural conservation purposes.

##### Policy Objective

To provide rates remission for private landowners who:

- Enter into land protection covenants or similar protective agreements'
- Have a wetland classification imposition; or
- Have a Significant Natural Area (SNA) classifications imposition.

##### Conditions and Criteria

A remission of 100% of rates may be granted on those portions of land which are subject to:

- An open space covenant under Section 22 of the Queen Elizabeth the Second National Trust Act 1977;
- A heritage covenant under Sections 39 to 41 of the Heritage New Zealand Pouhere Taonga Act 2014;
- A conservation covenant under Section 77 of the Reserves Act 1977;
- A covenant for conservation purposes under Section 27 of the Conservation Act 1987;
- Land identified for protection as a Significant Natural Area, Outstanding Natural Feature or Landscape through the Regional Policy Statement, Regional Plans or District Plan(s);
- Ngā Whenua Rahui kawenata under Section 77A of the Reserves Act 1977;
- A declaration of protected private land under Section 76 of the Reserves Act 1977;
- A management agreement for conservation purposes under Section 38 of the Reserves Act 1977;
- Ngā Whenua Rahui kawenata under Section 27A of the Conservation Act 1987;
- A management agreement for conservation purposes under Section 29 of the Conservation Act 1987;
- A Māori reservation for cultural purposes under Sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993) (1993 No 4); or
- Land identified for protection as a natural inland wetland as defined by clause 3.21 of the National Policy Statement Freshwater Management; or
- Land identified for protection as a significant natural wetland as outlined in Schedule 1 or 2 of the West Coast Regional Land and Water Plan.

##### Procedure

The Applicant must obtain from a Registered Valuer the proportion of a rating unit that qualifies for remission either through adjusting the rateable capital value, land value, or land area of a property as is appropriate.

In determining the proportion the Registered Valuer shall consider the following factors:

1. The proportion of the property protected;
2. The components of value making up the overall value of the property;
3. The management of the protected property;
4. The way the property is occupied whether residential or non-residential.

Applications must be received prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. No remissions will be backdated.

The Delegations Manual sets out the delegated authority to consider applications for the remission of any rates in terms of this Policy, and if appropriate, to approve or decline them.

#### **Category 4: Remission for Land Subject to Natural Calamity**

##### **Policy Objective**

To assist property owners with rates relief, for a period, where the use of the rating unit has been detrimentally affected by erosion, subsidence, submersion, fire or other natural calamity.

##### **Conditions and Criteria**

A rates remission may be granted to rating units that are:

- Used principally for residential purposes by the owner occupier and are subject to one of the following:
  - Erosion;
  - Subsidence;
  - Submersion;
  - Fire; or,
  - Other natural calamity that had the effect of rendering the residence uninhabitable or unusable, such as earthquake related.
- Uninhabitable or unusable for a period of greater than one month.

##### **Procedure**

The application must be received in writing within 12 months of the event. The application must include the following supporting information:

- Details of the property;
- The description of the natural calamity;
- Steps taken, or that will be taken, to return the rating unit to an inhabitable or usable state; and
- An estimate of the time the rating unit is expected to be affected.

Up to 100% of all rates may be remitted for the period during which the building(s) is uninhabitable or unusable.



## **Category 5: Postponement Due to Financial Hardship**

### **Policy Objective**

The objective of this part of the policy is to assist ratepayers experiencing financial hardship, which may affect their ability to pay rates.

### **Conditions and Criteria**

#### **Residential ratepayers**

Rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement due to financial hardship.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for financial hardship. The applicant must not own any other rating units or investment properties (whether on the West Coast or in another region).

When considering whether financial hardship exists, the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of their home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Any postponed rates will be postponed until:

- The rate payer pays the rates; or
- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by the Council.

#### **Businesses**

The business sector is defined as rating units in the following Buller, Grey and Westland District Councils' rating categories:

- Business (Category 13);
- Motels (Category 15); and
- Shopping Plazas (Category 16).

Businesses making an application must include the following documents in support of their application:

- Proof of business ownership;
- Land owned or used by the applicant;
- Details of the use of the land;
- Financial statements;
- Reason for making an application.

Any rates postponed due to financial hardship will not be subject to penalties and will be removed from the rates penalties regime.

### **Procedure**

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The Council will consider, on a case-by-case basis, all applications received that meet the Conditions and Criteria described in this category, Category 5. The Delegations Manual sets out the delegated authority to approve applications for rates postponement.

The postponed rates or any part thereof may be paid at any time.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

## Category 6

### Remission and Postponement for Business and Economic Development

#### Policy Objective

To offer rates remission and / or postponement to promote economic development and new business. The intent is that this will:

- Encourage developments that assist new business to become established in the region; and
- Encourage developments that assist existing business in the region to expand and grow.

#### Conditions and Criteria

To be eligible for rates remission and / or postponement for business and economic development purposes, applications must meet all of the criteria in Part 1(a) and Part 1(b):

##### Part 1 (a)

- New commercial and/or industrial developments that involve the construction of any new building; or
- Existing commercial and/or industrial developments that involve substantial alterations or renovations to the existing building.

##### Part 1 (b)

- The new investment must increase the rateable value of the rating unit (units) on which the development takes place by more than 25% of the capital value of the rateable unit.

Any rates postponed for business and economic development will not be subject to penalties and will be removed from the rates penalties regime.

#### Procedure

Any rates remission and / or postponement is subject to:

- A maximum of three consecutive years.
- The Council's determination of the size and length of the remission and / or postponement. Generally, it will not be of a size that results in a full remission of the rates derived by the Council from the rating unit.
- Meeting the agreed conditions which the Council considers appropriate in relation to the approval of a remission or postponement. Failure to comply with such conditions may lead either to the suspension of the remission or postponement for a period to be determined by the Council, or termination of the remission or postponement, at the Corporate Service Manager's discretion.

Applications must be received prior to the commencement of the rating year (1 July to 30 June). Successful applications received during a rating year will be applicable from the commencement of the following rating year. Remissions and postponements will not be backdated.

Businesses making an application should include the following documents in support of their application:

- Proof of organisation structure;
- Land owned or used by the applicant;
- Details of the use of the land;
- Statement of objectives and how it aligns with this policy;
- Financial statements;
- Proof of capital value prior to development;

- Proof of capital value after development.

APPENDIX 1  
Extract from the Local Government (Rating) Act 2002  
Schedule 1  
Categories of non-rateable land

Part 1  
Land fully non-rateable

- 1 Land forming part of—
  - (a) a National Park under the [National Parks Act 1980](#):
  - (b) a reserve under the [Reserves Act 1977](#):
  - (c) a conservation area under the [Conservation Act 1987](#):
  - (d) a wildlife management reserve, wildlife refuge, or wildlife sanctuary under the [Wildlife Act 1953](#).
- 2 Land vested in the Crown and forming part of—
  - (a) a flood ponding area:
  - (b) the bed of any navigable lake or navigable river.
- 3 Land that is—
  - (a) owned by a society or association of persons (whether incorporated or not); and
  - (b) used for conservation or preservation purposes; and
  - (c) not used for private pecuniary profit; and
  - (d) able to be accessed by the general public.
- 4 Land used by a local authority—
  - (a) for a public garden, reserve, or children’s playground:
  - (b) for games and sports (except galloping races, harness races, or greyhound races):
  - (c) for a public hall, library, athenaeum, museum, art gallery, or other similar institution:
  - (d) for public baths, swimming baths, bathhouses, or sanitary conveniences:
  - (e) for soil conservation and rivers control purposes, being land for which no revenue is received.
- 5 Land owned or used by, and for the purposes of,—
  - (a) Heritage New Zealand Pouhere Taonga:
  - (b) the Queen Elizabeth the Second National Trust:
  - (c) the Museum of New Zealand Te Papa Tongarewa Board:
  - (d) the charitable trust known as Children’s Health Camps—The New Zealand Foundation for Child and Family Health and Development:
  - (e) the Royal New Zealand Foundation of the Blind, except as an endowment.
- 6 Land owned or used by, and for the purposes of,—
  - (a) a special school established under [section 98\(1\)](#) of the Education Act 1964:
  - (b) an educational establishment defined as—
    - (i) a state school under [section 2\(1\)](#) of the Education Act 1989:
    - (ii) an integrated school under [section 2\(1\)](#) of the Private Schools Conditional Integration Act 1975:
    - (iii) a special institution under [section 92\(1\)](#) of the Education Act 1989:
    - (iv) an early childhood education and care centre under [section 309](#) of the Education Act 1989, excluding any early childhood centres that operate for profit:
    - (v) a school under [section 35A](#) of the Education Act 1989, excluding any registered schools that operate for profit:
  - (c) an institution under [section 159\(1\)](#) of the Education Act 1989.

- 7 Land owned or used by, and for the purposes of, an institution for the instruction and training of students in theology and associated subjects, being land that does not exceed 1.5 hectares for any one institution.
- 8 Land owned or used by a district health board and used to provide health or related services (including living accommodation for hospital purposes and child welfare homes).
- 9 Land used solely or principally—
  - (a) as a place of religious worship;
  - (b) for a Sunday or Sabbath school or other form of religious education and not used for private pecuniary profit.
- 10 Land that does not exceed 2 hectares and that is used as—
  - (a) a cemetery, crematorium, or burial ground, within the meaning of [section 2\(1\)](#) of the Burial and Cremation Act 1964 (except a burial ground or crematorium that is owned and conducted for private pecuniary profit);
  - (b) a Māori burial ground.
- 11 Māori customary land.
- 12 Land that is set apart under [section 338](#) of Te Ture Whenua Maori Act 1993 or any corresponding former provision of that Act and—
  - (a) that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares; or
  - (b) that is a Māori reservation under [section 340](#) of that Act.
- 13 Māori freehold land that does not exceed 2 hectares and on which a Māori meeting house is erected.
- 14 Māori freehold land that is, for the time being, non-rateable by virtue of an Order in Council made under [section 116](#) of this Act, to the extent specified in the order.
- 15 Machinery, whether fixed to the soil or not, but excluding, in the case of a hydro-electric power station, everything other than the turbines, generator, and associated equipment through which the electricity produced by the generator passes.
- 16 Land that is specifically exempt from rates under the provisions of any other enactment, to the extent specified in the enactment.
- 17 Land vested in the Crown or a local authority that is formed and used for a road, limited access road, access way, or service lane.
- 18 Land vested in and occupied by the Crown, or by any airport authority, that is—
  - (a) within the operational area of an aerodrome; and
  - (b) used solely or principally—
    - (i) for the landing, departure, or movement of aircraft; or
    - (ii) for the loading of goods and passengers on to or from aircraft.
- 19 Land occupied by the New Zealand Railways Corporation, or by a railway operator, that is—
  - (a) part of the permanent way of the railway, being land on which is sited any railway line together with contiguous areas of land that are occupied incidentally and not otherwise used; or
  - (b) used, solely or principally, for the loading or unloading of goods or passengers on to or from trains situated on the railway line.
- 20 Land used as a wharf.
- 21 Land used or occupied by, or for the purposes of, an institution that is carried on for the free maintenance or relief of persons in need, being land that does not exceed 1.5 hectares for any one institution.
- 22 Land on which any vice-regal residence or Parliament building is situated.

- 23 The common marine and coastal area, including any customary marine title area, within the meaning of the [Marine and Coastal Area \(Takutai Moana\) Act 2011](#).
- 24 The bed of Te Whaanga Lagoon in the Chatham Islands.
- 25 Structures that are—
- (a) fixed to, or under, or over any part of the common marine and coastal area; and
  - (b) owned, or deemed to be owned, by the Crown under [section 18](#) or [19](#) of the Marine and Coastal Area (Takutai Moana) Act 2011; or
  - (c) owned by the Crown, Te Urewera Board, or the trustees of Tūhoe Te Uru Taumatua under the [Te Urewera Act 2014](#), but subject to note 2.

#### Notes:

1. For the purposes of this Part, unless the context otherwise requires,—
  - **aerodrome** has the same meaning as in [section 2](#) of the Civil Aviation Act 1990
  - **airport authority** has the same meaning as in [section 2](#) of the Airport Authorities Act 1966
  - **persons in need** means persons in New Zealand who need care, support, or assistance because they are orphaned, aged, infirm, disabled, sick, or needy
  - **railway line** has the same meaning as in [section 4\(1\)](#) of the Railways Act 2005
  - **railway operator** has the same meaning as in [section 2\(1\)](#) of the New Zealand Railways Corporation Restructuring Act 1990
  - **wharf**—
    - (a) means any quay, pier, jetty, or other land or premises in, on, or from which passengers or goods are taken on board or landed from vessels; but
    - (b) does not include land that is used primarily or exclusively for private recreational or personal transport purposes.
2. For the purposes of [clauses 1](#) and [2](#), **land** does not include land that is used primarily or exclusively for private or commercial purposes under a lease, licence, or other agreement.
3. For the purposes of [clauses 3](#), [9](#), and [10](#), land must not be treated as being used for private pecuniary profit solely because charges are made for the admission to, or use of, that land if the net proceeds of the charges are applied,—
  - (a) in the case of a local authority, as part of the local authority’s revenues:
  - (b) solely for the purposes of the society, organisation, association, or administering body of a reserve that makes those charges, and no part of the charges is distributed as profit to any individual.
4. For the purposes of [clause 6](#), land must be treated as being used for the purposes of a school, institution, or centre described in that clause if—
  - (a) it is used solely or predominantly as residential accommodation for any principal, teacher, or caretaker; and
  - (b) it is let at a discounted or subsidised rent.
5. For the purposes of [clauses 18 to 20](#), **land** does not include land that is used—
  - (a) for administrative purposes; or
  - (b) for the purposes of parking, the storage of freight or machinery, maintenance, cleaning, freight consolidation, passenger waiting areas, and the buying and selling of tickets.
6. For the purposes of [clause 21](#), an institution must be treated as being carried on for the free maintenance and relief of the persons to whom that clause applies if—
  - (a) those persons are admitted to the institution regardless of their ability to pay for the maintenance or relief; and

(b) no charge is made to those persons or any other persons if payment of the charge would cause those persons to suffer hardship.



## Part 2

### Land 50% non-rateable

1. Land owned or used by a society incorporated under the [Agricultural and Pastoral Societies Act 1908](#) as a showground or place of meeting.
2. Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
3. Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

#### Notes:

For the purposes of this Part, unless the context otherwise requires,—

- Land does not include land used for the private pecuniary profit of any members of the society or association
- Land, in [clause 2](#), excludes land in respect of which a club licence under the [Sale and Supply of Alcohol Act 2012](#) is for the time being in force.

## **Policy on the Remissions and Postponement of Rates on Māori Freehold Land**

Council is required to adopt a policy on the remission and postponement of rates on Māori freehold land. Council has taken into account the principles of the preamble to Te Ture Whenua Māori Act 1993 and the matters identified in Schedule 11 of the Local Government Act 2002. This policy is made under Sections 102, 108 and 109 of the Local Government Act

The matters to be considered in adopting a policy include:

- The desirability and importance within the region of each of the objectives listed in Schedule 11 of the Local Government Act 2002.
- Whether, and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land.
- Whether, and to what extent, the attainment of any of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land.
- The extent to which different criteria and conditions for rates relief may contribute to different objectives.

Note: Part 1 of Schedule 1 of the Local Government (Rating) Act 2002, sets out those categories of non-rateable land.

### **Policy Objectives**

1. To recognise that certain Māori-owned land may have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates.
2. To recognise that the Council and community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is consider non-collectable.
3. To support the connection of mana whenua and Māori to their traditional lands and resources, and cultural values, where appropriate through the short, medium and long term relief from rates.
4. To meet the requirements of the Local Government Act 2002 and to support the principles in the preamble to Te Ture Whenua Māori Act 1993.

### **Application**

This Policy applies to rates on Māori freehold land within the West Coast region.

### **Conditions and Criteria**

Council will consider remission or postponement of rates, in whole or in part, for Māori freehold land where it is considered that the application contributes to the objectives listed in Schedule 11 of the Local Government Act.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is the subject of such an order may qualify for remission or postponement under this policy.

As per the objectives listed in Schedule 11 of the Local Government Act, the remission or postponement of rates on Māori freehold land is to:

- Support the use of the land by the owners for traditional purposes.

- Recognise and support the relationship of Māori and their culture and traditions with their ancestral lands.
- Avoid further alienation of Māori freehold land.
- Facilitate any wish of the owners to develop the land for economic use.
- Recognise and take account of the presence of wāhi tapu that may affect the use of land for other purposes.
- Recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakainga housing.
- Recognise and take into account the importance of the land for community goals relating to:
  - The preservation of the natural character of the coastal environment.
  - The protection of outstanding natural features.
  - The protection of significant indigenous vegetation and significant habitat of indigenous fauna.
- Recognise the level of community services provided to the land and its occupiers.
- Recognise matters related to the physical accessibility of the land.

### **Procedure**

Owners or trustees making an application should include the following information in their applications:

- Details of the rating unit or units involved.
- Supporting information to demonstrate that the remission or postponement will help achieve the objectives in Schedule 11 of the Local Government Act as set out above.
- Documentation that shows the land, which is the subject of the application, is Māori freehold land.

Applications must be received prior to the commencement of the rating year (1 July to 30 June).

Successful applications received during a rating year will be applicable from the commencement of the following rating year. No remissions will be backdated.

Where applicable, Council may determine that a remission will only apply to part of the land which is eligible (for example, wāhi tapu on a portion of a site that limits some but not the entire use of the site). In these cases the remission will be pro-rated.

The Delegations Manual sets out the delegated authority to consider applications for the remission or postponement of any rates in terms of this Policy, and if appropriate, to approve or decline them.

## **Council Controlled Organisations**

A council-controlled organisation (CCO) can be a company, partnership, trust, arrangement for the sharing of profits, union of interest, co-operation, joint venture or other similar arrangement in which one or more local authorities, directly or indirectly, controls the organisation.

### **Regional Software Holdings Ltd – owner of Integrated Regional Information Software – (IRIS)**

Council is part owner of a CCO with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils. Regional Software Holdings Ltd (RSHL) is the name of the company.

The CCO is a limited liability company. The shareholders are the six regional councils that have developed the IRIS suite of software. The West Coast Regional Council's Director is one of seven Directors of RSHL, being one per shareholding council and one independent.

## **Council Organisations**

The West Coast Regional Council has interests in an organisation that meets the definition of a Council Organisation.

The West Coast Development Trust (trading as Development West Coast) was established "for the benefit of the community of the present and future inhabitants of the West Coast Region". One Trustee is jointly appointed by the four West Coast Councils: Westland District Council, Grey District Council, Buller District Council and the West Coast Regional Council.

## **Policy on Appointments and Remuneration of Directors for Council Organisations and Council Controlled Organisations**

This policy details the skills sought from potential appointees and the appointment process to be followed by Council.

The Local Government Act 2002 requires that the Council may appoint a person to directorship of Council Organisations (CO's) or Council Controlled Organisations (CCO's) only if the Council considers the person has the skills, knowledge and experience to:

- Guide the organisation given the nature and scope of its activities
- Contribute to the achievement of the objectives of the organisation.

The Council is required to adopt a policy setting out the objectives and transparent process for identifying and considering the skills required and appointing the Directors of CO's and CCO's.

## **Skills**

The Council considers that any person that it appoints to be a Director of a CO or CCO should as a minimum have the following skills:

- Intellectual ability and an understanding of the region's community
- Appropriate business acumen and experience in the activities of the organisation
- Sound judgement and ability to work with others
- A high standard of personal integrity.

### Appointment Process

When vacancies arise in any CO or CCO, the Council will identify and follow the appropriate process for appointing the representative(s).

## Final Appointment

An elected member who is under consideration to fill a particular vacancy may not take part in the discussion or vote on the appointment.

## Conflicts of Interest

The West Coast Regional Council expects that Directors of CO's and CCO's will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, the Council requires the Directors to follow the provisions of the good practice guide by the Office of the Auditor General "*Managing conflicts of interest: A guide for the public sector*".

All Directors are appointed "at the pleasure of the Council".

## Remuneration

Remuneration of directors of CO's and CCO's is a matter of public interest.

Where the Council is the sole shareholder in a particular organisation, the Council will set Directors remuneration either by resolution at the Annual General Meeting or will review salaries on an annual basis (for those organisations that do not have such a meeting). In reaching a view on the appropriate level of remuneration for Directors of CO's or CCO's, Council will consider the following factors:

- The need to attract and retain appropriately qualified people
- The levels and movements of salaries in comparable organisations (Council will retain professional advice on salary levels and movements)
- The objectives of the CO or CCO (in particular whether or not the CO or CCO operate on a charitable basis)
- The past performance of the organisation
- The financial situation of the organisation.

In cases where Council cannot exercise direct control, such as in an organisation where it is one shareholder among many, it will conduct its own monitoring of salaries against the above factors.

As well as having this policy on appointments and remuneration, Council must monitor performance of its CO. Should Council form a CCO in future, the Local Government Act 2002 contains more rigorous additional requirements.

## Financial Contributions Policy

The Local Government Act 2002 requires Council to adopt a policy on financial contributions.

“Financial Contributions” has the meaning given to it by section 108(9) of the Resource Management Act 1991.

The Council does not intend to fund any capital expenditure identified in this Long-term Plan from Financial Contributions. However, during the period of this plan, it is possible that in granting a resource consent, a financial contribution may be imposed, according to the Policy set in the relevant Regional Plan.

Copies of the Regional Plans are available for inspection at the Regional Council office and are available on the Council website [www.wcwc.govt.nz](http://www.wcwc.govt.nz)

# USER FEES AND CHARGES SCHEDULE

Proposed

## Abstract

This document sets out the West Coast Regional Council's Proposed User Fees and Charges for the 2024/25 financial year.



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THE WEST COAST  
REGIONAL COUNCIL





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## Statement of proposal

This document sets out the West Coast Regional Council's Proposed User Fees and Charges Schedule for the 2024/25 financial year. The User Fees and Charges 2024/25 schedule is where you can find all fees and charges (not rates) that Council is authorised to set as a result of various pieces of legislation that it works under (details on these are covered in Part Three of this Schedule).

So that an informed decision can be made, Council wants your feedback on the Proposed User Fees and Charges Schedule for 2024/25. Consultation is a big part of that decision-making process. You can find details on how to have your say at the end of this section.

User fees and charges will be updated annually to respond to real time and legislative changes, and to ensure that charges do not become outdated. Any substantive change will be consulted on through the Annual Plan process.

### Significant amendments and changes proposed to fees and charges

Section	What's changing?	Why?
Section 2 – all User Fees and Charges	<p>Increase for all user fees and charges to meet actual inflation changes.</p> <p>Increase in consent processing costs to reflect additional time required to undertake these activities.</p>	Over the course of the Long-term Plan 2021-24, User Fees and Charges were only increased at the stated CPI of 2.3% not the actual rate of inflation. There is also additional legislation that Staff need to consider during the processing of consents resulting in more time required to complete the work required.
Section 2.3 - Review of consents under Section 128 of the Resource Management Act	The details of this fee have been amended for clarification.	These reviews may be very straight forward, or they may be more complex requiring additional staff time. As such, the fee is proposed to be 'at cost' and will be applied as per the staff charge out rate of \$185 +GST per hour for the time it takes to complete or where external expertise is required, this will be charged at the actual and reasonable costs of the expert.
Section 2.8 Consented gravel take fee	<p>Fee will apply to all consented gravel takes over 100m<sup>3</sup>.</p> <p>The fee will increase from 15c/m<sup>3</sup> to 25c/m<sup>3</sup>.</p>	<p>A 15c/m<sup>3</sup> fee on the consented gravel take volume was introduced in the 2021 Long-term Plan for commercial operators. It is proposed that this fee will be extended to all consented gravel takes over 100m<sup>3</sup>. This aligns with the principles of fairness recognising the benefit all consent holders obtain from this resource.</p> <p>The fee was purposefully kept low initially as consent holders could rationalise the volumes they had consented. The fee has been</p>

Section	What's changing?	Why?
		increased to better cover the costs associated with monitoring for the broader impacts of gravel takes, for example river cross-sections, beach surveys, research and analysis.
Section 2.10 Biosecurity	There is no actual change, they are now more clearly articulated as to the fees imposed for the various components. Currently undertaken at the Staff charge out rate.	These fees have been set out for transparency purposes.

### What are the alternatives?

Council needs to consider what mechanisms are appropriate to meet the expenditure needs of the organisation. The charges outlined in this Schedule represent the activities where Council has considered that the principle of 'user or beneficiary pays' is most appropriate.

The alternative to adopting these fees and charges for the 2024/25 year is to either:

Other options	Implications
Cover the cost of these activities through other means of income, which might include an increase in the General Rate	Ratepayers who do not benefit from the service provided are subsidising those who are. This is contrary to Council's principles of 'User Pays'.
Cease undertaking the activities that give rise to the cost, many of which the Council are required by law to carry out.	<ul style="list-style-type: none"> <li>- Those applying for consents unable to undertake activities.</li> <li>- Potential harm to the environment if not undertaking required monitoring.</li> </ul>
Fees remain the same from year to year	<ul style="list-style-type: none"> <li>- Larger increases when fees are renewed again.</li> <li>- Unlikely Council will achieve cost recovery for the services provided.</li> <li>- General rate subsidising those who benefit from the services provided.</li> </ul>

It is also necessary to update charges and policy in line with legislative amendments.

It is proposed that these fees and charges will take effect from 1 July 2024.

### How can I have my say about this schedule?

Council is inviting feedback on the Proposed User and Fees Schedule 2024/25 in conjunction with the process of developing the Long-term Plan 2024/2034. You can have your say by filling in a feedback form online at [www.wcrc.govt.nz/community/consultation](http://www.wcrc.govt.nz/community/consultation) or by emailing [feedback@wrc.govt.nz](mailto:feedback@wrc.govt.nz)

The submission period closes on **Friday, 10 May 2024 at 4.00pm**.

## Introduction

Councils are permitted, by law, to collect fees from private users of public resources and recover costs relating to the resources and services it provides.

This document sets out the basis upon which Council:

- Is authorised to charge fees to the public;
- Calculates the amount of fees and charges; and
- Recovers and/or enforces payment of the fees and charges.

The User Fees and Charges Schedule is reviewed annually. Fees and charges that require formal adoption under section 150 of the Local Government Act 2002 may be consulted on in conjunction with a long-term or annual plan. The fees set out in this Schedule will come into effect on 1 July 2024 and will continue until superseded. A copy of this User Fees and Charges Schedule will also be published on Council's website.

The law acknowledges that some of the costs associated with administering the private use of public resources have a community benefit and should therefore be funded from the general rate. For example, the West Coast Regional Council (the Council) grants resource consents that allow organisations and individuals the private benefit to use public resources such as air, water or the coast. Where the benefits associated with consents are solely to applicants, they pay the associated costs in full. Where benefits accrue more widely – such as in the case of environmental monitoring – then a portion of the costs is met through rates.

The fees and charges set out in this document are consistent with the Council's Revenue and Finance Policy, which sets out the funding and cost recovery targets for each Council activity.

This document is set out in three parts:

- Part One: General principles and policies for charges
- Part Two: Schedule of fees and charges
- Part Three: Policies on charges for specific activities and functions

# 1. General principles and policies

## 1.1 Principles

### 1.1.1 Charges must be lawful

The Council can only levy charges which are allowed by legislation. Section 13 of the Local Government Official Information and Meetings Act 1987 enables the Council to charge for providing information sought under the provisions of the Act or the Official Information Act 1982.

Section 36 of the Resource Management Act 1991 (RMA) enables the Council to fix charges for its various functions (refer to Section 2.2).

Section 150 of the Local Government Act 2002 enables the Council to fix charges payable under its bylaws and charges for the provision of goods, services, or amenities in accordance with its powers and duties, for example recovering the costs of responding to environmental incidents and inspecting dairy farms operating under permitted activity rules for discharges to land.

Section 444(2) of the Maritime Transport Act 1994 allows the Council to fix reasonable charges for its activities/services relating to “Tier 1 sites”.

Section 243 of the Building Act 2004 enables the Council to impose fees or charges for performing functions and services under the Act.

Section 135 of the Biosecurity Act 1993 enables the Council to recover its costs of administering this Act and performing the functions, powers and duties provided for in this Act by such methods it believes on reasonable grounds to be the most suitable and equitable in the circumstances.

### 1.1.2 Charges must be fair and reasonable

The sole purpose of a charge is to recover the reasonable costs incurred by the Council in respect of the activity to which the charge relates. Charges must be fair and relate to the consent holder’s activities. Actual and reasonable costs will be recovered from resource users and consent holders where the use of a resource directly incurs costs to the Council.

The Council must also consider the benefits to the community and to consent holders when setting a charge. It would be inequitable to charge consent holders for resource management work done in the interests of the regional community and vice versa.

Whenever possible, the Council will look for opportunities to streamline and improve processes to ensure that consent processing and compliance monitoring functions continue to be cost effective and efficient.

Some charges imposed on consent holders are based on the full costs of the Council’s administration and monitoring of their consents.

### 1.1.3 Charges must be uniformly applied

Charges will not vary greatly within classes of activities within the context of the scale of the activity, except where environmental incidents and non-compliance with consent conditions incur additional supervision costs.

#### **1.1.4 Charges must be easy to understand, transparent and predictable**

Charges will be calculated and published in a way that is clear, logical and justifiable. Council's work and the associated costs should be transparent and easily identifiable, so as to give resource users certainty with their dealings with Council, and the extent of their liability.

#### **1.1.5 The Council must act responsibly**

Council will implement its user fees and charges schedule in a responsible manner. If there are any significant changes in charges, advance warning will be given to consent holders with the opportunity to make adjustments.

The charges in this document support preferred resource use practices aimed at reducing Council's work and associated costs.

## **1.2 General policies**

### **1.2.1 Time periods**

The policies, formulae and charges set out in this document apply each year from 1 July to the following 30 June, or until replaced by new charges adopted during the annual plan or long-term plan as prescribed by the Local Government Act 2002.

### **1.2.2 Minimum Annual charges**

Annual charges shall apply from 1 July to the following 30 June each year, or until amended by the Council. A minimum annual charge as set out in Section 2.6 to all consents other than sewage discharge permits for individual dwellings, and new consents granted after 1 March each year when the minimum annual charge will be waived for the remainder of that financial year.

### **1.2.3 Goods and Services Tax**

The charges and formulae outlined in this document are exclusive of GST, except where noted otherwise.

### **1.2.4 Debtors**

All debtors' accounts will be administered in accordance with this policy and outstanding debts will be pursued until recovered.

## **1.3 Policy on remission of charges**

In general, all fees and charges set out in this document are to be met by the person invoking the service or activity that the fee or charge relates to (for example, the consent applicant in the case of consent processing services or the consent holder in the case of consent administration or monitoring).

Where a person seeks to have any fee or charge set out in this document remitted, that person may make an application in writing to the Corporate Services Manager for the remission of the charge setting out in detail the applicant's case which may include financial hardship, community benefit or environmental benefit.

Where the application/consent relates to a structure, the remission of any charge will only be considered if that structure is available at no charge for public use.

Existing waivers or remissions issued for charges may be subject to review, as this policy may be reviewed.

Decisions on application for waivers or remissions shall be made by the Corporate Services Manager, who may remit a charge in part or full, or decline the application. No further consideration of the application will be undertaken following issue of the final decision, except in relation to an objection against additional charges under section 357B of the Resource Management Act.

The Council can fix charges for recovering costs for consent processing, administration and monitoring under section 36 of the Resource Management Act 1991. The Council can also require the person liable for such a charge to pay an additional charge, where the fixed charge is inadequate to recover reasonable costs in respect to the service concerned (s36(5)RMA). The person receiving the additional charge has the right to object to the charge under section 357B of the Act and subsequently appeal to the Environment Court against the decision of the objection. Decisions on objections not resolved at staff level will be made by independent commissioners. The Council also has the absolute discretion to remit the whole or any part of a charge made under section 36 (s36AAB(1)of the RMA).



## 2. Schedule of fees and charges

### 2.1 Local government official information responses

In some cases, the Council is permitted to charge for the provision of official information. Requesters will be advised in advance if the Council decides to apply a charge.

For staff time	\$ excluding GST
First half hour	No charge
Per hour (after the initial free half hour)	\$185
For contractor time	
First half hour	No charge
Per hour (after the initial free half hour)	At cost
For resources	
Other disbursements	At cost
Photographs	At cost
Black and white photocopying – A4	20c
Colour photocopying – A4	80c

### 2.2 Staff charge out rates

Charges are applicable for a range of services performed by Council staff:

- Processing or review of consents under the Resource Management Act 1991
- Environmental and consent monitoring of:
  - Large-scale activities
  - Permitted activities
  - National Environmental Standards
  - Complaint/Incident response where the complaint is found to be substantiated
- Exercises and training for oil spill exercises and training, standard staff charge out rates apply
- Technical assessments and administration of functions under the Building Act 2004
- Mari-time related incidents
- Provision of commercial or residential property related information, consultation, advice or consent.

Council applies a standardised charge out rate across the organisation of \$185/hour + GST regardless of the staff member (e.g., administration officer, consents or compliance staff member, engineer or manager). Note that this rate also includes mileage fees. Council considers this standardised rate to cover actual and reasonable costs, and is fair in that those who benefit bear the costs (to avoid being subsidised by the general ratepayer).

Description	Hourly rate \$ excluding GST	Hourly rate \$ including GST
Standardised staff charge out rate	\$185	\$212.75
Contractor / External expert	At cost	At cost

Notes:

- Where there is a need for two or more staff to attend a site visit, the costs of all staff will be recovered.
- The charge out rate also includes the cost of mileage.

## 2.3 Resource consent fees

The following schedule of minimum estimated initial fees is the minimum an applicant can expect to pay. It is required to be paid prior to the processing of the consent commences. The final fee may be greater than this depending on the volume of work and associated costs to obtain the consent.

Description	Minimum estimated initial fee \$ excluding GST	Minimum estimated initial fee \$ including GST
<b>Resource consent applications</b>		
Land use consent and associated consents for dry bed gravel extraction	\$930	\$1,069.50
Land use consent and associated consents for river protection works	\$1,500	\$1,725
Discharge permits for dairy effluent discharges	\$1,500	\$1,725
Land use consent	\$1,500	\$1,725
Land use consent and associated consents for land based alluvial gold mining operations	\$2,240	\$2,576
Coastal permits	\$1,500	\$1,725
All other resource consent applications	\$1,500	\$1,725
<b>Consent administration</b>		
Application for a change or cancellation of consent conditions under section 127	\$750	\$862.50
Application for a Certificate of Compliance or an Existing Use Certificate	\$750	\$862.50
Application to extend the lapsing period for a consent	\$750	\$862.50
Transfer of consents from the consent holder to another (payable by the person requesting the transfer)	\$185	\$212.50
Request for a change to consent holders name (payable by the person requesting the change)	\$185	\$212.50
Review of consent conditions under section 128 <sup>^</sup>		
<b>Transfer existing water permit between sites within a catchment</b>		
Non-notified	\$185	\$212.50

<sup>^</sup>Fees will be charged at cost as per the hourly staff charge-out rate of \$185/hr + GST; or the actual and reasonable external expert cost.

Note: Approved resource consents attract annual charges. Refer Section 2.6.

Hearings		
Hearing costs (per hearing day per committee member) at hourly rates set by the Remuneration Authority* or the actual costs of Independent Commissioners * Determination dated 1 July 2006 of consent hearing fees payable and defining the duties covered by the fee or excluded, currently \$80 per hour (Committee Member) and \$100 per hour (Chairman).	(Per Remuneration Authority)	
Requests by applicants and/or submitters for independent commissioner(s) to hear and decide resource consent applications as provided for by S100A(2) of the RMA:		
<ul style="list-style-type: none"> <li>In cases where only the applicant requests independent commissioner(s), all the costs for the application to be heard and decided will be charged to the applicant.</li> <li>In cases where one or more submitters requests independent commissioner(s), the Council will charge as follows: <ul style="list-style-type: none"> <li>The applicant will be charged for the amount that the Council estimates it would cost for the application to be heard and decided if the request for independent commissioner(s) had not been made; and</li> <li>The requesting submitters will be charged equal shares of any amount by which the cost of the application being heard and decided in accordance with the request exceeds the amount payable by the applicant outlined above.</li> </ul> </li> </ul>		
Notwithstanding the above, in cases where the applicant and any submitter(s) request independent commissioner(s) all the costs for the application to be heard and decided will be charged to the applicant.		

#### Photocopying costs for information provided under the RMA – consents hearings etc.

Per page	\$ excluding GST			
	Colour A4	Colour A3	Black A4	Black A3
	0.80	1.60	0.20	0.40

Note:

- Double-sided is equivalent to two pages.
- Labour costs also to be recovered as per Section 2.2.

## 2.4 Application to prepare or change a policy statement or plan

Fees are required to be paid at the time of submitting applications.

Description	Minimum estimated initial fee \$ excluding GST
Minimum estimated initial fee required for preparation or change to a plan	\$55,000
Minimum estimated initial fee required for preparation or change to a policy statement	\$55,000

Note: in the event that the charges fixed under this special order are inadequate to enable the Council to recover its actual and reasonable costs for carrying out its functions the Council will render an additional charge pursuant to section 36(3) of the Resource Management Act 1991.

## 2.5 Building Act 2004

### Building consents and certificates of approval

Under section 244 of the Building Act 2004, Council has decided to transfer the Building Act functions for consenting dams to Environment Canterbury. Fees will be charged in accordance with the fees and charges set by Environment Canterbury. All fees and charges for consent processing will be invoiced directly to the applicant by Environment Canterbury.

## 2.6 Annual charges

Once a resource consent is granted under Section 2.3, an annual consent administration fee is set. Refer to the following table for the Schedule of Annual Charges.

Description	Annual fee \$ excluding GST	Annual fee \$ including GST
Annual consent holder administration fee	\$115	\$132.25
Whitebait stands annual monitoring fee	\$200	\$230
Water takes fixed annual monitoring fee*	\$115	\$132.50

\*This fee will apply to anyone that holds a resource consent for the consumptive take of water of 5 litres per second or greater.

Note: These charges cover the annual compliance required for the activity (for example a site visit). If additional staff time is required to address any non-compliance with consent conditions or additional costs (for example, engineer costs) these will be applied as per Section 2.2.

## 2.7 Inspection and monitoring charges

Description	Charge \$ excluding GST	Charge \$ including GST
Dairy farm inspection and monitoring set fee	\$750	\$862.50
Small to medium scale mining fixed monitoring fee (includes coal mining, alluvial gold mining, quarries and black sand mining)	\$750	\$862.50
Large scale fixed monitoring mining fee (includes coal mining, alluvial gold mining and quarries)	\$1,120	\$1,288
Forestry operations fixed monitoring fee	\$750	\$862.50
Gravel extraction monitoring fee (exclusive of 2.8 Consented Gravel Take fee)	\$560	\$644
Permitted activity assessment for onsite wastewater (no site visit)	\$300	\$345
Permitted activity assessment for onsite wastewater with site visit	\$560	\$644

Note: Any follow-up site visits due to non-compliance, or inspections not covered by a set fee, will be charged at the officer hourly rate of \$185 + GST.

Any specific water quality testing and/or enforcement action required will be charged in addition to the inspection fee.

## 2.8 Consented gravel take fee

A fixed annual fee of \$0.25c/m<sup>3</sup> per cubic metre on the consented gravel take volume will apply on all consents over 100m<sup>3</sup> in volume.

## 2.9 Maritime activities

		\$ GST exclusive
<p>Maritime Rule Part 130B requires that the operator of an oil transfer site obtain the approval for a site marine oil spill contingency plan from the director of Maritime New Zealand. The power to approve these plans has been delegated by the director to the Chief Executive Officer (sub-delegated to Council employees) of the West Coast Regional Council in an instrument of Delegation pursuant to Section 444(2) of the Maritime Transport Act 1994.</p> <p>A minimum fee will apply.</p> <p>Section 444(2) of the Maritime Transport Act 1994 allows the Council to charge a person a reasonable fee for:</p>		
a.	Approving Tier 1 site marine oil spill contingency plans and any subsequent amendments	\$185/hr
b.	Renewal of Tier 1 site marine oil spill contingency plan, where staff time is less than one hour	\$185/hr
c.	Inspecting Tier 1 sites and any subsequent action taken thereafter in respect of preparation of inspection reports or reporting on non-conformance issues	\$185/hr
<p>Time will be charged at the officers actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs.</p>		

## 2.10 Biosecurity

### Notice of direction

The time taken in issuing a notice of direction under the Biosecurity Act 1993, will be charged to the owner or occupier at actual recorded time at the relevant hourly staff charge rate as set out in Section 3.2 of this schedule. This includes time related to investigations prior to issuing a notice of direction and in subsequent monitoring for compliance with a notice (refer Section 2.6).

Biosecurity activity	\$ excluding GST	\$ including GST
Notice of Direction – sections 122(1) or 122(2)	No charge	No charge
Notice of Intention to Work on Default Failed to comply with Notice of Direction 122(1) or 122(2) and Default work is able to be carried out by Council	\$185	\$212.75
Inspection fee – for inspections after a chargeable Notice of Direction or after a Notice of Intention to Act on Default	\$185/hr	\$212.75/hr

## 2.11 Miscellaneous charges

### 2.11.1 Room hire charge –

Description	\$ excluding GST	\$ including GST
Council Chambers		
- Hourly rate	\$50	\$57.50
- Half day (4 hours)	\$175	\$201.25
- Full day (8:00am – 5:00pm)	\$300	\$345
- After hours rate – per hour	\$60	\$69
Small meeting rooms		
- Hourly rate	\$40	\$46
- Half day (4 hours)	\$125	\$143.75
- Full day (8:00am – 5:00pm)	\$200	\$230
- After hours rate – per hour	\$60	\$69

Bookings will be subject to the availability of a meeting room. Priority will be given to Council business. Council’s preference is to use Zoom software for conferencing and our Zoom connectors are able to interface with standard telephone networks and H 232 standards based conferencing facilities. We can also use Skype, Teams or some other systems with prior arrangement. Each room includes quality camera, audio equipment and large single display.

Each room has power, wifi, whiteboard and a kitchen or kitchenette.

**2.11.2 Photocopying and printing -**

Per page	\$ excluding GST			
	Colour A4	Colour A3	Black A4	Black A3
	0.80	1.60	0.20	0.40

Note:

- Double-sided is equivalent to two pages.
- Labour costs also to be recovered as per Section 2.2.

## 3. Policies on charging and fees for specific activities and function

### 3.1 Provision of information and technical advice

The Council recognises that it has a significant advisory and information role. The Council has the right under legislation, to recover the costs of providing certain information.

#### 3.1.1 Information provided under the RMA – consents, hearings etc.

Pursuant to the Local Government Act, and sections 36(1)(e) and (f) of the Resource Management Act, the Council may charge for the provision of information as follows:

- 3.1.1.1 *Reasonable charges* will be made to cover the costs of making information and documents available, for the provision of technical advice and consultancy services. These costs will include:
1. Staff costs related to making the information available, i.e. the standardised officer fee of \$185 + GST (refer Section 2.2)
  2. Any additional costs incurred, for example, photocopying.
- 3.1.1.2 *Consistency, distance, location* – all time after the first half hour, and any disbursements involved in providing information that confers a private benefit on the recipient(s) shall be recovered by way of invoicing the cost in line with the policy set out above. The policy is consistent with that applied in local government, except when information is requested under the Local Government Official Information Act (refer section 3.1.2).

There is no concession for time or distance travelled by the Council Officer to provide technical information. No such concession is provided by other technical consultants.

Information given provided over the phone is to be treated exactly the same as information provided at an interview.

3.1.1.3 *Advise the cost in advance* – officers must warn the person seeking information in advance, that a cost will be incurred after the first half hour, and the cost per hour to be charged. This process allows the applicant to weigh the value of his/her requirements, and will effectively control the amount of information sought and deflect frivolous requests.

The provision of information should be charged separately from the cost of processing any future resource application.

3.1.1.4 *Community and environmental groups* – where an organisation clearly gains no economic or private benefit for its members from the information sought, then the free time available is also half an hour, and will be treated on the same basis as requests under the Local Government Official Information and Meetings Act (refer to section 2.1.2) unless a regulation or plan provides otherwise. Additional time and disbursements may be charged for, as a reasonable control mechanism, to avoid frivolous or indulgent requests at the ratepayers' cost. These requests should be referred to a manager for a decision on charging.

3.1.1.5 *Educational information and materials, and consent holders* – when Council officers are involved in Resource Management Act workshops or public promotion aimed at increasing the public's awareness of the Resource Management Act consent procedures, the Councils environmental role, liaison on

planning issues etc., there is a benefit to the greater community as well as the people attending. Information provided in this context clearly falls within the educational role of the Council and is not charged for.

3.1.1.6 *Consent holders* – all consent holders are entitled to information arising from the monitoring of their consents, including District Councils and other corporate bodies. Other information sought by District Councils is to be assessed on individual merit and referred to the relevant manager for a decision.

### 3.1.2 Information provided under the Local Government and Official Information and Meetings Act

The Local Government and Official Information and Meetings Act enables the public to have access to official information held by local authorities because this is good for accountability and effective participation. However, official information and deliberations are protected to the extent that this is consistent with public interest and personal privacy. More information about the Act, including how to make a request for public information and why it may be declined, is on the Office of the Ombudsman’s website.

Section 15 of the Act provides for the recovery of the cost of making information available under the Official Information Act. However, there are some exceptions to this, for example, the Council cannot charge the Inland Revenue Department for its information requests. The current charges are set out in Section 2.1 of this User Fees and Charges Schedule.

**Note:** under section 15(1) of the Official Information Act, Council has 20 working days to make a decision (and communicate it to the requestor) on whether Council is granting or withholding the information, including how the information will be provided and for what cost. Council will also tell the requester that they have the right to seek a review by the Ombudsman of the estimated charge. If the charge is substantial the requester may refine the scope of their request to reduce the charge. Council may request a minimum estimated fee to be paid under the Official Information Act and the 2002 Charging Guidelines issued by the Secretary for Justice. Council will recover the actual costs involved in producing and supplying information of commercial value. In stating Council’s fee schedule, Council reserves discretion to waive a fee if the circumstances of the request suggest this is appropriate, for example in the public interest or in cases of hardship.

## 3.2 Resource Management Act 1991

### 3.2.1 Introduction

Under Section 36(1) of the Resource Management Act 1991, the Council may charge for costs associated with the following:

1. Processing resource consent applications, including requests made by applicants or submitters under Section 100A of the Act.
2. Reviews of consent conditions (including under Section 128 of the Act)
3. Processing applications for certificates of compliance and existing use certificates
4. The administration and monitoring of resource consents
5. Carrying out state of the environment reporting
6. Applications for the preparation of, or changes to, regional plans or policy statements
7. For providing information in respect of plans and resource consents and the supply of documentation (also refer to Section 2.1.1).



### 3.2.2 Performance of action pertaining to charges

With regard to all application fees and amounts fixed under Section 36(1) of the RMA, the Council need not perform the action to which the charge relates until the charge has been paid in full (RMA, Section 36AAB(2)), except if section 36(1)(ab)(ii), 36(ad)(ii) or 36(cb)(iv) apply.

### 3.2.3 Applications for resource consents, reviews of resource consent conditions, certificates of compliance and existing use certificates

3.2.3.1 *Applicants will be charged for the reasonable costs*, including disbursements, of receiving and processing applications for resource consents, reviews of resource consent conditions under Sections 127 and 128 of the RMA or certificates of compliance and existing use certificates. These include:

- a. *Minimum estimated initial fee* on an application as set out in Section 3.3. These minimum charges for resource consent applications are charges 'fixed' under Section 36(1) of the RMA (they are therefore not subject to objection rights). All consent processing costs which exceed the minimum estimated initial fee are considered to be additional charges pursuant to Section 36(5) of the RMA and these may be progressively charged on a monthly basis or invoiced at the end of the consenting process. Prior to consideration to the application, the Chief Executive Officer is authorised to require an additional minimum estimated initial fee of up to \$20,000 for complex applications. This fee also applies to the review of consents under section 128 of the RMA.
- b. *Hearings* – the costs of pre-hearing meetings and hearings will be charged to the applicant. The costs of Councillors who are members of hearing committees (panel) will be recovered as determined by the Remuneration Authority. Staff costs and hearing panel members' fees, or the reasonable costs of independent (non-Councillor) commissioners, at formal hearings will be charged.

Charges relating to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.

Where a hearings panel has directed that expert evidence is pre-circulated then all persons who are producing such evidence shall be responsible for providing the prescribed number of copies of such evidence to the Council. In the event that the Council needs to prepare copies of such evidence the person producing the evidence will be charged for the copying.

Submitters that request that independent hearing commissioners under Section 100a of the RMA will also be charged a portion of the cost of those hearing commissioners in accordance with Section 36(1)(ab).

- c. *External cost disbursements* will also be charged; for example, advertising, legal and consulting advice, laboratory testing, hearing venues and incidental costs.
- d. *Withdrawn applications* are subject to the minimum fees set out in Section 2.3 as appropriate, or the actual costs of the work completed to the date of withdrawal (whichever is greater).

3.2.3.2 *The final costs of processing each resource consent application* will be based on the minimum initial estimated fee, the Standardised Officer rate for any costs above the minimum estimated average fee at the rate set out in Section 2.2 and disbursements. In the event that contractors are used to assist the Council in processing resource consent applications, the actual costs of the contractors will be used in calculating the final costs.

3.2.3.3 Where an application is for multiple activities involving more than one type of consent, minimum estimated initial fees are required for each type. However, the Council may determine that there are packages of consent applications that do not require individual minimum estimated initial fees for each consent type.

3.2.3.4 The consent holder will be invoiced the amount of the minimum estimated fee for reviews of consent conditions at the time the review is initiated by the Council.

### **3.2.4 Administration, monitoring and supervision of resource consents**

3.2.4.1 *Administration* covers how the Council records and manages the information it has on the resource consents it grants. The Council is obliged to keep “records of each resource consent granted by it” under Section 35(5)(g) of the RMA, which must be “reasonably available [to the public] at its principal office (section 35(3) of the RMA. The Council keeps this information on hard copy files or electronic databases. The costs of operating and maintaining these systems are substantial.

The minimum annual resource consent charge set out in 3.6 recovers some of the costs of administration of resource consents.

3.2.4.2 *Monitoring* is the gathering of information to check consent compliance and to ascertain the environmental effects that arise from the exercise of resource consents. The Council is obliged to monitor “the exercise of the resource consents that have effect in its region” under Section 35(2)(d) of the RMA.

3.2.4.3 *Supervision* covers functions that the Council may need to carry out in relation to the ongoing management of resource consents. This can include the granting of approvals to plans and other documentation, review and assessment of self-monitoring results provided by the consent holder, provision of monitoring information and reports to consent holders, meetings with consent holders relating to consent compliance and monitoring, and participation in liaison and/or peer review groups established under consent conditions or to address issues relating to the exercise of resource consents.

In determining charges under Section 36 of the RMA, the Council has given consideration to the purpose of the charges and the Council’s functions under the Act. It is considered that consent holders have both the privilege of using resources and responsibilities for any related effects on the environment. It is the Council’s role to ensure that the level of effects is managed, monitored and is acceptable, in terms of sustainable management and the community’s values. The annual charges for administration, monitoring and supervision of resource consents are based on the assumption that those consents will be complied with and exercised in a responsible manner.

Annual resource consent (management) charges will be based on a minimum charge plus charges for consent monitoring and/or supervision undertaken by Council staff. Where appropriate, a portion of costs associated with State of Environment monitoring or resources used by consent holders is also collected, for example, the costs of running Council’s hydrological sites, water quality monitoring networks and associated surveys such as macroinvertebrate and fish monitoring. This particularly applies to water take consents, both surface and groundwater.

### **3.2.5 Invoicing non-scale fees**

3.2.5.1 The majority of large-scale activities or activities with high potential adverse effects (where annual monitoring costs exceed \$1,000 + GST) will be monitored, the results recorded/reported and subsequently invoiced to the consent holder on an actual and reasonable cost basis.

3.2.5.2 Invoices will be generated once the costs of any work have exceeded a prescribed sum. This will be determined by the scale of the activity. Costs will be invoiced in a timely manner during the progress of the work to ensure that large amounts of costs do not accrue, unless otherwise authorised by the consent holder.

### 3.2.6 Timing

3.2.6.1 Invoicing of consent annual charges will be in the quarter following the adoption of the Long-term Plan or Annual Plan by the Council, or after monitoring of the consent has been undertaken (post billing).

3.2.6.2 In some cases, such as consents relating to short-term activities, invoicing of charges may be deferred until after the Council has completed all, or a significant portion, of its planned monitoring of a consent.

3.2.6.3 Where any resource consent for a new activity is approved during the year and will be liable for future annual charges, the actual costs of monitoring activities will be charged to the consent holder subject to Section 2.2.7.4 below.

3.2.6.4 In any case, where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not ongoing, then the associated annual charge will be based on the actual and reasonable costs of monitoring activities to the date of expiry or surrender, and also the administrative/monitoring costs incurred as a result of the expiry/surrender of the consent.

3.2.6.5 Where a resource consent expires during the course of the year but the activity or use continues and requires a replacement consent, then the annual charges will continue to be applied.

### 3.2.7 Setting of annual resource consent (monitoring) charges

#### 3.2.7.1 Basis of charges

1. The charges reflect the nature and scale of consented activities. In general, those activities having greater actual or potential effects on the environment require greater supervision and monitoring from the Council. In setting these charges, the Council has duly considered that their purpose is to recover the reasonable costs in relation to the Council's administration, monitoring and supervision of resource consents and for undertaking its functions under Section 35 of the RMA.
2. In respect of the Council's administration role, a standard minimum annual charge will apply to cover some of the costs of operating and maintaining its consents-related information systems.
3. Where appropriate, a proportion of the costs of monitoring the state of environment (Section 35(2)(a)) is incorporated in the charge to the consent holder. In such cases, the Council has had particular regard to Section 36AAA(3)(c), that is, the extent that the monitoring relates to the likely effects of the consent holder's activities or the extent that the likely benefit to consent holders exceeds the likely benefit of the monitoring to the community. The costs to the Council associated with this activity may be shared between consent holder and the community. This recognises that there is value and benefit to the community of work the Council undertakes with respect to monitoring the state of the environment. In the Council's judgement this is a fair and equitable division.
4. To date, a State of Environment charge has been incorporated into the annual charges applying to consents for water takes, known as the water take user charge. With the increased requirements on the Council as a result of the Essential Freshwater Package there is an increasing need to have a

separate State of Environment charge associated with water takes of 5 litres per second. This was included in the 2022/23 Annual Plan.

5. A set fee of \$0.25 per cubic metre on the consented gravel take volume will apply to all consents 100m<sup>3</sup> or greater to fund monitoring for the broader impacts of gravel takes, for example river cross-sections, beach surveys, research and analysis.

### **3.2.8 Additional monitoring/supervision charges**

3.2.8.1 Where non-compliance with resource consent conditions is encountered, or not programmed, and additional monitoring is necessary, the costs will be recovered in addition to the set annual charge.

3.2.8.2 The purpose of additional supervision charges is to recover costs of additional supervisory work that is required to be undertaken by Council when people, including consent holders, do not act in accordance with their consents or Council's rules relating to resource use.

3.2.8.3 Additional supervision charges relate to those situations where consent conditions are not being met or adverse effects are resulting from the exercise of a consent; or unauthorised activities are being carried out.

3.2.8.4 When consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to infringement notices, enforcement orders or prosecutions.

3.2.8.5 Charges for additional supervision will be calculated on an actual and reasonable basis.

3.2.8.6 The costs that make up the charge will include:

1. Labour costs: Standardised Officer fee (refer Section 2.2) actual recorded time spent, including travel time, in following up the non-compliance matter or unauthorised activity; plus
2. Any sampling and testing costs incurred; plus
3. Any equipment costs (excluding vehicle running costs) associated with the monitoring of the non-compliance; plus
4. Any external costs incurred (e.g. external contractors, hire of clean-up equipment).
5. For consent holders only, no additional supervision charge will be applied when the annual charges for their consents are sufficient to cover the costs incurred in following up their consent non-compliance.

### **3.2.9 Charges for emergency works**

Under Section 331 of the RMA, the Council may charge for the costs associated with any emergency works required for the:

1. Prevention or mitigation of adverse environmental effects;
2. Remediation of adverse effects on the environment; or
3. Prevention of the loss of life, injury, or serious damage to property.

The costs charged will be the actual and reasonable costs incurred by Council to do the works.

Charges for labour are outlined in Section 2.2.

### 3.2.10 Changes in resource consent status

1. Where any resource consent is approved during the year, and will be liable for annual charges, the actual costs of monitoring activities will be charged to the applicant. The annual minimum fee will continue to apply per the Council's policy in section 3.2.7.2.
2. For large-scale activities where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not on-going, then the associated annual charge will be based on actual and reasonable costs incurred to the date of expiry or surrender, including costs incurred as a result of monitoring and administration activities with the expiry or surrender of the consent. The annual minimum fee will continue to apply.
3. Where a resource consent expires during the course of the year but the activity or use continues and is subject to a replacement process, then the annual charges will continue to apply.

### 3.2.11 Charges set by regional rules

3.2.11.1 When developing a regional plan, the Council may create regional rules to prohibit, regulate or allow activities. These rules may specify permitted activities, controlled activities, discretionary activities, non-complying activities, prohibited activities and restricted coastal activities.

3.2.11.2 Permitted activities are allowed by a regional plan without a resource consent, if the activity complies with any conditions, which may have been specified in the plan. Conditions on a resource consent may be set in relation to any matters outlined in Section 108 of the RMA. They may include a specific condition relating to a financial contribution (cash, land, works and services) for any purpose specified in a plan.

3.2.11.3 The Council therefore reserves the right to set other charges pursuant to regional rates in regional plans. These charges will include staff costs for giving evidence in a New Zealand court; matters pertaining to actions required under the Maritime Transport Act 1994 or Biosecurity Act and any other regulated activities. Any new charges would be notified through the public process required for a regional plan prior to its approval.

3.2.11.4 Actual and reasonable costs will be charged for fees set by regional rules. These costs include:

1. Staff costs – officers actual recorded time at the standardised rate
2. Hearings – the costs of pre-hearing meetings and hearings will be charged to the applicant. Council members' hearing costs will be recovered as determined by the Remuneration Authority. Staff costs and committee members' fees or the actual costs of independent commissioners at formal hearings will be charged.
3. For applications relating to restricted coastal activities, the applicant will also be charged the Council's costs of the Minister of Conservation's representative. Charges related to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organizing the hearing.
4. External costs, disbursements, are additional to the above charges, for example advertising, consulting and legal advice, laboratory testing, hearing venues and incidental costs.

### 3.2.12 Preparing or changing a policy statement or plan

3.2.12.1 Any person may apply to the Council for the preparation or change to a regional plan. Any Minister of the Crown or any territorial authority of the region may request a change to a policy statement.

3.2.12.2 When considering whether costs should be borne by the applicant, shared with the Council, or borne fully by the Council, the following will be taken into account:

1. The underlying reason for the change; and
2. The extent to which the applicant will benefit; and
3. The extent to which the general community will benefit.

3.2.12.3 For the receipt and assessment of any application to prepare or change a policy statement or plan, actual and reasonable costs will be recovered. The charging policies are outlined below:

1. All applicants will be required to pay a minimum estimated initial fee set out in Section 2.3 based on the expected costs of receiving and assessing the application, up to but not including the costs of public notification. Actual and reasonable costs based on the hourly rate set out in Section 2.2 and disbursements will be included in the minimum estimated initial fee. Any additional costs incurred in processing the application will be invoiced to the applicant.
2. For any action required to implement a decision to proceed with the preparation or change to a policy statement of plan, a minimum estimated initial fee as set out in Section 2.4 shall be made for the costs of public notification. This will be followed by a case-by-case assessment of where the costs shall fall. Any costs charged will be invoiced monthly from the date of public notification.

Prior to public notification, an estimate of total costs will be given to the applicant. The applicant will have the option of withdrawing the request on receipt of notice of the estimated costs.

Withdrawn requests are subject to payment of the actual and reasonable costs of relevant work completed to the date of withdrawal.

### **3.2.13 National Environmental Standards for Plantation Forestry**

Under regulation 106 of the National Environmental Standards for plantation forestry, the Council may charge for monitoring of permitted activities specified by regulations 24, 37, 51 and 63(2) of the standards. This monitoring will be charged in accordance with sections 1.1 and 1.2 of this charging document. Charges will cover the travel and inspection time of the officer(s) undertaking the inspection (as per Section 2.2), as well as any sampling costs where required.

### **3.2.14 National Environmental Standards for Freshwater**

Under Part 4 of the standard, the Council may charge for monitoring of permitted activities covered by the Standard. These will be charged in accordance with Sections 1.1 and 1.2 of this charging document. Charges will cover the travel and inspection time of the officer(s) undertaking the inspection (as per Section 2.2) as well as any sampling costs where required.

## **3.3 Local Government Act 2002 (land and resources)**

The charges for the following Council activities/services have been set according to Section 105 of the Local Government Act:

### **3.3.1 Monitoring/inspections of permitted activities**

Charges are payable to recover the costs of inspections of permitted activities to determine compliance with the permitted activity rules in the regional plans. The inspections are conducted in a manner for Council to carry out its functions and responsibilities under Sections 30, 35 and 36 of the RMA.

### *3.3.1.1 Inspections for farm dairy effluent discharges, small-medium and large scale mining operations, and forestry activities*

1. Actual and reasonable cost of any specific water quality testing and/or time spent on enforcement action required will be charged in addition to the cost of site visit/inspection.
2. Where there is a need for two officers to attend, the cost of both officers will be recovered.
3. The charges are listed in Section 2.6.

### *3.3.1.2 Other permitted activities*

1. The costs of the site visit/inspections, plus the reasonable cost of any specific water quality testing and/or enforcement action required will be charged.
2. The costs of monitoring RMA regulations that do not specifically provide for cost recovery will be charged at actual staff times as set out in Section 2.2.

## **3.3.2 Environmental incidents**

Where a person (or persons) carries out an activity in a manner that does not comply with Sections 9, 12, 13, 14, 15, 315, 323, 328 or 329 of the RMA, Council will charge that person (or persons) for the actual and reasonable cost of any inspection/investigation it undertakes in relation to the activity. This cost may include:

1. Time spent by Council staff identifying and confirming the activity is taking or has taken place.
2. Time spent by Council staff identifying and confirming the person(s) responsible for causing or allowing the activity to take place or to have taken place.
3. Time spent by Council staff alerting and informing the person(s) of their responsibilities in relation to the activity, including any guidance or advice as to how any adverse effects of the activity might be managed.
4. Costs of any specific testing of samples taken.
5. Costs of professional services contracted to assist in the inspection/investigation of the activity.
6. Clean up costs and materials.

Where an incident occurs on a site that 'holds' a resource consent and a breach of consent conditions is confirmed, then this section does not apply. Any actual and reasonable costs incurred in the investigation of the incident will be recovered as additional consent monitoring charges.

## **3.3.3 Investigation of land for the purposes of identifying and monitoring contaminated land**

The Council is responsible for identifying and monitoring contaminated land under Section 30(1)(ca) of the RMA. Council will recover the costs of inspection. This may include:

1. Actual time spent by Council staff undertaking any site visit (including preparation, travel, time on site, administration and any required follow-up activity) (refer Section 2.2).
2. Costs of any specific testing of samples taken.

## **3.4 Maritime activities**

### **3.4.1 Charges for maritime-related incidents (Local Government Act 2002)**

These charges are made to recover the costs incurred by the Council as a result of staff responding to any incident that causes or may have the potential to cause, adverse environmental effects. The response action taken by Council staff may include, but will not be limited to, monitoring, inspection, investigation, clean-up, removal, mitigation and remediation works. Actual costs for consumables, plant and equipment used/hired during a response will also be charged in addition to staff hours (as set out in Section 2.2) as appropriate.



### **3.4.2 Charges for Marine Tier 1 oil transfer sites (Maritime Transport Act 1994)**

3.4.2.1 Maritime Rule Part 130B requires that the operator of an oil transfer site obtain the approval for a site marine oil spill contingency plan from the Director of Maritime New Zealand. The power to approve these plans has been delegated from the Director of Maritime New Zealand. The power to approve these plans has been delegated by the Director to the Chief Executive Officer (sub-delegated to Council employees) of the West Coast Regional Council in an Instrument of Delegation pursuant to Section 444(2) of the Maritime Transport Act 1994.

3.4.2.2 Section 444(2) of the Maritime Transport Act 1994 allows the Council to charge a person a reasonable fee for:

1. Approving Tier 1 site marine oil spill contingency plans and any subsequent amendments.
2. Inspecting Tier 1 sites and any subsequent action taken thereafter in respect of preparation on inspection reports or reporting non-conformance issues.

3.4.2.3 *Fee* – the Council will charge an officers actual recorded time charged at the standardised hourly rate as set out in Section 2.2.

## **3.5 Building Act 2004**

### **3.5.1 Dams**

Under section 244 of the Building Act 2004, Council has decided to transfer the Building Act function for consenting dams to Environment Canterbury. Fees will be charged in accordance with the Fees and Charges policy set by Environment Canterbury. All fees and charges for consent processing will be invoiced directly to the applicant by Environment Canterbury.

## **3.6 Biosecurity Act 1993**

### **3.6.1 Regional Pest Management Plan**

3.6.1.1 Section 135 of the Biosecurity Act provides regional councils with options to recover the costs of administering the Act and performing the functions, powers and duties under a pest management plan or pathway management plan. This recovery must be in accordance with the principles of equity and efficiency. Section 135 of the Biosecurity Act authorises the recovery of costs by such methods that they believe to be the most suitable and equitable in the circumstances, including fixed charges, estimated charges, actual and reasonable charges, refundable or non-refundable deposit paid before the provision of the service, charges imposed on users of services or third parties, and cost recovery in the event of non-compliance with a legal direction.

#### **3.6.1.2 Request for work**

An authorised person may request any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with the West Coast Regional Pest Management Plan.

#### **3.6.1.3 Legal directions**

An authorised person may issue a legal direction to any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with the West Coast Regional Pest Management Plan. The legal direction shall be issued under Section 122 of the Biosecurity Act and specify the following matters:

1. The place in respect of which works or measures are required to be undertaken;



2. The pest for which the works or measures are required;
3. Works or measures to be undertaken to meet the occupier's obligations;
4. The time within which the works or measures are to be undertaken;
5. Action that may be undertaken by the management agency (generally the Council) if the occupier or occupiers fail to comply with any part of the direction;
6. The name, address, telephone number and email address of the management agency and the name of the authorised person issuing the legal direction.

#### 3.6.1.4 Failure to comply with a legal direction

Where a legal direction has been given to an occupier under the West Coast Regional Pest Management Plan, and the occupier has not complied with the requirements of the legal direction within the time specified, then the Council may enter onto the place specified in the legal direction and carry out, or cause to be carried out, the works or measures specified in the legal direction, or such other works or measures as are reasonably necessary or appropriate for the purpose of giving effect to the requirements of the legal direction.

#### 3.6.1.5 Recovery of costs incurred by the management agency

Where the Council undertakes works or measures for the purposes of giving effect to the requirements of a request for work or a legal direction, it shall recover the costs incurred from the occupier pursuant to Sections 128 and 129 of the Biosecurity Act and may register the debt as a charge against the certificate of title for the land. Refer to Section 2.2 for the fee structure covering Staff costs.

#### 3.6.1.6 Failure to pay

Section 136 of the Biosecurity Act provides for regional councils with the ability to apply a penalty to charges under the Biosecurity Act that remain unpaid for more than 20 working days since the charge was demanded in writing. Council will apply a penalty of 10% of unpaid charges to the debt incurred, after a period of 20 working days from the due date stated on the original invoice. In addition to this, 10% will be applied for every completed period of six calendar months that the debt remains unpaid (six-month period will be calculated from the 21<sup>st</sup> day of the charge remaining unpaid).

## Prospective Financial Statements

### Prospective Statement of Comprehensive Revenue and Expense

Annual Plan 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
<b>Revenue</b>											
10,742,690	Rates	12,978,011	14,879,714	16,640,361	17,626,713	18,673,943	19,377,389	19,958,711	20,557,472	21,174,196	21,809,422
24,243,177	Subsidies & Grants	11,708,609	8,421,150	420,869	393,255	398,429	475,541	439,533	474,233	542,028	510,145
1,691,974	User Fees and Charges	1,465,231	1,561,739	1,620,777	2,459,687	1,797,713	1,864,753	2,061,996	2,073,520	2,150,939	2,300,406
38,053	Revaluation of Investment Property	126,500	133,774	141,466	149,600	158,202	167,299	176,918	187,091	197,849	209,225
483,131	Investment Income and Contract Income	4,633,471	3,686,459	3,656,370	3,859,619	3,971,947	4,088,776	4,210,297	4,336,712	4,468,230	4,605,070
37,199,024	<b>Total Revenue</b>	<b>30,911,822</b>	<b>28,682,836</b>	<b>22,479,843</b>	<b>24,488,875</b>	<b>25,000,234</b>	<b>25,973,757</b>	<b>26,847,455</b>	<b>27,629,028</b>	<b>28,533,241</b>	<b>29,434,267</b>
<b>Expenditure</b>											
	Regional Leadership	1,644,632	1,109,222	975,559	942,971	1,001,975	1,031,955	999,575	1,074,917	1,096,863	1,067,591
	Infrastructure and Resilience	6,351,346	7,138,715	7,296,962	7,484,224	8,263,235	8,523,218	8,701,619	8,916,958	9,094,317	9,336,143
	Natural Environment	7,674,299	6,832,793	6,710,624	6,921,291	7,038,494	7,350,053	7,422,718	7,576,954	7,819,910	7,916,778
	Policy and Regulation	5,343,894	5,642,654	5,425,400	4,903,144	4,550,526	4,654,679	4,685,868	4,811,120	5,013,291	5,071,690
	Commercial Activities	4,227,017	3,209,564	3,742,527	3,442,788	3,524,151	4,068,780	3,698,290	3,793,553	4,407,698	3,985,390
	Other	-	-	-	-	-	-	-	-	-	-
22,799,043	<b>Total Expenditure</b>	<b>25,241,188</b>	<b>23,932,949</b>	<b>24,151,072</b>	<b>23,694,419</b>	<b>24,378,381</b>	<b>25,628,685</b>	<b>25,508,069</b>	<b>26,173,502</b>	<b>27,432,079</b>	<b>27,377,591</b>
<b>14,399,982</b>	<b>Net Surplus / Deficit</b>	<b>5,670,634</b>	<b>4,749,888</b>	<b>(1,671,229)</b>	<b>794,457</b>	<b>621,853</b>	<b>345,072</b>	<b>1,339,386</b>	<b>1,455,526</b>	<b>1,101,162</b>	<b>2,056,676</b>
<b>Other Comprehensive Revenue &amp; Expense</b>											
59,422,956	Asset Revaluations	6,822,521	7,239,340	7,876,116	8,236,890	8,490,913	8,747,632	9,023,072	9,333,323	9,615,858	9,934,964
<b>73,822,937</b>	<b>Total Comprehensive Revenue &amp; Expense</b>	<b>12,493,155</b>	<b>11,989,227</b>	<b>6,204,886</b>	<b>9,031,347</b>	<b>9,112,766</b>	<b>9,092,704</b>	<b>10,362,458</b>	<b>10,788,850</b>	<b>10,717,020</b>	<b>11,991,641</b>

## Summary of Operating Expenditure by Expenditure Type

Annual Plan 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
865,838	Interest	1,002,109	1,403,566	1,655,903	1,693,205	1,580,442	1,586,703	1,605,745	1,535,397	1,468,015	1,455,661
774,383	Depreciation & Amortisation	734,375	856,259	926,627	1,018,685	1,069,976	991,354	1,018,626	1,019,231	931,521	1,003,390
8,423,659	Employee benefits	9,183,403	9,215,260	9,327,713	9,614,099	10,218,404	10,711,708	10,941,845	11,267,155	11,676,723	11,924,238
12,735,162	Other operating expenditure	14,321,301	12,457,864	12,240,829	11,368,430	11,509,560	12,338,921	11,941,853	12,351,719	13,355,820	12,994,302
<b>22,796,042</b>	<b>Total Operating Expenditure</b>	<b>25,241,188</b>	<b>23,932,949</b>	<b>24,151,072</b>	<b>23,694,419</b>	<b>24,378,381</b>	<b>25,628,685</b>	<b>25,508,069</b>	<b>26,173,502</b>	<b>27,432,079</b>	<b>27,377,591</b>

## Summary of Depreciation and Amortisation Expense by Group of Activities

Annual Plan 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
	Regional Leadership	274,716	315,867	336,443	402,328	408,097	341,413	374,515	348,135	277,868	337,937
	Infrastructure and Resilience	252,492	297,733	313,827	333,199	360,105	372,972	361,818	382,130	370,156	382,476
	Natural Environment	97,215	111,362	123,666	135,117	148,130	125,713	130,466	132,886	128,843	128,353
	Policy and Regulation	43,842	60,193	59,569	58,961	58,437	58,803	60,419	60,185	59,978	59,845
	Commercial Activities	66,109	71,104	93,122	89,080	95,207	92,454	91,407	95,895	94,676	94,779
-	<b>Total Depreciation &amp; Amortisation</b>	<b>734,375</b>	<b>856,259</b>	<b>926,627</b>	<b>1,018,685</b>	<b>1,069,976</b>	<b>991,354</b>	<b>1,018,626</b>	<b>1,019,231</b>	<b>931,521</b>	<b>1,003,390</b>

## Prospective Statement of Changes in Equity

Annual Plan 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
<b>Ratepayers Equity</b>											
30,888,450	Opening Balance	45,022,778	50,693,411	55,443,299	53,772,070	54,566,526	55,188,379	55,533,451	56,872,838	58,328,364	59,429,526
14,399,982	Operating Surplus	5,670,634	4,749,888	(1,671,229)	794,457	621,853	345,072	1,339,386	1,455,526	1,101,162	2,056,654
(265,654)	Transfers (Investment Growth)	-	-	-	-	-	-	-	-	-	-
-	Transfers (Rating Districts)	-	-	-	-	-	-	-	-	-	-
-	Transfers (Catastrophe Fund)	-	-	-	-	-	-	-	-	-	-
-	Transfers General	-	-	-	-	-	-	-	-	-	-
<u>45,024,778</u>		<u>50,693,411</u>	<u>55,443,299</u>	<u>53,772,070</u>	<u>54,566,526</u>	<u>55,188,379</u>	<u>55,533,451</u>	<u>56,872,838</u>	<u>58,328,364</u>	<u>59,429,526</u>	
<b>Rating District equity</b>											
2,693,599	Opening Balance	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533
1,283,934	Net Transfers (Ratepayers Equity)	-	-	-	-	-	-	-	-	-	-
<u>3,977,533</u>		<u>3,977,533</u>	<u>3,977,533</u>	<u>3,977,533</u>	<u>3,977,533</u>	<u>3,977,533</u>	<u>3,977,533</u>	<u>3,977,533</u>	<u>3,977,533</u>	<u>3,977,533</u>	<u>3,977,533</u>
<b>Revaluation Reserve</b>											
77,639,664	Opening Balance	137,062,619	143,885,141	151,124,480	159,000,596	167,237,486	175,728,399	184,476,031	193,499,104	202,832,427	212,448,284
59,422,956	Other comprehensive revenue & expense	6,822,521	7,239,340	7,876,116	8,236,890	8,490,913	8,747,632	9,023,072	9,333,323	9,615,858	9,334,000
<u>137,062,619</u>		<u>143,885,141</u>	<u>151,124,480</u>	<u>159,000,596</u>	<u>167,237,486</u>	<u>175,728,399</u>	<u>184,476,031</u>	<u>193,499,104</u>	<u>202,832,427</u>	<u>212,448,284</u>	<u>222,383,284</u>
<b>Investment Growth Reserve</b>											
12,441,382	Opening Balance	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035
265,654	Net Transfers (Ratepayers Equity)	-	-	-	-	-	-	-	-	-	-
<u>12,707,035</u>		<u>12,707,035</u>	<u>12,707,035</u>	<u>12,707,035</u>	<u>12,707,035</u>	<u>12,707,035</u>	<u>12,707,035</u>	<u>12,707,035</u>	<u>12,707,035</u>	<u>12,707,035</u>	<u>12,707,035</u>
<b>Catastrophe Fund</b>											
481,651	Opening Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
518,349	Net Transfers (Ratepayers Equity)	-	-	-	-	-	-	-	-	-	-
<u>1,000,000</u>		<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<b>199,769,965</b>	<b>Total Equity</b>	<b>212,263,120</b>	<b>224,252,348</b>	<b>230,457,234</b>	<b>239,488,581</b>	<b>248,601,347</b>	<b>257,694,051</b>	<b>268,056,509</b>	<b>278,845,359</b>	<b>289,562,379</b>	<b>301,554,000</b>

## Prospective Statement of Financial Position

Annual Plan 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
<b>Current Assets</b>											
1,362,289	Cash	1,315,114	687,278	1,106,343	614,834	635,639	889,080	671,291	777,391	1,106,477	901,649
1,510,527	Receivables	2,178,665	2,076,978	1,572,945	1,722,916	1,757,362	1,828,610	1,890,950	1,945,310	2,009,322	2,072,621
758,824	Inventories	758,824	758,824	758,824	758,824	758,824	758,824	758,824	758,824	758,824	758,824
-	Loan Advances	-	-	-	-	-	-	-	-	-	-
1,667,554	Other Financial Assets	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5,299,194	<b>Total Current Assets</b>	5,252,603	4,523,080	4,438,112	4,096,574	4,151,825	4,476,514	4,321,065	4,481,525	4,874,624	4,733,099
<b>Non-Current Assets</b>											
4,736,518	Property, Plant, Equipment	5,124,644	5,581,682	5,827,123	6,021,369	6,217,416	6,430,313	6,646,664	6,863,287	7,082,461	7,316,700
196,866,546	Infrastructure	212,998,441	231,994,584	242,195,981	250,269,549	258,417,973	267,266,694	276,259,020	285,262,635	294,372,312	304,108,110
8,833	Intangible Assets	546,249	706,733	681,459	612,006	489,283	366,561	263,839	184,450	111,727	39,000
-	Loan Advances	-	-	-	-	-	-	-	-	-	-
2,200,000	Investment Property	2,326,500	2,460,274	2,601,739	2,751,340	2,909,542	3,076,840	3,253,758	3,440,850	3,638,698	3,847,920
103,961	Investment in CCO	103,961	103,961	103,961	103,961	103,961	103,961	103,961	103,961	103,961	103,961
12,731,905	Other Financial Assets	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458	13,399,458
216,647,761	<b>Total Non-Current Assets</b>	234,499,253	254,246,692	264,809,721	273,157,682	281,537,633	290,643,827	299,926,700	309,254,640	318,708,618	328,815,150
<b>221,946,955</b>	<b>Total Assets</b>	<b>239,751,856</b>	<b>258,769,772</b>	<b>269,247,833</b>	<b>277,254,256</b>	<b>285,689,458</b>	<b>295,120,341</b>	<b>304,247,765</b>	<b>313,736,165</b>	<b>323,583,241</b>	<b>333,548,249</b>

Annual Plan 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
<b>Current Liabilities</b>											
4,360,277	Borrowings	3,088,290	4,381,386	5,910,523	5,352,547	5,200,125	5,528,841	4,872,286	4,107,201	3,934,892	2,329,223
4,985,733	Payables	5,606,696	4,877,172	4,792,204	4,450,666	4,505,917	4,830,607	4,675,157	4,835,617	5,228,716	5,087,184
484,096	Employee Benefit Liabilities	484,096	484,096	484,096	484,096	484,096	484,096	484,096	484,096	484,096	484,096
<b>9,830,105</b>	<b>Total Current Liabilities</b>	<b>9,179,081</b>	<b>9,742,653</b>	<b>11,186,823</b>	<b>10,287,309</b>	<b>10,190,138</b>	<b>10,843,543</b>	<b>10,031,539</b>	<b>9,426,914</b>	<b>9,647,703</b>	<b>7,900,503</b>
<b>Non-Current Liabilities</b>											
11,832,852	Borrowings	17,795,621	24,260,738	27,089,744	26,964,334	26,383,941	26,068,714	25,645,684	24,949,859	23,859,126	23,579,694
514,033	Quarry Aftercare Provision	514,033	514,033	514,033	514,033	514,033	514,033	514,033	514,033	514,033	514,033
<b>12,346,885</b>	<b>Total Non-Current Liabilities</b>	<b>18,309,654</b>	<b>24,774,771</b>	<b>27,603,777</b>	<b>27,478,367</b>	<b>26,897,974</b>	<b>26,582,747</b>	<b>26,159,717</b>	<b>25,463,892</b>	<b>24,373,159</b>	<b>24,093,727</b>
<b>Equity</b>											
45,022,778	Ratepayers Equity	50,693,411	55,443,299	53,772,070	54,566,526	55,188,379	55,533,451	56,872,838	58,328,364	59,429,526	61,486,203
3,977,533	Rating District equity	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533	3,977,533
1,000,000	Catastrophe Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
137,062,619	Revaluation Reserve	143,885,141	151,124,480	159,000,596	167,237,486	175,728,399	184,476,031	193,499,104	202,832,427	212,448,284	222,383,249
12,707,035	Investment Growth Reserve	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035	12,707,035
<b>199,769,965</b>	<b>Total Equity</b>	<b>212,263,120</b>	<b>224,252,348</b>	<b>230,457,234</b>	<b>239,488,581</b>	<b>248,601,347</b>	<b>257,694,051</b>	<b>268,056,509</b>	<b>278,845,359</b>	<b>289,562,379</b>	<b>301,554,019</b>
<b>221,946,955</b>	<b>Total Liabilities &amp; Equity</b>	<b>239,751,856</b>	<b>258,769,772</b>	<b>269,247,833</b>	<b>277,254,256</b>	<b>285,689,458</b>	<b>295,120,341</b>	<b>304,247,765</b>	<b>313,736,165</b>	<b>323,583,241</b>	<b>333,548,249</b>

## Prospective Statement of Cash Flows

Annual Plan 2023/24		LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
<b>Cash Flow from Operating Activities</b>											
10,742,690	Rates	13,392,654	14,719,131	16,491,689	17,543,424	18,585,513	19,317,989	19,909,623	20,506,911	21,122,119	21,755,782
192,608	Investment Income	4,633,471	3,686,459	3,656,370	3,859,619	3,971,947	4,088,776	4,210,297	4,336,712	4,468,230	4,605,070
25,935,150	Other Income	12,091,059	10,245,159	2,694,350	2,786,261	2,250,125	2,328,446	2,488,277	2,543,954	2,681,031	2,800,886
36,870,449		30,117,183	28,650,750	22,842,410	24,189,304	24,807,585	25,735,211	26,608,197	27,387,577	28,271,380	29,161,738
865,838	Less Cash Paid for:	977,228	1,330,724	1,525,757	1,529,699	1,451,548	1,455,298	1,459,935	1,421,879	1,389,355	1,391,833
	Interest	24,881	72,842	130,147	163,505	128,894	131,405	145,809	113,518	78,660	63,828
20,956,090	Operating Expenditure	22,883,741	22,402,648	21,653,509	21,324,068	21,672,712	22,725,939	23,039,148	23,458,414	24,639,444	25,060,072
21,821,928		23,885,850	23,806,213	23,309,413	23,017,272	23,253,154	24,312,642	24,644,893	24,993,811	26,107,459	26,515,733
<b>15,048,521</b>	<b>Net Cash Flow Operations</b>	<b>6,231,333</b>	<b>4,844,536</b>	<b>(467,003)</b>	<b>1,172,032</b>	<b>1,554,432</b>	<b>1,422,568</b>	<b>1,963,304</b>	<b>2,393,766</b>	<b>2,163,921</b>	<b>2,646,005</b>
<b>Cash Flow from Investing Activities</b>											
Cash From:											
286,745	Repayment of loans	-	-	-	-	-	-	-	-	-	-
-	Redemption of Investments	-	-	-	-	-	-	-	-	-	-
-	Sale of Assets	-	-	-	-	-	-	-	-	-	-
286,745		-	-	-	-	-	-	-	-	-	-
Cash Paid to:											
18,132,119	Purchase of Fixed Assets	10,969,291	13,230,585	3,472,075	980,155	800,812	1,182,617	1,101,508	826,756	571,792	965,740
-	Investments Made	-	-	-	-	-	-	-	-	-	-
18,132,119		10,969,291	13,230,585	3,472,075	980,155	800,812	1,182,617	1,101,508	826,756	571,792	965,740
<b>(17,845,374)</b>	<b>Net Cash Flow Investing Activities</b>	<b>(10,969,291)</b>	<b>(13,230,585)</b>	<b>(3,472,075)</b>	<b>(980,155)</b>	<b>(800,812)</b>	<b>(1,182,617)</b>	<b>(1,101,508)</b>	<b>(826,756)</b>	<b>(571,792)</b>	<b>(965,740)</b>
	Overdraft Drawdown	1,046,180	1,055,831	1,351,027	-	-	255,354	-	-	-	-
	Overdraft Repaid	-	-	-	(627,503)	(109,619)	-	(688,615)	(731,628)	(308,394)	(1,204,295)
834,700	Loans Raised	4,623,998	7,993,947	4,522,954	1,663,408	1,237,459	1,590,537	1,529,057	1,258,270	1,015,187	1,426,347
-	Loan Principal Repaid	(979,395)	(1,291,565)	(1,515,838)	(1,719,290)	(1,860,655)	(1,832,401)	(1,920,027)	(1,987,552)	(1,969,835)	(2,107,154)
<b>834,700</b>	<b>Net Cash Flow from Financing</b>	<b>4,690,782</b>	<b>7,758,212</b>	<b>4,358,143</b>	<b>(683,386)</b>	<b>(732,815)</b>	<b>13,490</b>	<b>(1,079,585)</b>	<b>(1,460,910)</b>	<b>(1,263,042)</b>	<b>(1,885,101)</b>
<b>(1,962,154)</b>	<b>Total Changes in Cash held</b>	<b>(47,175)</b>	<b>(627,836)</b>	<b>419,065</b>	<b>(491,509)</b>	<b>20,805</b>	<b>253,441</b>	<b>(217,789)</b>	<b>106,100</b>	<b>329,086</b>	<b>(204,836)</b>
3,324,443	Opening Cash Balance	1,362,289	1,315,114	687,278	1,106,343	614,834	635,639	889,080	671,291	777,391	1,106,477
<b>1,362,289</b>	<b>Closing Cash Balances</b>	<b>1,315,114</b>	<b>687,278</b>	<b>1,106,343</b>	<b>614,834</b>	<b>635,639</b>	<b>889,080</b>	<b>671,291</b>	<b>777,391</b>	<b>1,106,477</b>	<b>901,641</b>

## Prospective Capital Expenditure

Annual Plan 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
Improved Level of Service	9,805,300	12,310,000	3,077,122	511,669	360,000	422,000	450,000	456,000	360,000	447,000
Replace Existing Asset	987,092	406,585	394,953	446,487	396,812	578,219	651,508	370,756	211,792	518,740
Additional Demand	176,898	514,000	-	22,000	44,000	182,398	-	-	-	-
<b>TOTAL</b>	<b>10,969,291</b>	<b>13,230,585</b>	<b>3,472,075</b>	<b>980,155</b>	<b>800,812</b>	<b>1,182,617</b>	<b>1,101,508</b>	<b>826,756</b>	<b>571,792</b>	<b>965,740</b>



## Prospective Consolidated Funding Impact Statement

AP 2023/24	LTP 30/6/2025	LTP 30/6/2026	LTP 30/6/2027	LTP 30/6/2028	LTP 30/6/2029	LTP 30/6/2030	LTP 30/6/2031	LTP 30/6/2032	LTP 30/6/2033	LTP 30/6/2034
<b>Sources of Funding</b>										
6,829,717	8,673,741	9,714,590	10,442,212	10,964,323	11,512,539	11,857,915	12,213,653	12,580,062	12,957,464	13,346,188
3,912,973	4,304,270	5,165,124	6,198,149	6,662,390	7,161,403	7,519,474	7,745,058	7,977,409	8,216,732	8,463,234
7,728,435	3,818,609	1,738,150	420,869	393,255	398,429	475,541	439,533	474,233	542,028	510,145
1,691,974	1,465,231	1,561,739	1,620,777	2,459,687	1,797,713	1,864,753	2,061,996	2,073,520	2,150,939	2,300,406
742,608	4,633,471	3,686,459	3,656,370	3,859,619	3,971,947	4,088,776	4,210,297	4,336,712	4,468,230	4,605,070
<b>20,905,707</b>	<b>22,895,322</b>	<b>21,866,063</b>	<b>22,338,377</b>	<b>24,339,275</b>	<b>24,842,032</b>	<b>25,806,459</b>	<b>26,670,537</b>	<b>27,441,937</b>	<b>28,335,392</b>	<b>29,225,042</b>
<b>Applications of Operating Funding</b>										
20,956,090	23,504,704	21,673,124	21,568,541	20,982,529	21,727,963	23,050,628	22,883,699	23,618,874	25,032,543	24,918,540
865,838	1,002,109	1,403,566	1,655,903	1,693,205	1,580,442	1,586,703	1,605,745	1,535,397	1,468,015	1,455,661
-	-	-	-	-	-	-	-	-	-	-
<b>21,821,928</b>	<b>24,506,813</b>	<b>23,076,690</b>	<b>23,224,445</b>	<b>22,675,734</b>	<b>23,308,405</b>	<b>24,637,332</b>	<b>24,489,443</b>	<b>25,154,271</b>	<b>26,500,558</b>	<b>26,374,201</b>
<b>(916,221)</b>	<b>(1,611,492)</b>	<b>(1,210,627)</b>	<b>(886,068)</b>	<b>1,663,541</b>	<b>1,533,627</b>	<b>1,169,127</b>	<b>2,181,093</b>	<b>2,287,666</b>	<b>1,834,835</b>	<b>2,850,841</b>
<b>Sources of Capital Funding</b>										
16,514,741	7,890,000	6,683,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
6,696,000	4,690,782	7,758,212	4,358,143	(683,386)	(732,815)	13,490	(1,079,585)	(1,460,910)	(1,263,042)	(1,885,101)
-	-	-	-	-	-	-	-	-	-	-
<b>23,210,741</b>	<b>12,580,782</b>	<b>14,441,212</b>	<b>4,358,143</b>	<b>(683,386)</b>	<b>(732,815)</b>	<b>13,490</b>	<b>(1,079,585)</b>	<b>(1,460,910)</b>	<b>(1,263,042)</b>	<b>(1,885,101)</b>
<b>Applications of capital funding</b>										
-	176,898	514,000	-	22,000	44,000	182,398	-	-	-	-
17,457,859	9,805,300	12,310,000	3,077,122	511,669	360,000	422,000	450,000	456,000	360,000	447,000
674,260	987,092	406,585	394,953	446,487	396,812	578,219	651,508	370,756	211,792	518,740
-	-	-	-	-	-	-	-	-	-	-
4,162,401	-	-	-	-	-	-	-	-	(0)	(0)
<b>22,294,520</b>	<b>10,969,291</b>	<b>13,230,585</b>	<b>3,472,075</b>	<b>980,155</b>	<b>800,812</b>	<b>1,182,617</b>	<b>1,101,508</b>	<b>826,756</b>	<b>571,792</b>	<b>965,740</b>
<b>916,221</b>	<b>1,611,492</b>	<b>1,210,627</b>	<b>886,068</b>	<b>(1,663,541)</b>	<b>(1,533,627)</b>	<b>(1,169,127)</b>	<b>(2,181,093)</b>	<b>(2,287,666)</b>	<b>(1,834,835)</b>	<b>(2,850,841)</b>

## Regional Leadership – Financial Impact Statement

AP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
<b>Sources of Funding</b>										
General Rates	610,446	704,492	734,090	744,888	847,144	873,442	865,269	942,594	965,922	956,136
Targeted Rates	-	-	-	-	-	-	-	-	-	-
Subsidies & Grants	768,263	160,000	-	-	-	-	-	-	-	-
Fees & Charges	24,462	24,932	25,411	25,900	26,398	26,906	27,423	27,951	28,488	29,036
Income from Investments	-	-	-	-	-	-	-	-	-	-
- <b>Total Operating Funding (A)</b>	<b>1,403,171</b>	<b>889,424</b>	<b>759,502</b>	<b>770,789</b>	<b>873,542</b>	<b>900,348</b>	<b>892,692</b>	<b>970,545</b>	<b>994,410</b>	<b>985,172</b>
<b>Applications of Operating Funding</b>										
Payments to staff and suppliers	1,090,604	449,038	239,995	177,082	321,033	362,321	316,001	442,435	532,062	510,646
Finance costs	395,483	503,456	577,512	610,537	540,887	534,820	548,997	503,091	442,652	431,484
Other operating funding applications	-	-	-	-	-	-	-	-	-	-
- <b>Total Applications of operating funding (B)</b>	<b>1,486,087</b>	<b>952,494</b>	<b>817,507</b>	<b>787,618</b>	<b>861,921</b>	<b>897,140</b>	<b>864,998</b>	<b>945,526</b>	<b>974,714</b>	<b>942,130</b>
- <b>Surplus (deficit) of Operating Funding (A) – (B)</b>	<b>(82,915)</b>	<b>(63,070)</b>	<b>(58,006)</b>	<b>(16,830)</b>	<b>11,621</b>	<b>3,207</b>	<b>27,694</b>	<b>25,019</b>	<b>19,696</b>	<b>43,042</b>
<b>Sources of Capital Funding</b>										
Subsidies and Grants	-	-	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	82,915	63,070	58,006	785,951	533,584	(3,207)	775,041	778,109	517,069	981,014
Increase (decrease) in debt	662,271	861,000	228,922	(349,366)	(479,642)	67,531	(450,621)	(731,485)	(462,973)	(650,835)
Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-
- <b>Total Sources of capital funding (C)</b>	<b>745,186</b>	<b>924,070</b>	<b>286,928</b>	<b>436,585</b>	<b>53,942</b>	<b>64,323</b>	<b>324,420</b>	<b>46,624</b>	<b>54,096</b>	<b>330,179</b>
<b>Applications of capital funding</b>										
Capital expenditure-additional demand	-	500,000	-	-	-	-	-	-	-	-
Capital expenditure-improved levels of service	355,000	286,000	112,122	73,269	-	-	-	-	-	-
Capital expenditure-replace existing assets	307,271	75,000	116,800	346,487	65,564	67,531	352,114	71,643	73,792	373,221
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	0	-	-	-	(0)	-
- <b>Total applications of capital funding (D)</b>	<b>662,271</b>	<b>861,000</b>	<b>228,922</b>	<b>419,755</b>	<b>65,564</b>	<b>67,531</b>	<b>352,114</b>	<b>71,643</b>	<b>73,792</b>	<b>373,221</b>
- <b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>82,915</b>	<b>63,070</b>	<b>58,006</b>	<b>16,830</b>	<b>(11,621)</b>	<b>(3,207)</b>	<b>(27,694)</b>	<b>(25,019)</b>	<b>(19,696)</b>	<b>(43,042)</b>

## Infrastructure and Resilience – Financial Impact Statement

AP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34
<b>Sources of Funding</b>										
General Rates	1,038,581	1,170,182	1,322,879	1,432,603	1,524,194	1,561,628	1,648,018	1,685,579	1,721,484	1,814,489
Targeted Rates	3,977,618	4,663,143	5,525,184	5,878,828	6,373,947	6,677,301	6,854,970	7,043,318	7,239,373	7,441,346
Subsidies & Grants	893,038	620,000	-	-	-	-	-	-	-	-
Fees & Charges	284,109	288,326	302,743	317,890	333,785	350,474	367,998	386,398	405,718	426,003
Income from Investments	-	-	-	-	-	-	-	-	-	-
-	<b>6,193,346</b>	<b>6,741,652</b>	<b>7,150,806</b>	<b>7,629,321</b>	<b>8,231,926</b>	<b>8,589,403</b>	<b>8,870,986</b>	<b>9,115,294</b>	<b>9,366,575</b>	<b>9,681,838</b>
<b>Applications of Operating Funding</b>										
Payments to staff and suppliers	5,752,773	6,250,168	6,248,868	6,395,163	7,160,822	7,410,383	7,578,718	7,778,874	7,985,797	8,186,872
Finance costs	422,846	657,311	796,949	791,916	761,802	773,734	779,288	776,398	777,222	785,658
Other operating funding applications	-	-	-	-	-	-	-	-	-	-
-	<b>6,175,620</b>	<b>6,907,479</b>	<b>7,045,817</b>	<b>7,187,079</b>	<b>7,922,625</b>	<b>8,184,118</b>	<b>8,358,006</b>	<b>8,555,272</b>	<b>8,763,019</b>	<b>8,972,530</b>
-	<b>17,726</b>	<b>(165,827)</b>	<b>104,989</b>	<b>442,241</b>	<b>309,301</b>	<b>405,285</b>	<b>512,980</b>	<b>560,022</b>	<b>603,556</b>	<b>709,308</b>
<b>Sources of Capital Funding</b>										
Subsidies and Grants	7,890,000	6,683,000	-	-	-	-	-	-	-	-
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	286,865	478,867	213,573	146,362	244,129	(74,615)	153,752	138,072	21,120	90,449
Increase (decrease) in debt	1,307,864	5,121,748	2,691,438	(95,403)	31,097	497,793	(216,732)	(184,940)	(176,676)	(307,757)
Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-
-	<b>9,484,730</b>	<b>12,283,615</b>	<b>2,905,011</b>	<b>50,959</b>	<b>275,226</b>	<b>423,177</b>	<b>(62,980)</b>	<b>(46,868)</b>	<b>(155,556)</b>	<b>(217,308)</b>
<b>Applications of capital funding</b>										
Capital expenditure-additional demand	133,949	14,000	-	22,000	44,000	134,699	-	-	-	-
Capital expenditure-improved levels of service	9,084,400	11,994,000	2,965,000	421,200	360,000	422,000	450,000	410,000	360,000	447,000
Capital expenditure-replace existing assets	284,107	109,788	45,000	50,000	180,527	271,764	-	103,154	88,000	45,000
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	(0)	-	-	0	0	(0)	(0)
-	<b>9,502,456</b>	<b>12,117,788</b>	<b>3,010,000</b>	<b>493,200</b>	<b>584,527</b>	<b>828,462</b>	<b>450,000</b>	<b>513,154</b>	<b>448,000</b>	<b>492,000</b>
-	<b>(17,726)</b>	<b>165,827</b>	<b>(104,989)</b>	<b>(442,241)</b>	<b>(309,301)</b>	<b>(405,285)</b>	<b>(512,980)</b>	<b>(560,022)</b>	<b>(603,556)</b>	<b>(709,308)</b>

## Natural Environment – Financial Impact Statement

AP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34	
<b>Sources of Funding</b>											
General Rates	5,021,978	5,507,069	5,937,496	6,440,586	6,782,114	7,072,288	7,340,271	7,464,729	7,693,010	7,974,126	
Targeted Rates	-	-	-	-	-	-	-	-	-	-	
Subsidies & Grants	1,766,711	597,916	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	
Fees & Charges	-	-	-	-	-	-	-	-	-	-	
Income from Investments	-	-	-	-	-	-	-	-	-	-	
-	<b>Total Operating Funding (A)</b>	<b>6,788,689</b>	<b>6,104,985</b>	<b>5,988,496</b>	<b>6,491,586</b>	<b>6,833,114</b>	<b>7,123,288</b>	<b>7,391,271</b>	<b>7,515,729</b>	<b>7,744,010</b>	<b>8,025,126</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	7,470,810	6,598,005	6,457,661	6,637,101	6,740,077	7,097,317	7,156,335	7,317,596	7,587,141	7,666,159	
Finance costs	-	-	-	-	-	-	-	-	-	-	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	
-	<b>Total Applications of operating funding (B)</b>	<b>7,470,810</b>	<b>6,598,005</b>	<b>6,457,661</b>	<b>6,637,101</b>	<b>6,740,077</b>	<b>7,097,317</b>	<b>7,156,335</b>	<b>7,317,596</b>	<b>7,587,141</b>	<b>7,666,159</b>
-	<b>Surplus (deficit) of Operating Funding (A) – (B)</b>	<b>(682,121)</b>	<b>(493,020)</b>	<b>(469,165)</b>	<b>(145,515)</b>	<b>93,037</b>	<b>25,971</b>	<b>234,936</b>	<b>198,133</b>	<b>156,870</b>	<b>358,967</b>
<b>Sources of Capital Funding</b>											
Subsidies and Grants	-	-	-	-	-	-	-	-	-	-	
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	
Other dedicated capital funding	682,121	493,020	469,165	328,523	49,360	(25,971)	(50,398)	(3,210)	(9,329)	(109,407)	
Increase (decrease) in debt	382,007	92,949	101,471	(115,808)	(37,479)	193,097	(28,240)	(128,923)	(97,540)	(199,561)	
Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-	
-	<b>Total Sources of capital funding (C)</b>	<b>1,064,128</b>	<b>585,969</b>	<b>570,636</b>	<b>212,715</b>	<b>11,882</b>	<b>167,125</b>	<b>(78,638)</b>	<b>(132,133)</b>	<b>(106,870)</b>	<b>(308,967)</b>
<b>Applications of capital funding</b>											
Capital expenditure-additional demand	42,949	-	-	-	-	47,699	-	-	-	-	
Capital expenditure-improved levels of service	28,400	-	-	17,200	-	-	-	16,000	-	-	
Capital expenditure-replace existing assets	310,658	92,949	101,471	50,000	104,919	145,398	156,298	50,000	50,000	50,000	
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in reserves	0	0	0	0	-	-	-	(0)	0	(0)	
-	<b>Total applications of capital funding (D)</b>	<b>382,007</b>	<b>92,949</b>	<b>101,471</b>	<b>67,200</b>	<b>104,919</b>	<b>193,097</b>	<b>156,298</b>	<b>66,000</b>	<b>50,000</b>	<b>50,000</b>
-	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>682,121</b>	<b>493,020</b>	<b>469,165</b>	<b>145,515</b>	<b>(93,037)</b>	<b>(25,971)</b>	<b>(234,936)</b>	<b>(198,133)</b>	<b>(156,870)</b>	<b>(358,967)</b>

## Policy and Regulation - Financial Impact Statement

AP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34	
<b>Sources of Funding</b>											
General Rates	2,002,735	2,332,846	2,447,747	2,346,245	2,359,088	2,350,558	2,360,095	2,487,161	2,577,048	2,601,437	
Targeted Rates	326,652	501,981	672,965	783,563	787,456	842,173	890,088	934,092	977,359	1,021,888	
Subsidies & Grants	390,597	360,235	369,869	342,255	347,429	424,541	388,533	423,233	491,028	459,145	
Fees & Charges	832,752	925,719	969,856	1,743,485	1,065,112	1,114,950	1,232,095	1,224,685	1,282,239	1,410,866	
Income from Investments	-	-	-	-	-	-	-	-	-	-	
-	<b>Total Operating Funding (A)</b>	<b>3,552,737</b>	<b>4,120,780</b>	<b>4,460,436</b>	<b>5,215,548</b>	<b>4,559,085</b>	<b>4,732,221</b>	<b>4,870,810</b>	<b>5,069,171</b>	<b>5,327,673</b>	<b>5,493,336</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	5,103,169	5,316,873	5,056,978	4,507,290	4,161,777	4,279,626	4,299,729	4,451,339	4,677,889	4,730,522	
Finance costs	139,165	198,274	236,074	247,027	238,686	240,027	240,262	220,091	213,344	203,803	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	
-	<b>Total Applications of operating funding (B)</b>	<b>5,242,334</b>	<b>5,515,147</b>	<b>5,293,053</b>	<b>4,754,317</b>	<b>4,400,463</b>	<b>4,519,653</b>	<b>4,539,991</b>	<b>4,671,429</b>	<b>4,891,233</b>	<b>4,934,324</b>
-	<b>Surplus (deficit) of Operating Funding (A) – (B)</b>	<b>(1,689,597)</b>	<b>(1,394,366)</b>	<b>(832,617)</b>	<b>461,231</b>	<b>158,622</b>	<b>212,568</b>	<b>330,819</b>	<b>397,741</b>	<b>436,440</b>	<b>559,011</b>
<b>Sources of Capital Funding</b>											
Subsidies and Grants	-	-	-	-	-	-	-	-	-	-	
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	
Other dedicated capital funding	283,999	221,121	159,912	(476,942)	29,793	(109,225)	36,822	29,483	(39,843)	5,935	
Increase (decrease) in debt	1,720,547	1,259,144	672,705	15,711	(188,415)	(56,580)	(272,244)	(427,224)	(396,597)	(564,947)	
Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-	
-	<b>Total Sources of capital funding (C)</b>	<b>2,004,546</b>	<b>1,480,265</b>	<b>832,617</b>	<b>(461,231)</b>	<b>(158,622)</b>	<b>(165,805)</b>	<b>(235,421)</b>	<b>(397,741)</b>	<b>(436,440)</b>	<b>(559,011)</b>
<b>Applications of capital funding</b>											
Capital expenditure-additional demand	-	-	-	-	-	-	-	-	-	-	
Capital expenditure-improved levels of service	272,000	-	-	-	-	-	-	-	-	-	
Capital expenditure-replace existing assets	42,949	85,898	-	-	-	46,764	95,398	-	-	-	
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in reserves	-	(0)	-	0	0	0	(0)	0	(0)	(0)	
-	<b>Total applications of capital funding (D)</b>	<b>314,949</b>	<b>85,898</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>46,764</b>	<b>95,398</b>	<b>0</b>	<b>(0)</b>	
-	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>1,689,597</b>	<b>1,394,366</b>	<b>832,617</b>	<b>(461,231)</b>	<b>(158,622)</b>	<b>(212,568)</b>	<b>(330,819)</b>	<b>(397,741)</b>	<b>(436,440)</b>	<b>(559,011)</b>

## Commercial Activities – Financial Impact Statement

AP 2023/24	LTP 2024/25	LTP 2025/26	LTP 2026/27	LTP 2027/28	LTP 2028/29	LTP 2029/30	LTP 2030/31	LTP 2031/32	LTP 2032/33	LTP 2033/34	
<b>Sources of Funding</b>											
General Rates	-	-	-	-	-	-	-	-	-	-	
Targeted Rates	-	-	-	-	-	-	-	-	-	-	
Subsidies & Grants	-	-	-	-	-	-	-	-	-	-	
Fees & Charges	323,908	322,762	322,767	372,412	372,418	372,424	434,480	434,487	434,494	434,501	
Income from Investments	4,633,471	3,686,459	3,656,370	3,859,619	3,971,947	4,088,776	4,210,297	4,336,712	4,468,230	4,605,070	
-	<b>Total Operating Funding (A)</b>	<b>4,957,379</b>	<b>4,009,221</b>	<b>3,979,137</b>	<b>4,232,032</b>	<b>4,344,365</b>	<b>4,461,200</b>	<b>4,644,777</b>	<b>4,771,199</b>	<b>4,902,723</b>	<b>5,039,571</b>
<b>Applications of Operating Funding</b>											
Payments to staff and suppliers	4,087,348	3,059,041	3,565,039	3,265,894	3,344,254	3,900,982	3,532,915	3,628,631	4,249,654	3,824,342	
Finance costs	44,615	44,525	45,368	43,725	39,066	38,123	37,198	35,817	34,796	34,716	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	
-	<b>Total Applications of operating funding (B)</b>	<b>4,131,963</b>	<b>3,103,566</b>	<b>3,610,407</b>	<b>3,309,619</b>	<b>3,383,320</b>	<b>3,939,105</b>	<b>3,570,113</b>	<b>3,664,448</b>	<b>4,284,451</b>	<b>3,859,058</b>
-	<b>Surplus (deficit) of Operating Funding (A) – (B)</b>	<b>825,415</b>	<b>905,655</b>	<b>368,730</b>	<b>922,413</b>	<b>961,045</b>	<b>522,095</b>	<b>1,074,664</b>	<b>1,106,751</b>	<b>618,273</b>	<b>1,180,512</b>
<b>Sources of Capital Funding</b>											
Subsidies and Grants	-	-	-	-	-	-	-	-	-	-	
Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	
Other dedicated capital funding	(1,335,901)	(1,256,078)	(900,655)	(783,895)	(856,867)	213,019	(915,217)	(942,454)	(489,017)	(967,991)	
Increase (decrease) in debt	618,092	423,372	663,607	(138,519)	(58,377)	(688,350)	(111,748)	11,662	(129,255)	(162,002)	
Gross Proceeds Sale assets	-	-	-	-	-	-	-	-	-	-	
-	<b>Total Sources of capital funding (C)</b>	<b>(717,808)</b>	<b>(832,706)</b>	<b>(237,048)</b>	<b>(922,413)</b>	<b>(915,243)</b>	<b>(475,332)</b>	<b>(1,026,965)</b>	<b>(930,792)</b>	<b>(618,273)</b>	<b>(1,129,993)</b>
<b>Applications of capital funding</b>											
Capital expenditure-additional demand	-	-	-	-	-	-	-	-	-	-	
Capital expenditure-improved levels of service	65,500	30,000	-	-	-	-	-	30,000	-	-	
Capital expenditure-replace existing assets	42,107	42,949	131,682	-	45,802	46,764	47,699	145,958	-	50,519	
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in reserves	(0)	(0)	0	0	(0)	(0)	0	(0)	0	(0)	
-	<b>Total applications of capital funding (D)</b>	<b>107,607</b>	<b>72,949</b>	<b>131,682</b>	<b>0</b>	<b>45,802</b>	<b>46,764</b>	<b>47,699</b>	<b>175,958</b>	<b>0</b>	<b>50,519</b>
-	<b>Surplus (Deficit) of Capital Funding (C) - (D)</b>	<b>(825,415)</b>	<b>(905,655)</b>	<b>(368,730)</b>	<b>(922,413)</b>	<b>(961,045)</b>	<b>(522,095)</b>	<b>(1,074,664)</b>	<b>(1,106,751)</b>	<b>(618,273)</b>	<b>(1,180,512)</b>



## Significant Forecasting Assumptions

The preparation of a long-term plan requires the adoption of a number of assumptions about events and activities that the Council believes will reasonably occur over the life of the strategy.

The overarching assumptions used in preparing the Long-term Plan are that:

- There will be no significant growth in the population of the region over the Long-term Plan period;
- Economic growth of the region will fluctuate, reflecting the volatility of the tourism sector, the current economic uncertainty, and the nature of the extractive industries (e.g. mining and forestry) that the West Coast region relies on; and
- Growth in the rating base is not likely in the short term with the Department of Conservation, and other central government organisations, administering approximately 86% of the land in the region.
- The Council will continue to perform its existing functions in accordance with present legislation.
- The Council will continue to deliver functions and services in accordance with adopted policies, plans and operational strategies.

The following significant forecasting assumptions have been addressed due to the potential for them to materially impact upon the Council's overall revenue; operating expenditure; ability to finance and fund future operating and capital expenditure; strategic assets and ability to deliver intended levels of service.

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Return on investments.	Investments do not return sufficient funds and general rates have to increase.	High	<p><u>Main Investment Fund</u> Returns of 6.00% have been budgeted for across the 10 year term of the LTP, for Council's main investment fund. Effect of uncertainty: An increase or decrease in returns of 1% would be + / - \$133,000</p> <p><u>Catastrophe Fund</u> Returns of 5.40% have been budgeted across the 10 year term of the LTP, for this conservative fund.</p> <p><u>Commercial Property Investment @ Rolleston</u> Council is budgeting on a 8.36% return on original cost of \$1.328 million (Market yield on revalued amount of \$2.327 million@ 30/6/23 = 4.77%) The assume growth in rental income is 5.75% and the appreciation of the market value is assumed to be 2.32%</p> <p><u>General Comment</u> All cash returns on investments are utilised to reduce the general rates for rate payers. Any significant shortfall in returns could result in increases to general rates.</p>
Vector Control Services Business Unit.	This Council business unit competes on a contestable basis for pest control contracts.	High	<p>It is uncertain what contracts might be won by the VCS business unit during the ten-year period. The budget expectations are partly based on historical achievements by the VCS Business Unit. If the VCS business unit cannot meet budgeted profit expectations, there may be a need by Council to increase general rates or cut back services.</p> <p>Effect of uncertainty: An increase or decrease of the core trading surplus of + / - 20% would amount to \$45,000</p>



Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
New Rating Districts for Flood, Drainage and Coastal Protection.	Council may receive requests from communities to build new infrastructure or extend existing works. It is not possible to predict if and when these requests will occur.	High	<p>This Long-term Plan has been prepared based on maintaining existing infrastructure and building additional infrastructure as set out in the Plan. Council may and will receive further requests for protection schemes from time to time but has not predicted when this may occur. It is not possible to budget for such requests before they occur.</p> <p>Such requested new / extended infrastructure would be paid for by the affected community, usually funded by a loan and repaid by a targeted rate.</p> <p>Attention is also drawn to the Council's Revenue &amp; Financing Policy, Financial Strategy and 30-year Infrastructure Strategy.</p>
Change to Functions	Change to Council functions could significantly increase costs	Medium	The statutory functions of Council under the Resource Management Act and Land Transport Management Act have been subject to significant change in recent years. The change in government in 2023 will result in further change with the repealing of various pieces of legislation. This Long-term Plan has been prepared in the current legislative environment. Change in any Council function will be undertaken when legislation changes.
Unforeseen environmental issues or resource management challenges.	New environmental issues requiring works that cannot be funded out of normal budgetary provisions.	Medium	The potential effect of any new environmental or resource management issues is dependent upon the scale, type, location and impact upon the environment of the issue. Each issue will be addressed on its merits and any funding requirement addressed in terms of the principles outlined in the Revenue and Financing Policy.
Council amalgamation proposals	Council amalgamation within the West Coast region is needed.	Medium	<p>The Long-term Plan has been prepared on the assumption that there will be close co-operation and continued investigation of aligned service opportunities among the four West Coast Councils (refer page 18).</p> <p>In 2018 the Local Government Commission initiated Governor General Order in Council mandated the West Coast Regional Council with the responsibility for preparing, approving and reviewing a combined district plan for the West Coast. This work is included in the Long-term Plan.</p>
Revaluation of River & Coastal Protection Infrastructure Assets	Movements in the value of the infrastructure assets might be greater or lesser than the estimates.	Low	Estimated future revaluations have been calculated using the BERL "Local Government Cost Index". The infrastructure asset revaluations are a function of contracting rates prevailing at the time of revaluation. Revaluations will occur every year @ 30 June. However, these revaluations have no funding impact.
Projected growth change factors	Increased population and economic activity pressures Council to increase its levels of service.	Low	No significant population increases are anticipated. The Statistics NZ population project forecasts only minimal increases in the regional population over the 10-year term of the Long-term Plan (32,400 in 2023 – 32,500 in 2033).
Cost changes	Inflation will increase costs to Council and there will be insufficient revenue.	Low	<p>Cost changes have been included in the financial projections. Cost changes are as per BERL estimates.</p> <p>Interest and depreciation expenses in this LTP have not had cost change inflation applied.</p> <p>Investment income in this LTP has not had cost change inflation applied.</p> <p>Index adopted</p>

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty	
			Year	Local Government Cost Index (published by BERL for SOLGM)
			2024/25	2.7%
			2025/26	2%
			2026/27	2.2%
			2027/28	2.2%
			2028/29	2.1%
			2029/30	2.1%
			2030/31	2%
			2031/32	2%
			2032/33	1.9%
			2033/34	1.9%
Borrowing rates	Borrowing rates could be higher than estimated.	Medium	Term borrowing is expected to be through Local Government Funding Agency and other commercial funders. The borrowing terms will be structured with various maturities and / or roll-overs to reduce the risk of interest rate volatility. The borrowing may be a mixture of fixed and floating contracts, as guided by Council's Investment and Borrowing Policy. Borrowing costs are estimated between 4.56% - 5.14% across the life of the Long-term Plan depending on the drawdown period and term of the loans.	
Significant natural or other hazard emergencies.	Emergencies require work that cannot be funded out of normal budgetary provision.	Low	<p>The potential effect of a natural disaster on the Council's financial position is dependent upon the scale, duration and location of the event.</p> <p>Central Government will refund most of the direct welfare costs of major emergency events.</p> <p>Our river, drainage and coastal protection infrastructure assets are insured through a combination of Central Government 60% and commercial insurers 40%.</p> <p>The Central Government excess is 0.002% of rateable capital value across the region.</p> <p>The commercial insurers excess is \$1,000,000 for a flood event and \$500,000 for any other event.</p> <p>Council has rating district prudent reserves and a catastrophe reserve to mitigate the financial impact of an event.</p>	
General Rate Increases	The general rate requirement might exceed that forecast in the Long-term plan	High	There is a risk that major court appeals on plans under the Resource Management Act (RMA) could result in additional costs. This could result in a further general rate increase. Council is undertaking reviews across the suite of its RMA plans during this Long-term Plan.	
Climate change	Climate Change has an impact on the likelihood and severity of weather events.	Low	Council stopbanks and seawall structures have been designed to allow for raising when appropriate and necessary. Council is cautious to not incur unnecessary cost by overdesign or by prematurely adding mitigation until it is evident that it is required. Council continues to monitor actual events and climate change predictions and will respond accordingly. Refer also to the Infrastructure Strategy.	
Climate Change	Climate change has an impact to raise the sea level.	Low	Sea level rise will be incremental during the period of this strategy and Council will plan and respond as the predictions take effect and begin to impact on our assets. Refer also to the Infrastructure Strategy.	

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty
Capex do-ability	The forecast capital expenditure may not be able to be completed within the predicted timeframes.	High	<p>The following factors could have an impact on Council's ability to complete its capital expenditure projects in the set timeframes:</p> <ul style="list-style-type: none"> <li>- Delays in receiving resource consent.</li> <li>- Adverse weather event that delays the project or requires the reallocation of resources.</li> <li>- Inability to procure the appropriate contracted services.</li> </ul> <p>Council considers the likelihood of the above factors having a significant impact on the capital expenditure as medium. Council has, and will be, recruiting additional engineering capability to assist with mitigating these risks. The financial impact of a significant delay could push the transactions into subsequent accounting periods.</p>
Capex do-ability resourcing	The forecast capital expenditure may not be able to be completed within the predicted timeframes.	High	<p>Council is confident that it will have the capacity required in-house, and will be able to source the appropriate external capacity, to achieve the proposed capital works programme. To ensure that Council can plan ahead in areas that require resource consents, professional contractors will be engaged and overseen by project managers. There is always a risk that the people needed will not be available when required. This can lead to delays in completing projects. This is managed by including timing expectations in respective procurement processes and maintaining regular and early communication with contractors so that plans can be adjusted and the risk of delays reduced.</p>
Asset condition	Council has incomplete asset condition information leading to uncertainty over the timing for maintenance and renewals.	High	<p>The assumption has been made that Council has low quality or incomplete asset condition knowledge and this could lead to poor infrastructure capital decision making. It could also lead to poor maintenance planning assumptions or incorrect timing of renewal capital works. Council is committed to improving knowledge of its asset conditions through both process and technological improvements within the next two years and increasing professional asset management capability and capacity within the organisation.</p> <p>A further assumption has been made that all assets will deliver the required level of service over their documented useful life. However, incomplete asset information could allow critical asset failures before they are scheduled for planned maintenance and renewal and could lead to loss of service for a period of time. Where this loss of service is found to be the case, Council will consult with communities around what the affordable levels of service will be in the future. It is likely that any conversation of this nature would result in a decrease in service levels without significant reinvestment requirements.</p>
Westport flood protection work programmes	The funding may not be received.	Low	<p>Council has formal agreements with central government funding agencies. Council expects that the required funding will be received.</p>
Westport flood protection work programmes	Council may not be able to complete the work on time, within budget and / or in accordance with the conditions of the Agreement.	Med	<p>Council generally expects to be able to procure the services required to complete the work on time, within budget and in accordance with the conditions of the Agreement. The budgets and timelines have been set based on Council's experience and historical knowledge of work of this nature. Council has, and will</p>

Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty														
			be, recruiting additional engineering capability to assist with mitigating these risks.														
Forecasting effectiveness	Forecasting of budgets may not always match actual requirements in future years.	High	Forecasting of Council budgets was undertaken with the information available up to March 2024. There is always a risk of unplanned work arising or external factors influencing the funding requirements of Council. No allowance has been made in Council's budgets for these factors which are unknown at the time of preparing the Long-term Plan.														
Future for Local Government Review	Possible changes to the structure and function of Local Government	Low	On 23 April 2021 the Minister of Local Government announced a Ministerial Inquiry into the Future for Local Government. The overall purpose of the review is to "identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership." The final report was published in June 2023. While the outcomes of the review could recommend significant change to what local government is and does, there is no information available on the likely direction at this time. Council has prepared the Long-term Plan on the assumption its existing role and functions will continue for the life of the plan (refer page 18 for more information).														
Wage Growth	To attract and retain staff higher wage increases may be required.	Low	Currently it is assumed that wages increase at 1% above inflation each year. This means that an additional 1% is added to the BERL inflation estimates to provide the wage growth for the roles required over the Long-term Plan.														
Debt Funded CAPEX	The terms of the loans drawn down may not match those in the LTP.	Low	All CAPEX over the length of the Long-term Plan is assumed to be funded by debt with the terms of the loans matching the useful life of the assets. This has the effect of smooth the rating impact of acquiring the new assets over the time the rate payers are receiving the benefit.														
Existing Debt	The feasibility and costs of renewing existing debt may differ from reality.	Low	All existing debt assumed to be on the Council's balance sheet at the beginning of the Long-term Plan is assumed to be renewed when the loans mature.														
TTPP Debt Funded	The costs of funding the debt associated with TTPP may be higher.	Low	To ensure that the rating impact of the expenditure related to Te Tai o Poutini Plan (TTPP) does not hit the related communities drastically at the beginning of the Long-term Plan debt is being drawn down to smooth the rating impact over time.														
Asset Revaluation Assumptions	The asset values may fluctuate at rates not reflected by the assumptions.	Med	<p>Asset revaluations have been included in the financial projections. The revaluations are as per BERL estimates. Depreciation recognised reflects the revalued carry amounts of the assets. Index adopted</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Local Government Cost Index (published by BERL for SOLGM)</th> </tr> </thead> <tbody> <tr> <td>2024/25</td> <td>3.5%</td> </tr> <tr> <td>2025/26</td> <td>1.9%</td> </tr> <tr> <td>2026/27</td> <td>2.6%</td> </tr> <tr> <td>2027/28</td> <td>2.7%</td> </tr> <tr> <td>2028/29</td> <td>2.6%</td> </tr> <tr> <td>2029/30</td> <td>2.5%</td> </tr> </tbody> </table>	Year	Local Government Cost Index (published by BERL for SOLGM)	2024/25	3.5%	2025/26	1.9%	2026/27	2.6%	2027/28	2.7%	2028/29	2.6%	2029/30	2.5%
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Forecasting Assumption	Risk	Level of Uncertainty	Reasons and Financial Effect of Uncertainty	
			2030/31	2.4%
			2031/32	2.4%
			2032/33	2.3%
			2033/34	2.3%

## Rates Funding Impact Statement for 2024/25

### Targeted Rates

The following table summarises the types of targeted rates, the group of activities or activity funded by that targeted rate together with matters and factors of the targeted rates.

**Notes:** *Differential with regard to Infrastructure activity scheme rates means that there may be several different classes of land within the Separate Rating Area, e.g. Classes A, B C, D etc. These different classes reflect the different degrees of benefit that the different classes of land receive from the protection works.*

Copies of the maps setting out the boundaries of the various Separate Rating Areas can be accessed from Council's website [www.wcrc.govt.nz](http://www.wcrc.govt.nz)

Council does not invite, nor will it accept, lump sum contributions in lieu of any targeted rate.

Activity Group	Types of Rates	Types of land	Different categories
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Vine Creek</b> Separate Rating Area	Differential Land Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Wanganui</b> Separate Rating Area	Differential Land Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Kowhitirangi</b> Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Coal Creek</b> Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Karamea</b> Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Inchbonnie</b> Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Grey Floodwalls</b> Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme loan repayment rate	Land within the boundaries of the <b>Grey Floodwalls</b> Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Okuru</b> Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Redjacks</b> Separate Rating Area	Differential Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Raft Creek</b> Separate Rating Area	Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Nelson Creek</b> Separate Rating Area	Differential Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Taramakau</b> Separate Rating Area	Differential Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Kongahu</b> Separate Rating Area	Differential Land Area
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Waitangi-taona</b> Separate Rating Area	Differential Land Area

Activity Group	Types of Rates	Types of land	Different categories
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Punakaiki</b> Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme loan repayment rate	Land within the boundaries of the <b>Punakaiki</b> Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Hokitika River South Bank</b> Separate Rating area	Differential Capital Value
Infrastructure and Resilience	Scheme loan repayment and maintenance rate	Land within the boundaries of the <b>Franz Josef 2020</b> Separate Rating area	Differential Capital Value
Infrastructure and Resilience	Scheme loan repayment rate	Land within the boundaries of the <b>Lower Waiho</b> Separate Rating area	Capital Value
Infrastructure and Resilience	Scheme loan repayment rate	Land within the boundaries of the <b>Matainui Creek</b> Separate Rating area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Mokihinui</b> Separate Rating area	Per rating unit
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Whataroa River</b> Separate Rating area	Differential Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>New River/Saltwater Creek catchment</b> Separate Rating Area	Differential Capital Value
Infrastructure and Resilience	Scheme loan repayment and maintenance rates	Land within the boundaries of the <b>Hokitika 2021</b> Separate Rating area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Neil's Beach</b> Separate Rating Area	Capital Value
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Rapahoe</b> Separate Rating Area	Per rating unit
Infrastructure and Resilience	Scheme maintenance rate	Land within the boundaries of the <b>Westport Separate Rating Area</b>	Capital Value
Infrastructure and Resilience	Emergency Management	All rateable land in the region	Capital Value
Warm West Coast	Repayment of insulation / clean heating funding	Only levied on individual properties that have received Council funding to install insulation and/or clean heating appliances.	Amount of Council funding provided * 14.9286% per annum for the term of the funding agreement.
Policy and Regulation	Plan preparation	All rateable land in the region	Capital value

### Projected number of rating units across the life of the Long-term Plan

2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
20,600	20,700	20,800	20,900	21,000	21,070	21,140	21,200	21,250	21,300

## Rating Impact Ready Reckoner

The following rates will be payable by all properties in the **Buller District** part of the West Coast region:

Rate type	Rate per \$100,000 of Capital value (GST incl)
General Rate on Capital Value	\$60.15
Emergency Management Targeted Rate	\$14.75
Te Tai o Poutini Plan (combined District Plan)	\$3.99

	Per Rating Unit (GST incl)
Uniform Annual General Charge	\$192.59

Other targeted rates (relating to river, drainage and coastal protection rating districts) may be payable depending on where the property is located, for example:

- Karamea separate rating area                      rated on differential capital value
- Kongahu separate rating area                      rated on differential land area
- Mokihinui separate rating area                      rated as a fixed charge per rating unit
- Westport separate rating area                      rated on capital value
- Punakaiki separate rating area (loan)              rated on differential capital value
- Punakaiki separate rating area (Mtce)              rated on capital value

The following rates will be payable by all properties in the **Grey District** part of the West Coast region:

Rate type	Rate per \$100,000 of Capital value
General Rate on Capital Value	\$64.96
Emergency Management Targeted Rate	\$14.75
Te Tai o Poutini Plan (combined District Plan)	\$3.99

	Per Rating Unit
Uniform Annual General Charge	\$192.59

Other targeted rates (relating to river, drainage and coastal protection rating districts) may be payable depending on where the property is located, for example:

- Coal Creek separate rating area                      rated on capital value
- Inchbonnie separate rating area                      rated on differential capital value
- Grey Floodwall separate rating area                      rated on capital value
- Saltwater Creek separate rating area                      rated on differential capital value
- Redjacks separate rating area                      rated on differential land area
- Nelson Creek separate rating area                      rated on differential land area
- Taramakau separate rating area                      rated on differential land area
- Rapahoe separate rating area                      rated as a fixed charge per unit
- New River separate rating area                      rated on differential capital value

The following rates will be payable by all properties in the **Westland District** part of the West Coast region:





## Rating impact on some typical properties

	Westport dwelling	Buller District farm property
<b>Capital Value</b>	<b>\$300,000</b>	<b>\$3,000,000</b>
General rate	\$180.44	\$1,804.36
Emergency Management Rate	\$44.27	\$442.69
Te Tai o Poutini Plan (combined District Plan)	\$11.96	\$119.56
Uniform Annual General Charge	\$192.59	\$192.59
<b>Total</b>	<b>\$429.25</b>	<b>\$2,559.19</b>

Other targeted rates (relating to river, drainage and coastal protection rating districts may be payable depending on where the property is located.

	Greymouth dwelling	Grey District farm property
<b>Capital Value</b>	<b>\$300,000</b>	<b>\$3,000,000</b>
General rate	\$194.89	\$1,948.88
Emergency Management Rate	\$44.27	\$442.69
Te Tai o Poutini Plan (combined District Plan)	\$11.96	\$119.56
Uniform Annual General Charge	\$192.59	\$192.59
<b>Total</b>	<b>\$443.70</b>	<b>\$2,703.71</b>

Other targeted rates (relating to river, drainage and coastal protection rating districts may be payable depending on where the property is located.

	Hokitika dwelling	Westland District farm property
<b>Capital Value</b>	<b>\$300,000</b>	<b>\$3,000,000</b>
General rate	\$192.03	\$1,920.27
Emergency Management Rate	\$44.27	\$442.69
Te Tai o Poutini Plan (combined District Plan)	\$11.96	\$119.56
Uniform Annual General Charge	\$192.59	\$192.59
<b>Total</b>	<b>\$440.84</b>	<b>\$2,675.11</b>

Other targeted rates (relating to river, drainage and coastal protection rating districts may be payable depending on where the property is located.



# Franz Josef Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Franz Josef Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Franz Josef Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Lower Waiho protection scheme.
- Convey the long-term strategy for the management of the Lower Waiho Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Franz Josef Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Lower Waiho Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Lower Waiho community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Background

#### 3.1 Franz Josef Background

In May 1957 the Ministry of Works advised that the government was proposing to build a new hotel at Franz Josef. The proposed construction site was approximately one kilometre downstream from the township on the right bank of the Waiho River. At the time the threat of erosion was considered remote, due to the location of the main stream.

Prior to 1957 protection works in the form of gabion (wire crates) existed on the right bank below the State Highway Bridge to provide protection for the aerodrome.

In May 1967 the Ministry of Works expressed concern at the Waiho River swinging northwards and possibly affecting the Tourist Corporation Hotel site and Airport facilities. An inspection of the area was carried out by Westland Catchment Board engineers and a proposal for protection work prepared.

In May 1968 the proposal to construct a stopbank over approximately 350 metres with heavy rock armouring was approved by Civil Aviation and the Tourist Hotel Corporation. This work was completed in November 1968 at a cost of \$7,640. Repairs to the rock protection were carried out in March 1971. 1200 tonnes of rock being required to top up slumped rip rap.

As a result of the Waiho River again threatening the hotel frontage a proposal to extend the existing stopbank downstream by 500 metres was forwarded to Ministry of Transport and the Tourist Corporation for approval in May 1972. Approval to extend the stopbank was received by the Westland Catchment Board in December 1972 and the work was completed in October 1973.

In November 1973 a flood washed out the old wire crate protection works on the north bank immediately downstream of the State Highway Bridge over a distance of 60 metres causing flooding of the Airstrip and threatening the Hotel and sewage plant. Another major flood in February 1974 swept through the Airstrip and Hotel sewage plant. The washed-out section of stopbank above the Airstrip was replaced with a curved bank and hook groyne and rock stronghead at the top end. Rock spur groynes were placed along the reinstated bank.

During severe flooding in 1967/1968 the riverbed at the terminal face of the Glacier rose 13 metres. This gravel has since travelled downstream causing a build-up of the riverbed below the State Highway Bridge.

A rating classification was suggested in August 1977. In August 1978 the Westland Catchment Board prepared a proposal for the Waiho River which included rockwork to protect the riverbanks from erosion, and stopbanks to prevent flooding and to keep the river in a permanent alignment. The estimate for the proposed work was \$120,000. The works were designed for a 50-year return period flood (2,700m<sup>3</sup>/s) with 1 metre freeboard.

In March 1979 severe flooding caused further damage to the stopbanks and rock protection and as a result the scheme estimate rose to \$144,000. The proposed scheme works were approved on 12<sup>th</sup> November 1979 by N.W.A.S.C.O and work began in January 1980.

Two major floods occurred on 2<sup>nd</sup> and 3<sup>rd</sup> and again on 24<sup>th</sup> and 25<sup>th</sup> December 1979 resulting in 300 metres of the airstrip stopbank being lost. In the 24<sup>th</sup>-25<sup>th</sup> December flood a further 600 metres of



bank was destroyed. The main river channel diverted to the north bank causing severe damage to Green's property and threatened the recently completed oxidation ponds.

The scheme was revised in July 1988. Works included:

- (a) 1600 tonnes of rock protection on the left bank along the camping ground frontage.
- (b) 600 tonnes of rock in spur groynes below the camping ground.
- (c) 3600 tonnes of rock in the form of 3 retards below Canavan's Knob on the left bank.
- (d) The extension of the right bank stopbank and the construction of a hook groyne and stronghead with 7,800 tonnes of rock protection.

The revised scheme works were completed in 1980.

In January and March 1982 the Waiho River was subject to major flooding. A report prepared by Soil Conservation and Rivers Control Council stated that on 11/12 March 1982 the 24 hours rainfall was 445mm. Damage occurred to the left bank stopbank adjacent to the State Highway and the stopbank on the right bank opposite the camping ground. The aerodrome stopbank required raising and the hook groyne opposite Canavan's Knob was destroyed. Design standards were raised to include 1 metre freeboard above the March 1982 flood. The hook groyne was not reinstated.

A report prepared by the Chief Engineer of the Westland Catchment Board suggested that the National Roads Board withdraw from the scheme and assume responsibility for the left bank section of protection works adjacent to the State Highway.

In May 1983 the Waiho Riverbed had less than 1.8 meters clearance from the soffit of the existing State Highway Bridge.

The scheme was reviewed in July 1983 on 16 April 1984 and the Westland Catchment Board adopted a classification for maintenance purposes. This classification was used to fund the ongoing maintenance works.

On 20/21 December 1984, the Waiho River broke through the right bank stopbank, flowed over the airstrip and along the THC Hotel frontage. A proposal to repair the flood damage and protect the Hotel and sewage ponds was estimated at \$170,000. Repairs to the flood damaged stopbank were completed in April 1985.

On 30 April 1985 a proposal to raise the Glacier access road over 300 metres and place 8800 tonnes of heavy rock protection to prevent the Waiho River from flooding into Wombat Creek was forwarded to the Commissioner of Crown Lands for consideration.

On 16 May 1985 a public meeting resolved that an area system of classification be adopted.

On 28 December 1989 approximately 180 metres of the right bank stopbank was destroyed. The Waiho River diverted through the gap in the stopbank destroying the recently completed airstrip.

As a result of continued aggradation, Westland Catchment Board engineers decided to abandon the right bank stopbank and concentrate protection works along the existing riverbank.

At a meeting on 17 May 1990 Waiho township ratepayers opted for a proposal which included the construction of a 250 metre long rock protected stopbank on the right bank extending downstream from the terrace below the Department of Conservation Headquarters and four rock deflector groynes along the toe of the terrace on the right bank below the State Highway Bridge.

On the left bank the proposal included the construction of a stopbank commencing at the State Highway Bridge and extending downstream for 300 metres to protect the Glacier Gateway Motor Lodge and Camping Ground. The stopbank would be reinforced with rockwork.

The design height of the stopbanks was determined by taking an average approach from technical reports available at that time.

The top width of 6 metres on the right bank stopbank was to allow for any future rising as determined necessary. The rock protection was to be trenched 5 metres below existing bed level to prevent slumping if scouring occurred.

The left bank stopbank and rock protection was constructed by Ferguson Bros. Industrial Ltd and the right bank stopbank and rock protection by Langridges Earthmoving. All work was completed by September 1991.

On 13 December 1995 a major flood destroyed the right bank approach to the State Highway Bridge and seriously eroded the right bank immediately below the bridge.

On 11 September 1996, the Franz Josef community confirmed its acceptance of a proposal prepared by the Regional Council to raise the left bank stopbank by one metre over 300 metres and place 2000 tonnes of rock protection. On the right bank, to construct a stopbank commencing at the State Highway Bridge and extending downstream for 280 metres and place 18,000 tonnes of rock protection. This work was completed by Ferguson Bros. Industrial in November 1996.

In response to ratepayers' requests, Council staff prepared a reclassification of the Franz Josef Rating District in 2003. A new Capital Value Based Rating District was ratified in the Council's Annual Plan adopted on 19 August 2003.

In 2015, the stopbanks on the true left of the Waiho River were removed from the Franz Josef Rating District and are now administered by NZTA (from the State Highway bridge to Canavans Knob).

In 2016 Flood modelling of the Waiho River was undertaken. A stopbank for a 1:100-year flood event was designed. This work was tendered and constructed at the end of 2016.

### 3.2 Lower Waiho Background

In 1944 it was proposed to carry out a survey to determine if it was possible to construct a "cut-off" stopbank near Rata Knoll to prevent overflows from the Waiho River flooding Docherty's Creek. Due to lack of manpower and machinery during the war years this survey was not carried out until 1947 when the Public Works Department received a grant of 50 pounds equivalent to \$100 from the Soil Conservation and Rivers Control Council to carry out the work.

In May 1947 the Public Works Department prepared a proposal which included the construction of a stopbank and tree planting to prevent overflows from the Waiho River entering Docherty's Creek. This proposal was forwarded to soil Council for approval.

An inspection of the Waiho River by a Soil Council Engineer determined that due to river changes a stopbank and tree planting were no longer required and advised the Westland Catchment Board accordingly.



In November 1948 the Westland Catchment Board received a letter from 6 Lower Waiho farmers regarding possible flooding from the Waiho River and requested urgent action to solve their flooding problem.

The area affected was 1336 hectares and urgent protection works were suggested.

After an inspection of the flooding problems in March 1949 the Westland Catchment Board sought financial assistance from the Crown Lands Department.

On 16<sup>th</sup> July 1953 Mr C. Milton wrote to the Westland Catchment Board offering financial support for a stopbank. On 18<sup>th</sup> November 1953 approval to construct a stopbank with rock protection on the left bank below Rata Knoll was granted by Soil Council.

The stopbank was constructed between April and August 1954. In June 1956 the bank was raised at the lower end over 370 lineal metres.

On 16/17 December 1965, 100 metres of Milton and Others bank was damaged. This eroded section was to be protected by placing rock riprap along a 140 metre section and to reform the damaged stopbank. This work was completed on 18 March 1966 by R.E. Clarke Ltd.

On 24 - 25 January 1967 floods damaged the bank over approximately 320 metres. Large quantities of ice from the Glacier were blamed for the severity of erosion. Sediment concentration had been very high. The National Park Board considered that the riverbed downstream of the Glacier face rose 21 metres over the last 13 months. It was considered that very heavy rock should be used over 520 lineal metres. It was also proposed to resite the alignment of the new section along the new riverbank. This would give more waterway in flood events. An early estimate of the work was \$25,400.

In March 1967 a contract was let to Fergusons Earthmoving Co. Ltd. A D8 bulldozer was used to divert the river and erect the stopbank. On 9 March a flood broke through the new bank and removed all the "pushed-up" material. D9 and D8 motor scrapers completed the work. The damage caused required an additional 7,600 m<sup>3</sup> of fill and 800 tonnes of rock. The works were within 8 to 10 hours of completion when on 9 April the deflector bank along with 110 metres of bank across the gut was demolished. The extra additional cost was \$6,840.

The total cost at 30 June 1967 was \$16,000. This covered the construction of the stopbank and 10,000 tonnes of rock.

In 1973, 3,000 tonnes of rock was placed on E.J. Gibbs property by H. Langridge and Sons Ltd at a cost of \$9,411.

On 18 July 1977, Mr. Millton requested a classification of the area protected by the stopbank to proportion costs for future work.

In September 1978 a design report was produced by the Westland Catchment Board. The Scheme was designed to provide protection for a 50 year return period flood (estimated at 2,700 cumecs or 17.46 cumecs/sq.km). Stopbank heights were designed with a freeboard of 1 metre above the design flood level.

In March 1979 the scheme covering from the State Highway bridge downstream to Milltown and Others bank was proposed again. Total cost estimates were \$120,000. The Board had prepared a classification to service the Rating District and all settlers had agreed to this both for capital works and future maintenance.

On 12 November 1979 the Soil Conservation and Rivers Control Council approved the Waiho River Scheme at an estimated cost of \$155,200.

The classification was adopted by the Westland Catchment Board on 23 October 1979.

On 11-12 March 1982, a major flood inflicted major damage in the Waiho River. Milton and Others stopbank was completely wiped out. Its reconstruction was estimated at \$164,000.

The contract was let to Fergusons Earthmoving Co. Ltd and was completed on 24 September 1982 at a total cost of \$138,095.50.

The work involved:

- (a) Stopbanks - 68,900 m<sup>3</sup> of earthworks
- (b) Bank Protection - 16,072 tonnes of rock.

In March 1984 the Westland Catchment Board resolved to adopt a classification to maintain existing works on the Waiho River. It was adopted on 16 April 1984.

In 1985 a new stopbank 140 lineal metres in length was built immediately below Canavans Knob. 1,000 tonnes of rock was placed along the outer edge. The bank provided protection for landowners who were affected by flood overflows between Canavans Knob and Rata Knoll.

In March 1986 10 rock spur groynes were placed downstream of the rock faced deflector groyne. Total rock quantity was 698 tonnes.

Minor works were carried out between 1986 and 1994, on 17 February 1994 an area based classification for the Lower Waiho area was adopted by the Westland Catchment Board.

The total area covered was 1833.4 hectares.

In response to ratepayers' requests, Council staff prepared a reclassification of the Lower Waiho Rating District in 2003.

A new extended capital – based rating district was ratified in the Council's Annual Plan adopted on August 2003.

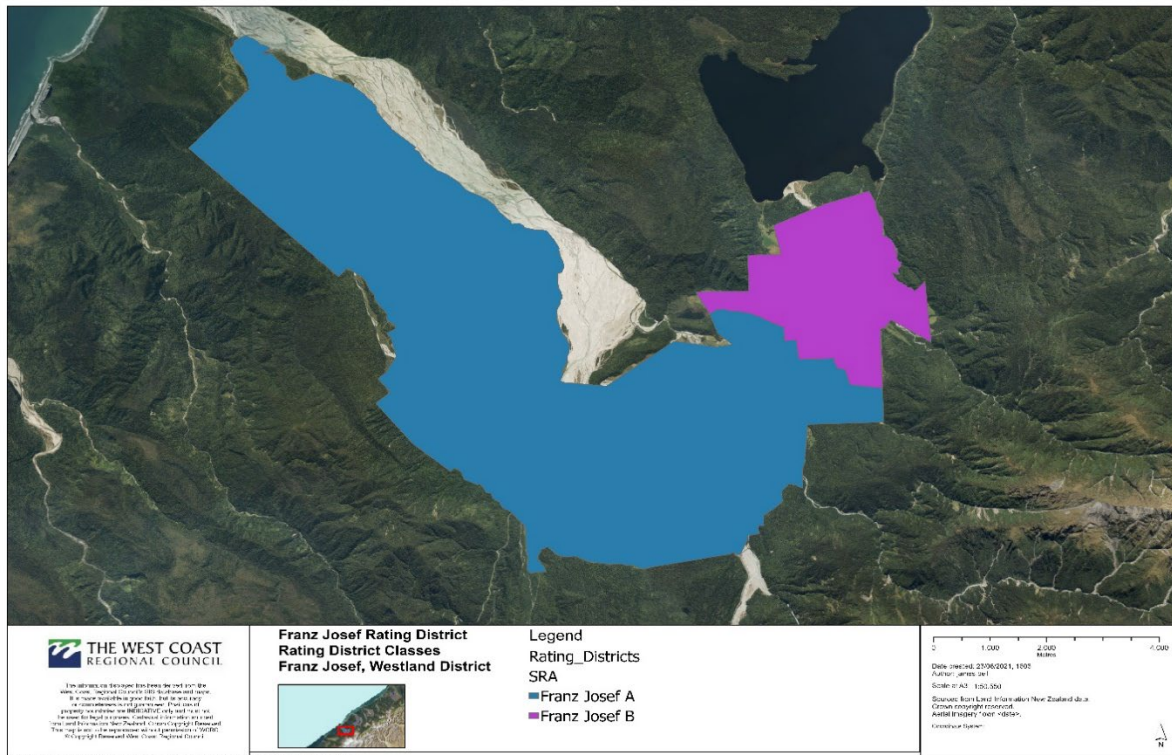
Due to a sudden shift in the main Waiho River channel, the Rubbish Dump stopbank was extended upstream over a distance of 400 metres to "tie into" the downstream side of Canavan's Knob in November 2005.

During a stormevent in 2019 Milton & Others stopbank was destroyed. The stopbank was rebuilt at a cost of \$2,772,473.

During 2020 the Rubbish Dump to Rata Knoll stopbank was raised by 1m. 16,500m<sup>3</sup> of bulkfill was used during construction.

During 2021 the Rata Knoll to Milton Stopbank was constructed using 16,800m<sup>3</sup> of bulkfill and 10,437 tonnes of rock riprap.

#### 4.0 Franz Josef Rating District



## 5.0 Description of Assets

### 5.1 Description of Assets – FRANZ JOSEF

The Franz Josef Rating District manages a total of 0.55 km of stopbank on the true right bank. These stopbanks are protected by a total of 0.55 km of rock rip rap. Community infrastructure such as roads, power and telephone lines all derive benefit from the river control system as well as recreational facilities and industrial properties.

Asset	Quantity	Unit	Rate
Rock	57,987	Tonne	\$65.45
Rubble	392	Tonne	\$28.05
Stockpiled rock	4,300	Tonne	\$65.45
Fill	77,224	m <sup>3</sup>	\$26.00
Top course	405		\$37.56
<b>Asset Value</b>			<b>\$6,110,715.55</b>
<i>On-costs (15%)</i>			<i>\$916,607.33</i>
<i>Resource Consents (2%)</i>			<i>\$140,546.46</i>
<b>Replacement Cost</b>			<b>\$7,167,869.34</b>
Asset Value as at 1 July 2023			



### 5.3 Asset Map Franz Josef



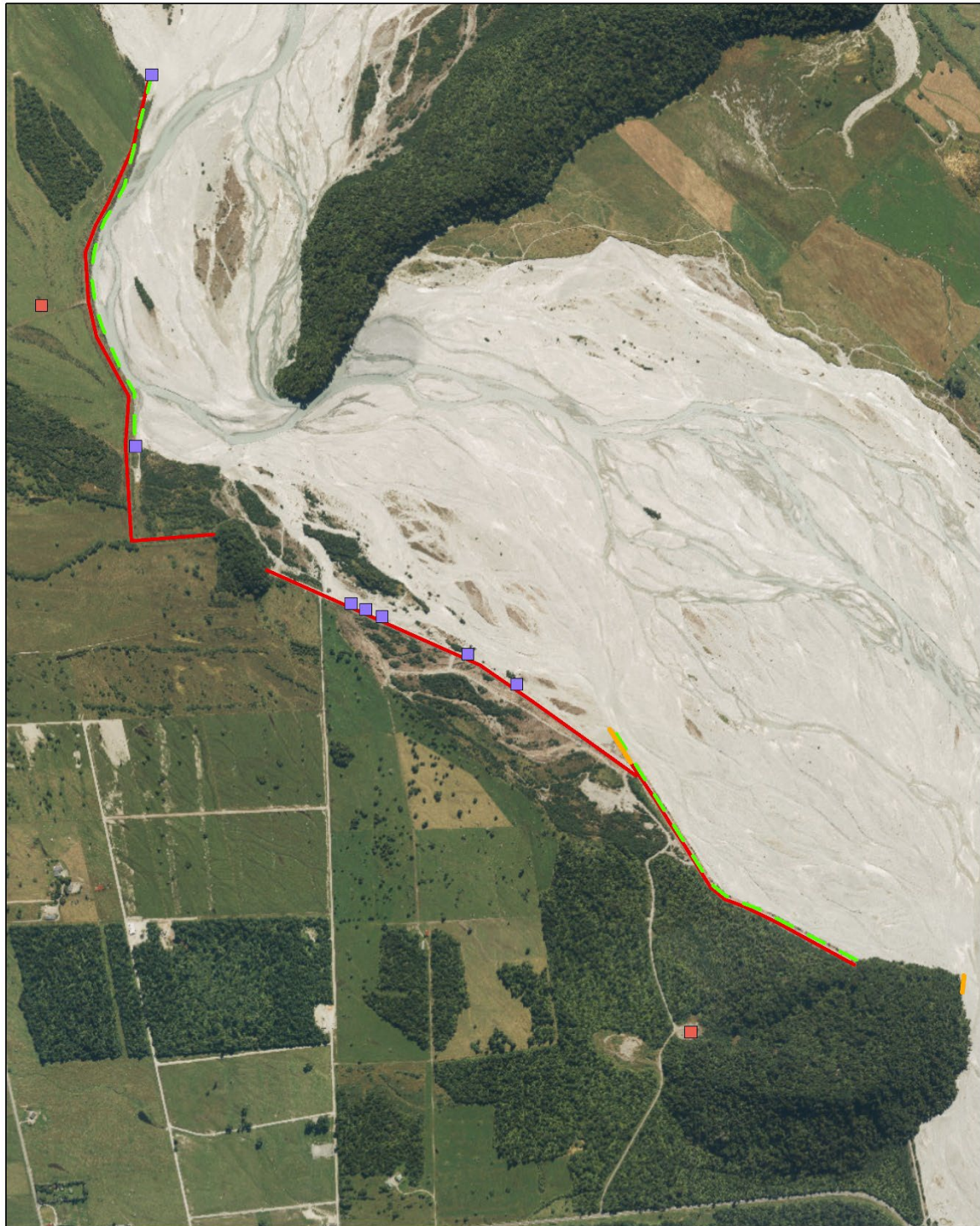
**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**

5.4 Description of Assets – LOWER WAIHO

<b>Asset</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate</b>
Fill	243,800	m <sup>3</sup>	\$26.00
Rock	109,968	Tonne	\$65.54
Stockpiled rock	0	Tonne	\$65.54
<b>Asset Value</b>			<b>\$13,546,102.72</b>
<i>On-costs (15%)</i>			<i>\$2,031,915.41</i>
<i>Resource Consents (2%)</i>			<i>\$311,560.36</i>
<b>Replacement Cost</b>			<b>\$15,889,578.49</b>



5.6 Asset Map Lower Waiho



The information displayed has been derived from the West Coast Regional Council's GIS database and maps. It is made available in good faith, but its accuracy or completeness is not guaranteed. Portions of property boundaries are INDICATIVE only and must not be used for legal purposes. Cadastral information sourced from Linfo Information New Zealand. Crown Copyright Reserved. This map is not to be reproduced without permission of WRCRC. © Copyright Reserved. West Coast Regional Council.

Lower Waiho Rating District  
Asset Map  
Franz Josef, South Westland



Legend

- | AssetSubtype  | AssetSubtype |
|---------------|--------------|
| Spur (7)      | Groyne (2)   |
| Stockpile (2) | Riprap (2)   |
|               | Stopbank (3) |

0	125	250	500
Metres			
Date created: 16/03/2021, 15:01			
Author: james.bell			
Scale at A3: 1:8,200			
Sourced from Land Information New Zealand data.			
Crown copyright reserved.			
Aerial imagery from <date>			
Coordinate System:			

Document Path: X:\ArcMap\PROJ\ECT\511\Asset Database 062319\AssetDatabase 062019.aprx.

**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**

5.7 Combined Asset Value

<b>Total Assets Value as at 1<sup>st</sup> July 2023</b>	
<b>Franz Josef</b>	<b>\$7,167,869.34</b>
<b>Lower Waiho</b>	<b>\$15,889,578.49</b>
<b>Total Including Contingencies</b>	<b>\$23,057,447.83</b>



## 6.0 Existing Standard

The objective of the Franz Josef Rating District is to reduce bank erosion and flooding on the left and right banks of the Waiho River, below the road bridge.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

#### Franz Joseph

In 2016 Flood modelling of the Waiho River was undertaken. A stopbank for a 1:100-year flood event was designed. This modelling is being updated regularly as new river cross-sections are surveyed.

#### Lower Waiho

Cross-section and flood flow analysis indicates that the current service potential of the whole of the Rubbish Dump stopbank and 20% of the Milton & Others stopbank is capable of containing less than 2,050 cumecs, which is the current estimate of the 1 in 50 year return period flood with 900mm freeboard.

The rating district has accepted there is a need to increase the level of protection afforded by the stopbank and are considering raising its height to be able to contain at least 2,050 cumecs plus freeboard.

Cross section surveys and flood flow analysis modelled in June 2008 indicate that its service potential is capable of containing river flows greater than the 2008 estimate of the 1 in 100 year return period flood flow plus 900mm freeboard.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Franz Josef Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

### 6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$23,057,448	5%	\$1,152,872	\$1,152,872	100%
5%	\$23,057,448	10%	\$2,305,745	\$1,614,021	70%
2%	\$23,057,448	20%	\$4,611,490	\$2,305,745	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$670,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Council's private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## 7.0 Funding

### 7.1 Maintenance

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### 7.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC’s assets are of a nature that will deteriorate, have a limited Useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	

Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

### 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.





THE WEST COAST  
REGIONAL COUNCIL

# Greymouth Floodwall Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805



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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Greymouth Floodwall Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Greymouth Floodwall Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Greymouth Floodwall protection scheme.
- Convey the long-term strategy for the management of the Greymouth Floodwall Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Greymouth Floodwall Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Greymouth Floodwall by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Greymouth Floodwall community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Backgrounds

#### 3.1 Greymouth Floodwall Background

From the earliest days of settlement, the communities of Greymouth, Blaketown and Cobden have been exposed to the risk of flooding from the Grey River.

Major floods have occurred in 1867, 1868, 1872, 1884, 1887, 1897, 1905, 1936, 1940, 1967, 1970, 1976, 1977 and 1978. In the late 1970's the Westland Catchment Board began investigative work on the development of flood protection measures for these communities.

On March 25, 1985, the Westland Catchment Board presented an updated report and design, indicating an approximate cost of \$3 million. The design embodied a set of strategically placed stopbanks intended to contain a Grey River flood peak of 5,500 cumecs which at that time was estimated to have a return period in the order of 50 years. Financial approval was sought from Government and in December 1986, the approval for a \$3.2m scheme was given on the basis of 60% Government funding/ 40 % local funding.

Work commenced in 1986 but during the construction of the Cobden stopbanks two major floods occurred on 19 May and 13 September 1988 which caused extensive inundation and consequential damage. These events gave both urgency to the completion of the project and the need to re-assess the scheme standard. The technical review which ensued resulted in the upgrading of the scheme design to 6,100 cumecs with 900 mm of freeboard. The revised scheme represented a re-assessment of the peak flow expected with an average annual exceedance probability of 2 % i.e. a retention of the 50 year return period flood capability.

This amended proposal was forwarded to Government and approval for an upgraded \$4.2m scheme was approved on the basis of 80% Government funding/20% local funding.

The first contract was let for the Cobden Stage 1 stopbank in November 1986 and the final contract for the raising of the Blaketown Tiphead Road was completed in September 1990. It was completed at an overall cost of \$4m. (80% Government/ 20% Grey District Council).

Since the completion of the protection works the system has experienced flood flows in excess of 5,500 cumecs on two occasions i.e. 5,812 cumecs (16 December 1997) and 5,667 cumecs (19 October 1998). Although some minor seepage was observed, in several places, through and beneath the scheme stopbanks during such events the structures have performed satisfactorily and averted what would otherwise have been widespread flooding and consequential damage to these communities. Concerns had been expressed by sections of the Cobden community relating to the extent of seepage observed during major floods and the implications that this might have for the structural integrity of the stopbanks.

Acting on these concerns the West Coast Regional Council commissioned an investigation of the stopbank. The purpose of this investigation was to assess the nature, cause, potential threats and remedies for the seepage problem and report findings to the Greymouth Joint Flood Wall Committee which is a joint committee of both the Grey District Council and the West Coast Regional Council.

The investigation was undertaken by Civil and Environmental Consulting Ltd. and resulted in "Greymouth Flood Protection System Integrity Report" (31 March 1999). This report concluded that

there was a need to modify the Cobden stopbank to incorporate seepage control measures in order to lessen the risk of seepage induced instability. This strengthening works were carried out in 2000. The report also recommended that consideration be given also to a re-evaluation of hydraulic capacity of the system using updated river flood flow and tide information.

As a result, the return period for the scheme design capacity event of 6,100 cumecs was determined to be in the order of 30 year event, rather than a 50 year event as previously calculated. As a result of the revised analysis, the Joint Floodwall Committee, in 2006, decided to design an upgrade to the floodwall to a new service level of 6,600 cumecs (the revised 50 Year Return Period Flood Event) with 600mm freeboard.

As a result of further deliberations by the Joint Floodwall Committee, it was decided to apply for a second option of a higher threshold to the 7,400 cumecs flow with 600 freeboard, which equates to a 150 year design flood. This would ensure that future development of the structure, if required, would not require additional resource consent. Resource consents for this were applied for in 2006 and were granted in December 2008. Tenders for this work were let in 2009, and work was completed in 2010 to the 50 year event level with concrete work to the higher 150 year level.

It was anticipated that in the future the community would wish to bring the entire wall up to the higher flood protection level. In 2020 Council applied to the Ministry of Business, Innovation & Employment's Provincial Development Unit to fund the upgrade of the remaining sections of the floodwall to the 1 in 150 year standard. The application was successful and a grant was awarded for up to \$1,950,000 (75% of estimated project costs). Due to a planned upgrade of a 150m length of the Greymouth Port access road at Short Street this section of the floodwall was raised to the 1 in 150 year height at the end of 2021. The remaining areas of work are due to be completed during 2024-2025.

As a result of the community consultation for the Long Term plan in 2021, council resolved to extend the Greymouth Rating District boundary to include Coal Creek and New River Rating Districts. The assets of these two schemes will now be administered under the Greymouth Rating District.

### 3.2 Coal Creek Background

Inundation of the area known as the Coal Creek Flats has occurred since pre-European occupation of the area. Minimal records have been kept of these events prior to 1951. Some minor rockwork had been carried out in the 1930's to prevent erosion of the right bank of the Grey River along this low frontage. The protection works consisted of 1,850 lineal metres of stopbanking to prevent the farmland from flooding. The rock associated with this stopbank was carried out by the Public Works Department in 1938 and was strengthened in 1941 and 1943. The local authorities and ratepayers had made repeated requests to strengthen the deteriorating protection works since 1945.

On 7 March 1951 erosion took place over 300 lineal metres; however, reference was made to future erosion problems over a much larger length of exposed riverbank. An estimate for 9,000 tonnes of rock to be placed as protective rock rip rap was forwarded by the Ministry of Works. This work was delayed due to objections from the Railways Department regarding their ongoing problems at the Omoto Slip, as it felt that the proposed work may be detrimental to their protection works on the true left bank. On 20 March 1957 a design flood of 5,900 cumecs was adopted. This gave 0.9 metre freeboard on the stopbank.

On 7 May 1957 a meeting was held with local ratepayers and representatives from the Westland Catchment Board, Grey County Council and Ministry of Works. The ratepayer's share of costs of the proposed works was \$6,000, payable over a 20-year term. Agreement was reached by the local ratepayers, resulting in the Coal Creek Rating District being established in December 1957. The classification was a single-classed targeted rate based on capital value.

The Westland Catchment Board accepted a tender from Mr B. Piner for the proposed works which included the placing of 18,000 tonnes of rock as rip rap. The final works were completed on 9 June 1958.

On 27 February 1973, H.R. Langridge and Sons Ltd carted 1,000 tonnes of rock to form 8 spur groynes on the mid-section of eroding bank.

A major flood in April 1974 damaged these spurs and an estimate of \$21,000 was prepared to repair the damage.

On 30 September 1977 Cooks Roadmakers carted 5,000 tonnes of rock to top up the existing rock work on the upper and lower section of the eroding bank.

A major flood in 1984 generated erosion problems on the left bank and an estimate was prepared to construct a stopbank on the left bank, and the raising of the Coal Creek stopbank on the right bank. The total estimated cost was \$231,000.

Two major floods occurred in May and September 1988 resulting in major damage to the Coal Creek stopbank caused by overtopping with 600 metres of stopbanking being destroyed.

A major flood occurring on 16 December 1997 caused overtopping at the top 150 metre section of the Coal Creek stopbank. This flood was estimated at 5949 cumecs (between a 20-50-year event). The bank was raised over this section by approximately 200mm to prevent possible failure of the bank due to scouring out the back batter. The calculated 50-year return period event was 6346 cumecs.

The upper part of the stopbank (344 metres) was raised by 1.5 metres in 2012 after a flood came very close to overtopping the stopbank at this location. The cost was \$135,284 and involved 3,000 tonnes of rock and 7,200 tonnes of compacted hardfill.

An erosion scour upstream of the upper section of stopbank has been progressively eroding the north bank of the river over the past few decades. The scour had progressed to the extent that it was undermining the toe rock of the upper stopbank. In 2016 a small rock spur was constructed upstream of the erosion scour, and a diversion cut was excavated through the gravel beach opposite the erosion scour.

As a result of the LTP consultation in 2021, the Coal Creek Rating district will be included as part of the Greymouth Rating District from July 1st 2022 and will be disbanded. This work was completed in 2022 and all prudent reserve monies redistributed to the landowners in the scheme.

### 3.3 New River Background

Saltwater Creek (catchment area 27km<sup>2</sup>) and New River (catchment area 117km<sup>2</sup>) combine and flow into the Tasman Sea. The combined mouth has moved many times and has migrated from Pandora Ave in the south to as far north as Clough Road.

In December 2010 an intense rainfall event caused Saltwater Creek and New River to flood properties on the western side of the State Highway, and forced the closure of the State Highway.

The Grey District Council undertook emergency works to open a new mouth of Saltwater Creek and New River approximately 1.5km south of the Paroa Hotel. In addition, they constructed a rock-lined bund (or groyne) to the north of this new outlet to prevent the New River re-entering its old channel.

The Grey District Council obtained a resource consent for the groyne, and for maintenance of the new outlet. The consent allows for the re-excavation of the outlet should it block and the back-up of water reaches a trigger point identified as the top of the culvert on the beach access road alongside the Paroa School sports field.

Following community consultation, the West Coast Regional Council established a rating district in 2011 based on the capital value of each property. An opinion survey was sent to all properties within the rating district to gauge support for what the future management of the outlet would be. The survey results showed the majority supported the simple option of periodically clearing the outlet at its current location alongside the groyne.

In early 2012 the outlet next to the new groyne became blocked. By July the back-up of water had reached the trigger-point and the outlet was re-opened. The following year, the outlet blocked again, and was re-opened in May 2013.

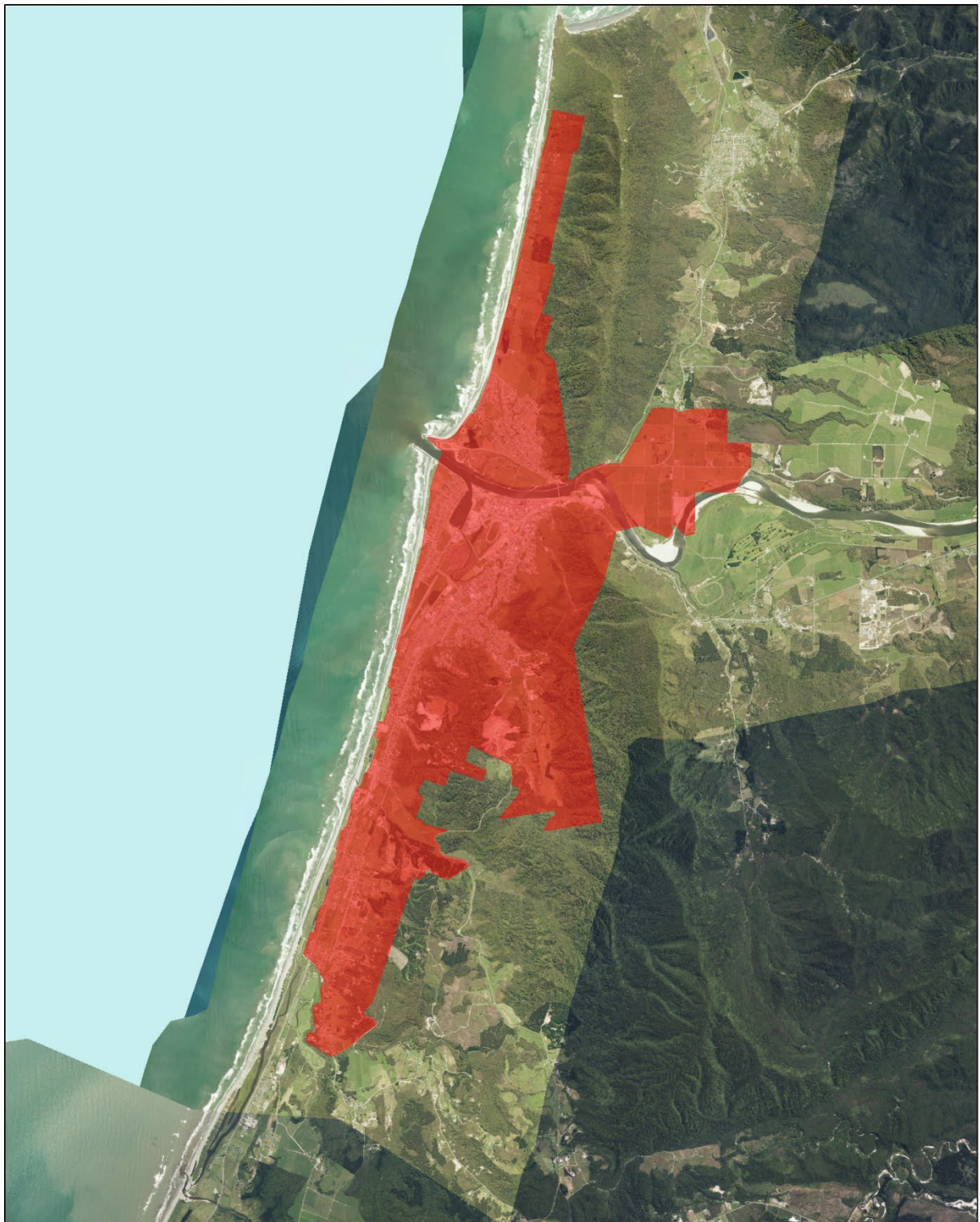
In June 2013 a combination of rough seas and flooding in New River allowed the river to form a new outlet directly downstream of the New River bridge. Saltwater Creek maintained a separate outlet next to the groyne until July, when both outlets closed due to a build-up of gravel. In August the water again reached the trigger point and the outlet was re-opened next to the groyne.

The current situation is that a combined Saltwater Creek / New River mouth has again migrated south and is located below the New River bridge. Should this new mouth close, and the back-up of water reaches the trigger point, then the outlet will again be re-opened next to the groyne.

After the Long Term Plan consultation in 2021, Council decided to disband the New River/Salt Water Creek rating district. Some properties that were part of this rating district will now be part of the Greymouth Rating District, which was also part of the 2021 LTP consultation. All maintenance and existing standards will now be administered under the Greymouth Rating District.



## 4.0 Greymouth Rating District Map



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### Greymouth Rating District Legend

**Rating District Classes**  
**Greymouth, Grey District** ■ Greymouth Rating District Boundary



0 500 1,000 2,000  
Metres

Date created: 07/12/2021, 0942  
 Author: james.bell

Scale at A3: 1:53,011

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Coordinate System:



Document Path: W:\OPERATIONS\ENGINEERING\Rating Districts\Rating District Property Data\Rating District Property Data.aprx

## 5.0 Description of Assets

### 5.1 Description of Assets - GREYMOUTH

Asset	Quantity	Unit	Rate
Top course, basecourse (AP40)	10,227	M3	\$67.01
AP65	1,584	M3	\$54.94
Fill Material	172,606	M3	\$41.00
Blanket	2,358	M3	\$44.67
Rock	47,387	Tonnes	\$81.00
Rubble	3,168	Tonnes	\$52.00
Topsoil	5,204	M3	\$125.00
Clay Material	64,962	M3	\$41.00
Filter Material	10,013	M3	\$41.00
Basecourse & Surface Restoration	170	M3	\$109.38
Topsoil & Grassing	1	LS	\$44,000.00
<b>Asset value</b>			\$15,744,738.87
Contingencies			\$2,361,710.83
Resource Consents			\$362,128.99
<b>Replacement Cost</b>			<b>\$18,468,578.69</b>
<b>Depreciating Assets</b>			
Structures			\$3,976,411.62
<b>All Assets Replacement Cost</b>			<b>\$22,444,990.32</b>

### 5.3 Asset Map





**THE WEST COAST REGIONAL COUNCIL**

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**Greymouth Rating District  
Asset Management Map  
Greymouth, Grey District**



**Legend**

■ Floodgate (2) ■ Riprap (1)  
-- Stopbank (8)

0 225 450 675 800  
Metres

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Author: James Ball  
Scale of A3: 1:10,938  
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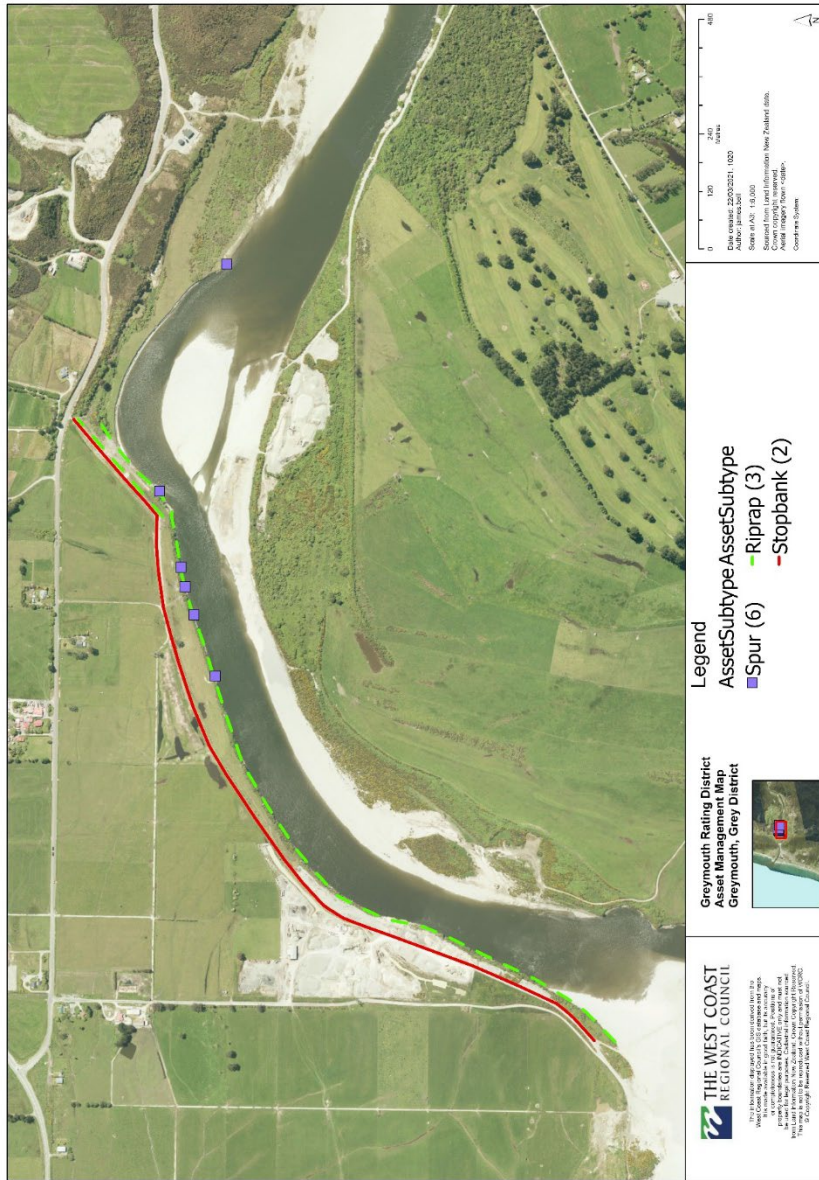
#### 5.4 Description of Assets – COAL CREEK

The Coal Creek Rating District manages a 1.9 km stopbank on the right bank of the Grey River, protecting the Coal Creek Flats; this stopbank is protected by 1.8 km of rock rip rap. The area protected is predominantly dairy farming with some dry-stock properties. Community infrastructure such as roads, power and telephone lines all derive benefit from the river control system as well as recreational facilities and industrial properties.

<b>Asset</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate</b>
Rock	46,099	Tonne	\$62.00
Fill	49,200	m <sup>3</sup>	\$26.00
Top course	580		\$35.01
<b>Asset Value</b>			<b>\$4,157,643.80</b>
<i>On-costs (15%)</i>			<i>\$623,646.57</i>
<i>Resource Consents (2%)</i>			<i>\$95,625.81</i>
<b>Total Asset Value</b>			<b>\$4,876,916.18</b>
Asset Value as of 1 July 2023			



## 5.6 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**

## 5.7 Combined Asset Value

<b>Total Assets Value as at 1<sup>st</sup> July 2023</b>	
<b>Greymouth</b>	<b>\$22,444,990.32</b>
<b>Coal Creek</b>	<b>\$4,876,916.18</b>
<b>New River</b>	<b>\$0.00</b>
<b>Total Including Contingencies</b>	<b>\$27,321,906.50</b>

## 6.0 Existing Standard

### Greymouth

The scheme now protects the town from a 6,600 cumec flood event (the revised 50 Year Return Period Flood Event) with 600mm freeboard. A flood of this size has a 2% chance of occurring in any given year. Parts of the floodwalls (the concrete sections) have been built up higher to the 7,400 cumec plus freeboard level in anticipation that the community will eventually wish to build the earth structures up to this higher protection level.

### Coal Creek

The historic "Existing Standard" was 900mm above the highest known flood. The Council has suggested to the rating district that a new flood capacity analysis should be commissioned. However, the rating district has decided that they do not wish to have any flood analysis undertaken to quantify the actual level of protection that the scheme currently provides.

### New River

The objective of the New River Rating District is to limit the flooding associated with the backup of New River and Saltwater Creek at Paroa, by creating a temporary diversion through to the sea, south of the groyne.

## 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability and sustainability. Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of asset condition.

A key level of service for the Greymouth Floodwall is to prevent flooding of the townships of Greymouth, Cobden and Blaketown from the Grey River for flood events up to 6,600 cumecs.

## 6.2 Maintenance Programme

The maintenance of the Greymouth Floodwall can be broken into two categories:

1. Stopbanking

## 2. Erosion Control

### **Stopbank Maintenance**

Maintenance includes repair of any scouring, vegetation removal to facilitate access and to optimize berm flow, control of vehicle access to prevent damage to stopbank batter slopes, topping up of stopbanks as required to maintain stopbank capacity in terms of design, maintenance of grass cover, maintenance of drainage provision, routine and flood surveillance operations and reporting.

Construction of drainage and sewage lines and other utility services that penetrate the bank provide potential lines of weakness through the structure. Unless proper precautions are taken in the design and construction of these penetrations there is a risk that they may become preferential lines for seepage flow. Where pressurised pipelines such as pumped drainage outfalls are installed or malfunctioning floodgates exist premature saturation of the stopbank core can occur under flood conditions which in turn may lead to a loss of strength from elevated soil pore water pressures or induce internal erosion of the stopbank core or its foundation.

Stopbanks can be damaged in the event of an earthquake by cracking where displacement occurs, or by liquefaction of the foundation material. These actions may result in subsidence, slumping or spreading. The probability of seismic damage coinciding with a flood is considered remote.

### **Erosion Control Works**

Erosion control works consist of continuous rock rip rap facings of specific sections of stopbanking. Erosion control facings are designed and constructed to provide protection to the stopbanks core from the river's erosive forces during floods.

Rock is used in the formation of these facings of the required grading to resist the forces (velocity) of the river. Routine maintenance ensures the coverage and stability of rock rip rap on stopbanks is maintained to lessen the risk of failure.

Any slumping of rock rip rap is topped up with rock that has acceptable durability, angularity and appropriate grading to provide the required protection to the underlying structure.

Where slumping of rock rip rap facings has occurred, an assessment needs to be made to ascertain cause prior to remedial works being executed in order to ensure as far as is reasonably practical the failure mechanism is thoroughly understood and an appropriate remedy found.

An annual maintenance programme will be prepared each year in consultation with the Joint Floodwall Committee prior to adoption by the Regional Council for inclusion in the Annual Plan.

In preparing the annual maintenance programme consideration will be given to:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.
- Surveillance, reporting and investigations

An annual report will be presented to the Joint Flood Wall Committee outlining maintenance expenditure for the financial year.

### 6.3 Damage Exposure

River control works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried out, it is inevitable that damage will occur to structures.

In the years since their construction the sections of bank faced with rock riprap have been exposed to three flood events with flows in excess of 4,000 cumecs without appreciable damage.

The mean annual flood of the Grey River at the Dobson hydrometric station is currently estimated at 3,840 cumecs. Whilst the possibility exists for premature failure of the stopbanks, performance to date indicates that the most likely cause of failure will be over topping with flows in excess of the design capacity.

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$27,321,907	2%	\$546,438	\$546,438	100%
5%	\$27,321,907	4%	\$1,092,876	\$765,013	70%
2%	\$27,321,907	8%	\$2,185,753	\$1,092,876	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$400,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Council's private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget in consultation with the Greymouth Joint Floodwall Committee.
- b) Adoption of the annual works programme and budget by the Greymouth Joint Floodwall Committee.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing stopbank under direct attack from the river, the protection required to maintain the existing stopbank at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

## 7.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

## 7.3 Financial Reserves

Financial reserves are held within the rating district account to:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

## 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse



- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC’s assets are of a nature that will deteriorate, have a limited useful life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

### 8.0 Performance Measures

The overall performance measure is that the infrastructure assets are maintained to meet their service levels at all times. This includes:

1. Ensuring floodbanks continue to protect the town from a 6,600 cumec flood event plus freeboard (Greymouth Stopbanks Only).
2. Maintaining rock rip rap facings and grass cover on stopbanks to prevent active erosion of the stopbank core.
3. Maintaining stopbank drainage systems to control seepage flows and prevent internal erosion of the stopbank core and foundation and loss of stability.

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works reports for the rating district to include type of work to be undertaken, quantities, location and costs.	<ol style="list-style-type: none"> <li>1. No reports of reduced freeboard anywhere along the stopbank system, without an agreed hydraulic and hydrological investigation in progress and a precursor to consideration of appropriate response measures.</li> <li>2. No reports of: <ul style="list-style-type: none"> <li>- stopbanks and bank protection erosion requiring repairs</li> <li>- sand size or greater erosion products being present in seepage flows exiting the stopbanks or their foundations under flood conditions</li> <li>- Increasing seepage flows exiting the stopbanks or</li> </ul> </li> </ol>
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	

	Inspect all works and prepare a maintenance programme and budget.	<p>their foundations under flood conditions</p> <ul style="list-style-type: none"> <li>- obstructed stopbank drainage facilities</li> <li>- Cracking of stopbank crest</li> <li>- Evidence of slumping or foundation heave</li> </ul> <p>Without an agreed programme of remedial work in progress.</p>
Decennial	Re-survey all river cross-sections between the Grey River mouth and the Cobden bridges and re-evaluate the hydraulic capacity of the stopbank system and report findings against the current design standard.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Re-measure cross section river profiles and carry out a comparative analysis with preceding surveys to establish possible bed level trends and effects on flood carrying capacity.	
	Carry out an assessment of hydrology at the Dobson recorder and update for scheme design discharge and report findings.	
	Revaluation of the existing infrastructural assets to include any additional volumes to stopbanks and bank protection works from previous reviews.	

	Critically evaluate the performance of the stopbank under service conditions with particular emphasis on seepage control and stability.	
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### 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Joint Floodwall Committee.
- Revise this AMP three-yearly prior to the Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



## Hokitika Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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### **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Hokitika Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Hokitika Seawall Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Hokitika Seawall and Kaniere protection schemes, and the formation of one Rating District.
- Convey the long-term strategy for the management of the Hokitika Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the seawall assets is being maintained.

### **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Hokitika Asset Management Plan is the fundamental driver of erosion and flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Hokitika Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Hokitika Seawall community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Backgrounds

#### 3.1 Hokitika Beachfront Background

Historically the Hokitika beach front area has undergone periods of erosion and build-up.

These erosion events are cyclic. Short term erosion phases peaked in the 1860's, 1880's, 1910's, 1940's, 1950's and 1980's (J Gibb, 1987). Serious erosion damaged buildings on Revell Street in 1914.

In 2012 erosion at sunset point began and proceeded to migrate northwards into 2013 when a series of storm events in April and May caused Council to assess the risk to the township. An opinion survey was circulated among residents in June 2013 to see whether ratepayers wanted the Council to take remedial action. The proposal was:

*"The Council proposes a 650m seawall as a last line of defence, preventing the sea from entering the town. The seawall will run from Stafford Street, for approximately 650 metres southwards along Beach Street. The wall will become covered by sand – but it will always remain there as a last line of defence.*

*South of this permanent structure would be managed by rock rip rap work, similar to that used at sunset point, installed as required. The sunset point area has no private land behind it so does not justify a permanent protection option, however the current ad hoc rock work needs to be maintained.*

*North of Hampden Street the groynes have performed well, with a healthy build-up of sand as a result of the groynes. It is recommended the groynes are built up in height and length and minor repairs are addressed as needed, but at this stage no rock wall is proposed north of Stafford Street. This approach can be revised if the situation changes."*

On 9 July Council decided to build the 650m seawall 15-20 metres seawards of the current erosion line. This essentially reclaimed some of the foreshore land taken by the sea and allowed a grassed area with seaside amenities to be re-created. Council sought advice from Dr Hicks from NIWA on coastal dynamics and Ian Goss from OCEL on rock wall design. The option of a raised bund (1 metre high) to prevent seawater run up in heavy seas was not adopted. It was left as an option for the future, if needed.

In February 2015 the Seawall Committee looked at setting a new maintenance rate for the seawall and also for the three groynes north of the wall. The Councils have agreed that these groynes will be transferred to the regional council, who will maintain them from now onwards. This decision has been recorded in the seawall committee agreement. The rate to maintain the seawall was established in 2015, at \$30,000 per year.

#### 3.2 Kaniere Rating District Background

Prior to 1995 there were no real concerns of erosion or flooding problems in the urban Kaniere Township area upstream of the Kaniere Road Bridge.

In late 1994 and early 1995 consecutive floods seriously eroded the true right bank of the Hokitika River immediately upstream of the road bridge, creating a serious threat both to houses situated between the main road and the river and ultimately to the approaches of the Kaniere Road Bridge.

Due to the emergency nature of the problem a public meeting was held on 16 February 1995 to discuss the formation of a rating district for the purpose of funding required river works. A postal ballot on the options was posted out on 17 February 1995.



This proposal included both flood protection and erosion protection which would have cost an estimated \$225,000. The proposed shares were: Transit \$50,000; Westland District Council \$20,000; total scheme ratepayer contribution \$155,000.

The proposal included rock spurs and riprap (\$135,000) and a 450 metre stopbank (\$90,000) designed to withstand a 50-year return period.

The respondents to the postal ballot rejected the proposal. However, a majority of affected ratepayers signed a petition promising to contribute a total of \$35,000. Based on this promise the West Coast Regional Council succeeded in gaining funding from Transit New Zealand (\$50,000) and the Westland District Council (\$25,000).

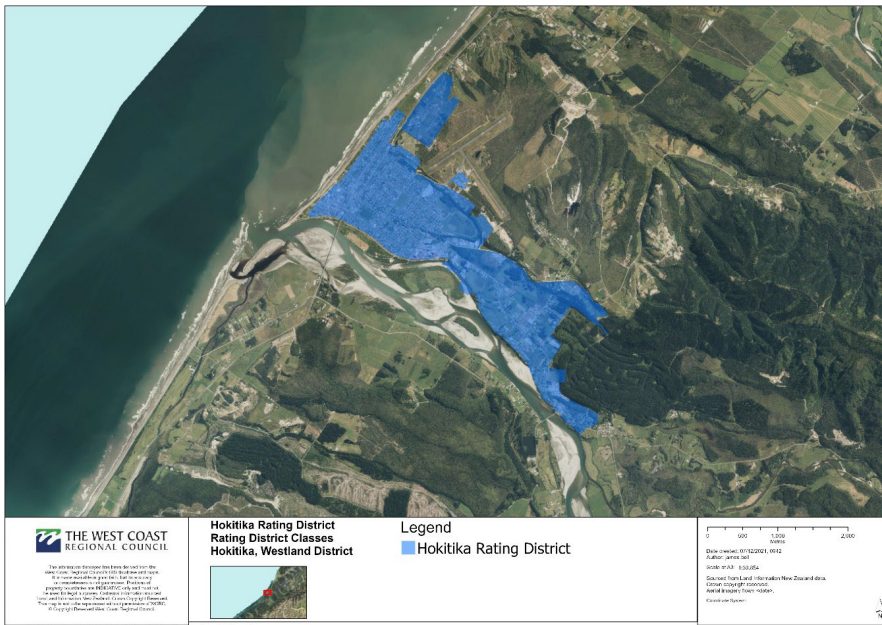
In February 1995 construction work commenced on constructing the two large spur groynes with a further spur groyne and rip rap following. The stopbank was not built. The total cost was \$111,380.00.

The Kaniere Rating District was formed by The West Coast Regional Council in June 1995. Since 1995 the middle groyne has been topped with 750 tonnes of rock and a further 250 tonnes of rock rip rap placed upstream of the middle groyne.

Erosion was monitored above most upstream groyne between 2011-2021. The rating district agreed to construct 1100m of rock riprap to stop the erosion from worsening. The following rock protection works were carried out:

- September 2019 - 3,115 tonnes of rock was placed between Hampden and Tudor Street
- August 2020 – 2,662 tonnes of rock was placed between Stafford and Hampden Street
- September 2021 – 10,072 tonnes of rock was placed between Stafford Street and Richards Drive

#### 4.0 Hokitika Rating District Map



#### 5.0 Description of Assets

##### 5.1 Description of Assets – HOKITIKA SEAWALL

Asset	Quantity	Unit	Rate
Rock	63,313	Tonne	\$50.45
Quarry Waste	13,126	Tonne	\$23.45
Rock Large	3,156	Tonne	\$77.45
Fill	12,593		\$32.00
Running course	500	m <sup>3</sup>	\$35.01
Bedding gravel	3,250		\$19.64
Filter fabric	21,800	m <sup>2</sup>	\$12.68
<b>Asset Value</b>			<b>\$4,538,621.75</b>
<i>On-costs (15%)</i>			<i>\$680,793.26</i>
<i>Resource Consents (2%)</i>			<i>\$104,388.30</i>
<b>Replacement Cost</b>			<b>\$5,323,803.31</b>
<b>Depreciating Assets</b>			
Culverts			\$102,270.94
<b>All Assets Replacement Cost</b>			<b>\$5,426,074.25</b>

As at 1 July 2023

5.3 Asset Map



5.4 Description of Assets – KANIERE

<b>Asset</b>	<b>Quantity</b>	<b>Unit</b>	<b>Rate</b>
Rock	17120	Tonne	\$48.50
Rubble	2,890	Tonne	\$21.50
Fill	2,890	m <sup>3</sup>	\$32.00
<b>Asset Value</b>			<b>\$984,935.00</b>
<i>Contingencies</i>			<i>\$147,740.25</i>
<i>Resource Consents</i>			<i>\$22,653.51</i>
<b>All Assets Replacement Cost</b>			<b>\$1,155,328.76</b>



5.6 Asset Map



## 5.7 Combined Asset Value

<b>Total Assets Value as at 1<sup>st</sup> July 2023</b>	
<b>Hokitika Seawall</b>	<b>\$5,426,074.25</b>
<b>Kaniere</b>	<b>\$1,155,328.76</b>
<b>Total Including Contingencies</b>	<b>\$6,581,403.01</b>

## 6.0 Existing Standard

### 6.1 Service level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of asset condition.

The objectives of the Hokitika Rating District are to protect Beach Street and the land, dwellings and businesses behind the wall from the threat of sea erosion. The seawall built in 2013 has been designed to handle the historically observed tidal fluctuations and surge patterns of the Tasman Sea in the vicinity. The scheme structures will be maintained to the dimensions that they were originally constructed.

The groynes' purpose is to help build a wide sandy beach from Hampden Street to Richards Drive. Consideration will be given to extending the height and length of each groyne to maximize the beach width and sand retention within that area.

The objective of the Kaniere Rating District is to reduce the risk of bank erosion along the 470 metre frontage of the Hokitika River immediately upstream of the Kaniere Road Bridge.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Hokitika Rating District Joint Committee prior to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

### 6.3 Erosion Control Works

The erosion control works consist of rock placed in continuous rip rap. It is built to absorb the energy of the waves and is subject to significant exposure and damage during storm events. It is very important to ensure damage to the sea protection structure is undertaken swiftly and to ensure any slumping of rock is topped up.

### 6.4 Damage and Risk Exposure Hokitika Rating District

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. Depending on the volume of sand build up or depletion in front of the seawall, it is considered that no matter what the standard of maintenance carried out, it is likely that damage will occur from time to time.

An assessment of maximum damage potential (seawall only) was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$6,581,403	5%	\$329,070	\$329,070	100%
5%	\$6,581,403	10%	\$658,140	\$460,698	70%
2%	\$6,581,403	20%	\$1,316,281	\$658,140	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.5 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$460,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA

funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

#### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*



## 7.0 Funding

### 7.1 Maintenance

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing seawall under direct attack from the sea, the protection required to maintain the existing seawall at its same service potential would be charged to the scheme maintenance account. Same applies if rock is required to be placed on existing river protection.

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Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### 7.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and /

or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited Useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 8.0 Performance Measures

The overall performance measure is that the infrastructure assets are maintained to meet their service levels at all times. This includes:

1. Ensuring the seawall continues to protect the town from erosion caused by large seas.
2. Maintaining rock rip rap facings of the seawall to prevent active erosion of the seawall core.
3. Maintaining stopbank drainage systems to control seepage flows and prevent internal erosion of the seawall core and foundation and loss of stability.

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the joint committee and Council.	
Triennially	Re-measure cross section river profiles to determine whether the sea is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

### 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Joint Seawall Committee.
- Revise this AMP three yearly prior to the Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



# Hokitika Southside Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Hokitika Southside Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Hokitika Southside Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Hokitika Southside protection scheme.
- Convey the long-term strategy for the management of the Hokitika Southside Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Hokitika Southside Asset Management Plan is the fundamental driver of erosion protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Hokitika Southside Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Hokitika Southside community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards 1a sustainable future.
- Comply with all statutory requirements.

### 3.0 Hokitika Southside Background

From records dating back to 1865, the Hokitika River, in the vicinity of the south bank immediately upstream of the current State Highway Bridge, has been a series of sandbars and islands. The area is tidal and during flood events the channel dynamics change.

Erosion between 1943 and 1984 amounted to 86 metres over 41 years.

The current erosion cycle has been ongoing since 1978 and was extremely active between 1995 and 1998, when approximately 25 metres of valuable land was lost to erosion. From 2002 to January 2003 a further 12 metres had eroded.

In October 1995 an inspection of erosion was carried out at the request of Mr. Bob Bostwick, an affected landowner. A suggested solution for his individual property estimated the cost for 3 spurs, each 1,500 tonnes, at \$24,000.

On 30 April 1996 Mr. B. Bostwick wrote to Council seeking a possible cost sharing formula involving other parties, including Westland District Council and Transit NZ. The Council suggested discussions with similar affected parties in order to facilitate support or otherwise for a Special Rating District.

An initial offer of assistance from Transit NZ prompted further discussions. It was suggested that the locals meet to determine interest, or otherwise, to fund the local share, estimated at approximately \$75,000. An onsite meeting was held, on 14 March 1997, at K. Mehrstens' property with residents, Regional Councillors and Transit NZ representatives. No local support was forthcoming.

In March 1998 a proposed rating district, based on a suggested 3 classes and a flat rate based on either capital value or land area was presented to a meeting of local residents. It proposed 5 groynes & rip rap with an estimated cost of \$165,000.

Ratepayers would fund 70% or \$115,000 (Class A: 71.15%, Class B: 24.81%, Class C: 4.04%); while Transit NZ would fund 30% or \$50,000.

In November 2000, Council wrote to all 14 proposed ratepayers advising the worsening erosion situation and seeking support or otherwise for the establishment of a rating district to fund the works. In August 2001 all 14 ratepayers were advised of Transit NZ's proposal to gain resource consent for the construction of the first deflector groyne. This consent was abandoned when it became apparent that it would not attain local support.

In December 2001 a letter was sent to proposed ratepayers again seeking support or otherwise from ratepayers for works due to increased erosion. On 17 January 2002 a meeting was held at B. Bostwick's residence to gauge support or otherwise for protection works. New costings showed an increased total cost of \$250,000 but Transit had increased their proposed share to \$84,000.

On 23 January 2002 a public meeting was held at the Westland District Council to gain WDC assistance. No assistance was forthcoming. On 1 May 2002, another public meeting was held at the Westland District Council. WDC agreed to offer \$6,000 on the condition that the locals made individual offers. On 21 May 2002 a letter was received from R. Montagu (Spokesperson) outlining individual ratepayers' pledges - \$73,000 – This figure was considered inadequate.

In June 2002 advice was received from ratepayers advising of a "possible" \$135,000 financial contribution and requesting a meeting. A meeting was held on 3 July 2002 at B. Bostwick's residence, but no further commitment was made.



In September 2002 Transit NZ agreed to increase their contribution to a 50% sharing of both capital works and ongoing maintenance works.

On 10 September 2002, The West Coast Regional Council resolved to establish a rating district. The works would be funded by way of a 5-year loan. In September 2002 a resource consent application was lodged and in March 2003 the resource consent approval was received. In July 2003 letters were sent to proposed ratepayers enclosing plans of the proposed rating district, seeking feedback by 28 July 2003.

Work on the scheme commenced in July 2003.

#### 4.0 Hokitika Southside Rating District



#### 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	10,529	Tonne	\$50.45
Rubble	16,570	Tonne	\$23.45
Top Course	720	M3	\$35.01
<b>Asset Value</b>			<b>\$944,961.75</b>
<i>On-costs (15%)</i>			\$141,744.26
<i>Resource Consents (2%)</i>			\$21,734.12
<b>Replacement Cost</b>			<b>\$1,108,440.13</b>
<b>Depreciating Assets</b>			
Culverts			\$32,374.80
<b>All Assets Replacement Cost</b>			<b>\$1,140,814.93</b>

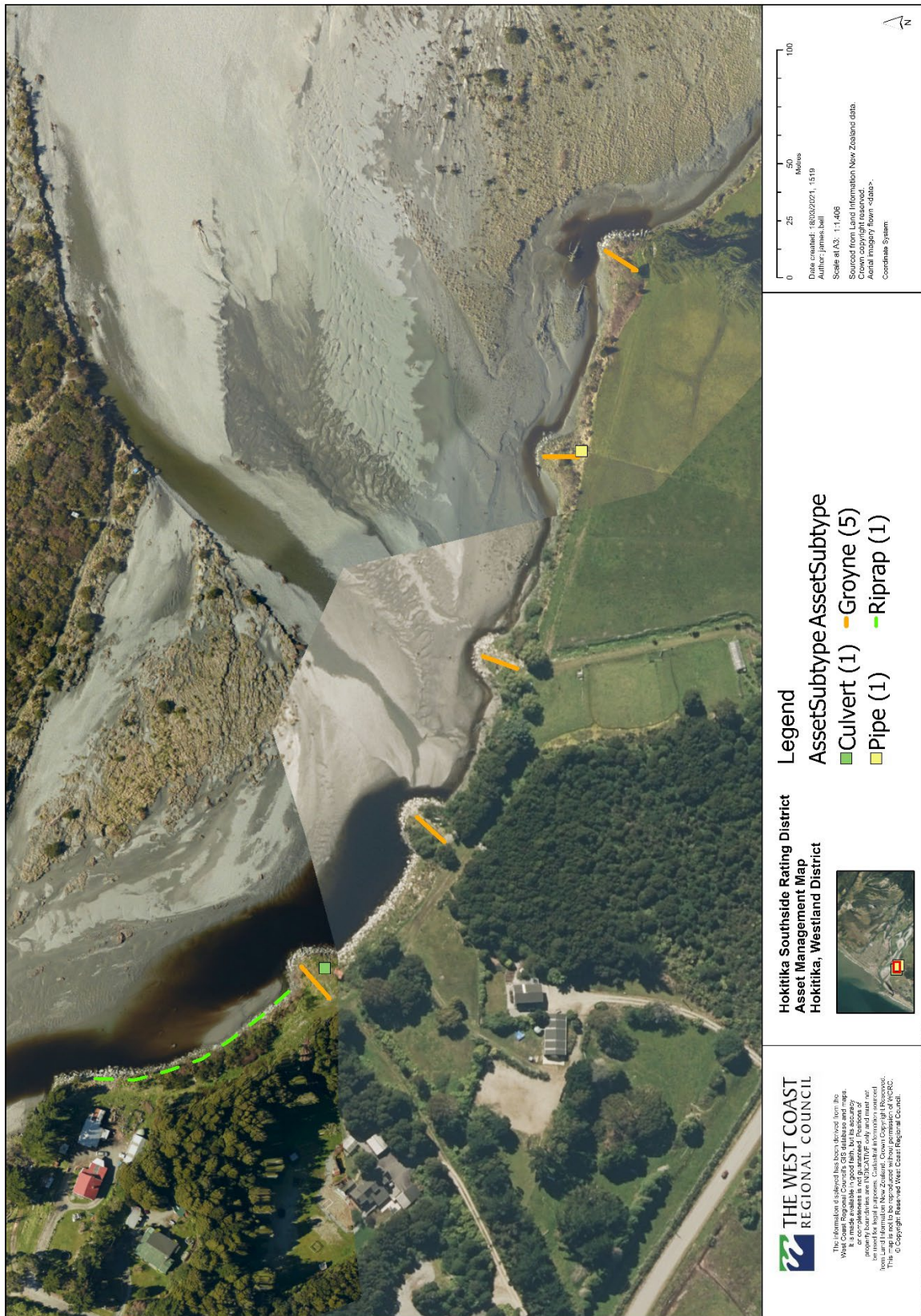
As at 1 July 2023

## 5.1 Physical Assets

Refer to Hokitika Southside asset register on West Coast Regional Council website.



5.2 Asset Map



Note: Not all assets have been added to the asset map due to having no spatial data to represent them.

## 6.0 Existing Standard

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of asset condition.

The objective of the Hokitika Southside Rating District is to minimise the risk of bank erosion on the true left bank of the Hokitika River for a distance of 450 metres above the State Highway Bridge. The scheme is for the maintenance of five groynes and a section of riprap that protect the Hokitika River's south bank immediately upstream of the highway bridge.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Hokitika Southside Rating District spokesman and liaison committee prior to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

### 6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$1,140,815	5%	\$57,041	\$57,041	100%
5%	\$1,140,815	10%	\$114,082	\$79,857	70%
2%	\$1,140,815	20%	\$228,163	\$114,082	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

#### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$95,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local*

*authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on existing infrastructure under direct attack from the river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### **7.2 Damage Repairs**

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### **7.3 Financial Reserves**

Financial reserves are held within the rating district account to provide the following:



- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

#### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited Useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 7.6 Cost Sharing

The below table shows the cost sharing agreement that is currently in place for the Hokitika Southside Scheme.

	<b>% of Actual Maintenance/Capital Costs</b>
NZ Transport Authority	50
Hokitika Southside Rating District	25
Westland Milk Products	25

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

<b>Period</b>	<b>Procedure</b>	<b>Performance Measure</b>
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three-year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.



## 8.1 AMP review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Hokitika Southside Committee.
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



THE WEST COAST  
REGIONAL COUNCIL

# Inchbonnie Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Inchbonnie Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Inchbonnie Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Inchbonnie protection scheme.
- Convey the long-term strategy for the management of the Inchbonnie Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Inchbonnie Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Inchbonnie Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Inchbonnie community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Inchbonnie Background

With the Taramakau River overflowing into the Orangipuku River at Inchbonnie from time to time in the early 1900's, the threat of a "break-through" to Lake Brunner has given cause for concern for a considerable period. This concern has not only been for the Inchbonnie farming area, but also for the potential effect of increased flood flows on those areas including Lake Brunner, Arnold River and Grey Valley lands and the town of Greymouth and associated environs.

Prior to the 1940's, the Orangipuku River had been flowing parallel to the Taramakau River for approximately 2.5 kilometres. Erosion had occurred on the right bank of the Taramakau River and had increased the threat of a break-through and had necessitated minor protection works being placed from time to time. Although sporadic, these works contained any immediate threat, but the need for a more comprehensive scheme had been long recognised, with an investigation for such a scheme being carried out as early as 1907.

On 12 February 1946, floodwaters flowed from the Taramakau River into the Orangipuku River causing serious problems. On 8 October 1946 the area was inspected by the Public Works Department and on 21 October 1946 a proposal to erect a stopbank along the right bank of the Taramakau River adjacent to the Orangipuku River was forwarded. The total cost was \$32,000 (\$25,600 from the Soils Council and \$6,400 from local contributions. In addition, both the Railways Department and the State Hydro Department were to pay \$1,000 each)

On 27 March 1951, 12 local ratepayers agreed to pay \$200 per year for 10 years, Greymouth Harbour Board \$150 per year, Grey Borough Council \$150 per year and the Grey County Council \$200 per year to service a loan to carry out works.

On 21 June 1951 a description of the original proposed classification was prepared by the Westland Catchment Board.

In June 1951, a combination of tree and rock protection works were proposed to halt erosion (1,400 tonnes of rock was proposed). Permission was gained to extract the rock from McArthur's Quarry.

On 31 August 1953 it was reported that rapid deterioration of the main Taramakau channel had occurred resulting in a net channel degradation of approximately 2 metres. A new estimate was prepared at a cost of \$50,000.

On 28 October 1953, the Minister of Public Works approved the construction of 80 metres of rockwork and 60 metres of tree protection.

On 30 January 1958 it was reported that the erosion problem on the Taramakau was so acute that only 5 metres of undisturbed land remained between the two rivers. Emergency works were carried out until a major scheme plan was produced.

An engineering report was prepared on 23 March 1959. This involved the construction of 2.5 kilometres of new stopbanking, raising and strengthening 1.2 kilometres of existing stopbanking, 2.5 kilometres of new rock rip rap, and channel work involving the diversion of the upper section of the Orangipuku River into the Taramakau River. The total estimated cost being \$112,000.





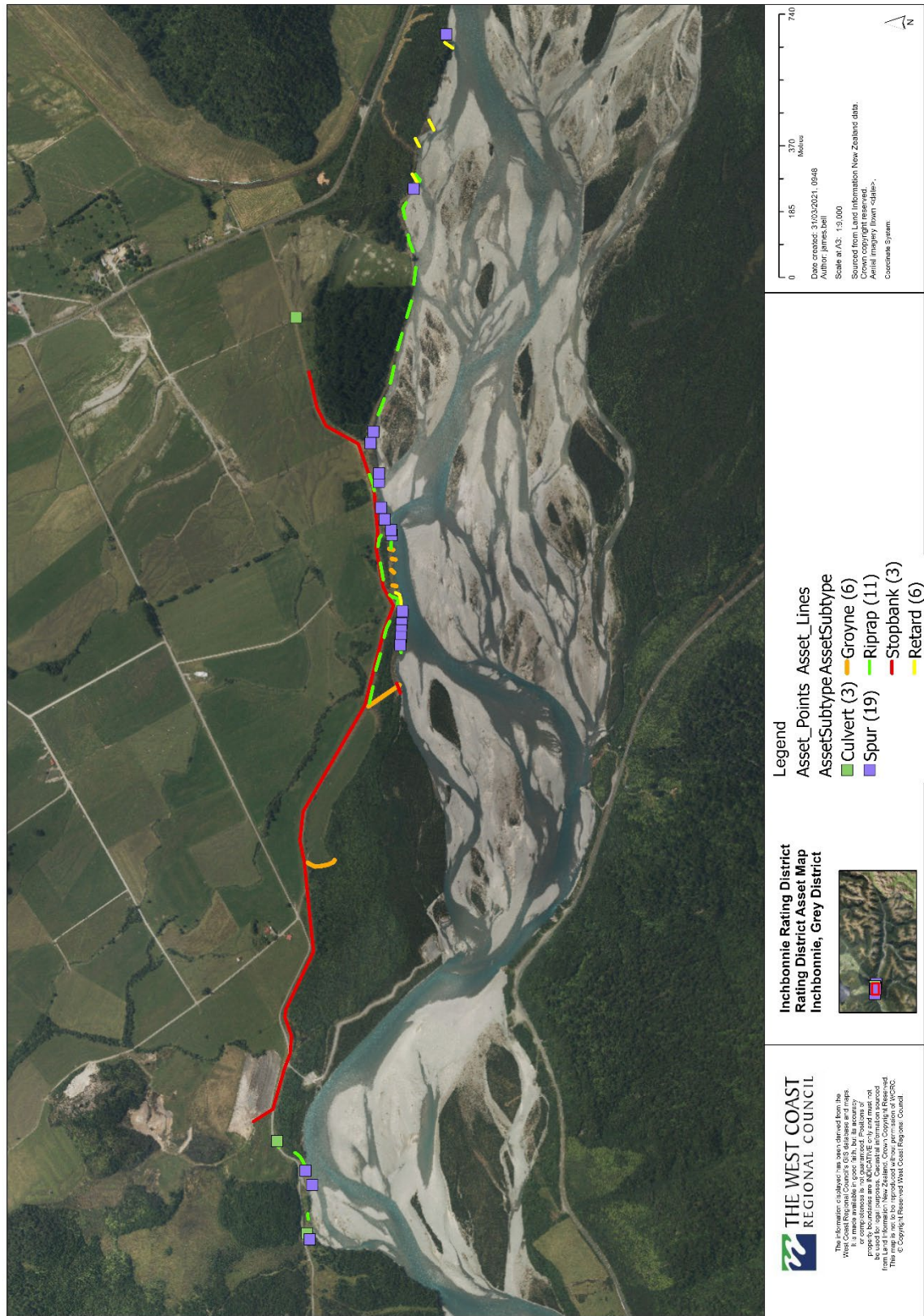
## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	70,847	Tonne	\$44.20
Rubble	1,010	Tonne	\$17.20
Stockpiled rock	900	Tonne	\$44.20
Fill	117,225	m <sup>3</sup>	\$26.00
AP65	1,800	M3	\$30.71
AP40	856	M3	\$36.85
<b>Asset Value</b>			<b>\$6,323,261.00</b>
<i>On-costs (15%)</i>			<i>\$715,680.30</i>
<i>Resource Consents (2%)</i>			<i>\$109,737.65</i>
<b>Replacement Cost</b>			<b>\$7,417,185.15</b>
<b>Depreciating Assets</b>			
Culverts			\$168,514.70
<b>All Assets Replacement Cost</b>			<b>\$7,585,699.86</b>

As at 1 July 2023



5.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**



## 6.0 Existing Standard

The stopbank has been built to contain 2,620m<sup>3</sup>/s plus 900mm freeboard (which is the current modelled estimate of a 400 year flow).

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of asset condition.

The objectives of the Inchbonnie Rating District are:

1. To reduce bank erosion and flooding between the upper and lower extremities of the Inchbonnie Rating District protecting the farms and
2. Reduce the risk of the Taramakau River breaking through into the Orangipuku River which would enable it to then flow into Lake Brunner and on into the Grey River.

The stopbank has been built to contain 2,620m<sup>3</sup>/s plus 900mm freeboard (which is the current modelled estimate of a 400 year flow).

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Inchbonnie Rating District to be adopted by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

### 6.3 Damage Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried out, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$7,585,700	5%	\$379,285	\$379,285	100%
5%	\$7,585,700	10%	\$758,570	\$530,999	70%
2%	\$7,585,700	20%	\$1,517,140	\$758,570	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$550,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### **7.2 Damage Repairs**

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets

- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 7.6 Cost Sharing

A cost-sharing agreement was negotiated with the Grey District Council in 2014. The Council resolved to contribute up to \$27,000 (plus GST) per year to the Scheme.

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

## 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Inchbonnie Rating District community.
- Revise this AMP three yearly prior to the Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.





# Karamea Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Karamea Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

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- Provide a history of the Karamea protection scheme.
- Convey the long-term strategy for the management of the Karamea Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Karamea Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

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- Meet the service expectations of the Karamea community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Karamea Rating District Background

As a result of the 1929 Murchison earthquake, slips dammed the Karamea and Little Wanganui Rivers. The collapse of these dams caused serious damage to property and heavy loss of stock. To rehabilitate the area after the earthquake the Government financed the Karamea Flood Protection Scheme.

The Scheme included the construction of stopbanks and rock protection on the Karamea, Oparara and Little Wanganui Rivers. The work was completed about 1937, but no arrangements were made for ongoing maintenance of the scheme.

After a meeting between the Karamea Federated Farmers and the Westland Catchment Board in September 1967, a questionnaire was sent to ratepayers in the Karamea District to gauge interest for a rating district to finance capital and maintenance work on the three rivers in the area. Due to the lack of interest the proposal was abandoned.

In November 1973 the Karamea River overtopped the stopbanks and caused severe flooding in the area.

At the request of the Karamea Federated Farmers a further meeting was held in May 1981 which authorised the Westland Catchment board to establish a rating district based on capital value to maintain existing protection works in the Karamea District.

The Karamea area classification to maintain the existing protection works on the Little Wanganui River, Granite Creek, Karamea River and Oparara River was adopted by the Westland Catchment Board on the 28 June 1982.

The Scheme works are located within or alongside the:

- Oparara River from the Gorge downstream to North Beach road;
- Karamea River from Arapito road to the mouth;
- Granite Creek from the main highway upstream for a distance of 5 kilometres; and
- Little Wanganui River from O'Connor Creek below the main highway then upstream for a distance of 7 kilometres.

The area protected is predominantly dairy farming with some horticulture and dry stock farming. Community infrastructure such as roads, power and telephone lines all derive benefit from the scheme area.

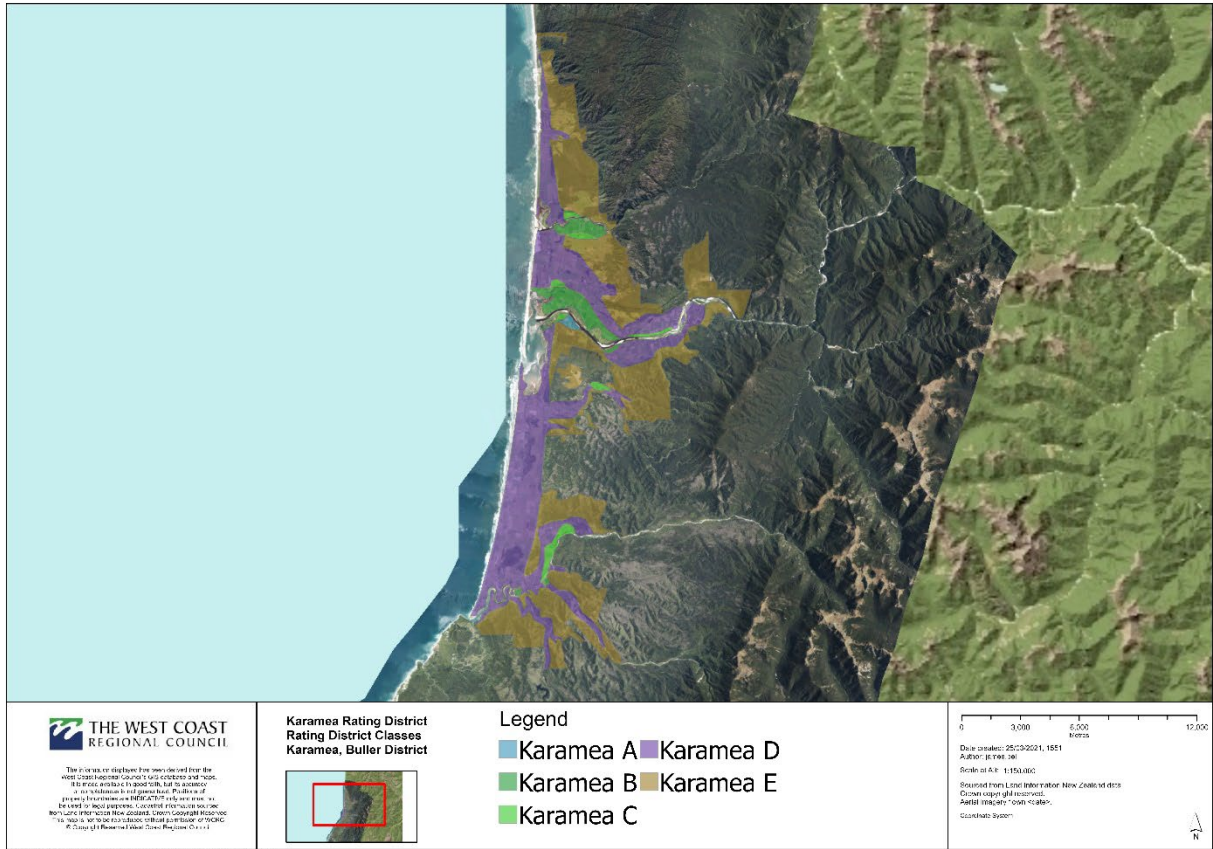
In 2012 the Last Resort Stopbank was constructed. The stopbank was realigned to protect a vulnerable section of bank behind the Last Resort. The stopbank behind the Domain was then upgraded in 2017. Rootballs from the previously felled large trees on the bank were removed, and the bank reconstructed with compacted gravels.

In early 2020 the narrow and slumped section of stopbank between the Last Resort Bank up to the Karamea River Bridge, a length of 1280 metres, was upgraded to raise it to the same grade as the downstream banks.

It is proposed that when LiDAR information is available in 2024 a new hydrological model for the Karamea River is produced to quantify the current level of service and identify any further areas for upgrading.



## 4.0 Karamea Rating District



## 5.0 Description of Assets

### Karamea River

Asset	Quantity	Unit	Rate
Rock	57,768	Tonne	\$54.00
Stockpiled rock	500	Tonne	\$54.00
Fill	92,282	m <sup>3</sup>	\$32.00
Top Course	130	m <sup>3</sup>	\$35.01
<b>Asset Value</b>			<b>\$6,104,047.30</b>

### Oparara River

Asset	Quantity	Unit	Rate
Rock	7,562	Tonne	\$54.00
Fill	12,200	m <sup>3</sup>	\$32.00
<b>Asset Value</b>			<b>\$798,748.00</b>

### Granite Creek

Asset	Quantity	Unit	Rate
Rock	3,580	Tonne	\$54.00
<b>Asset Value</b>			<b>\$193,320.00</b>

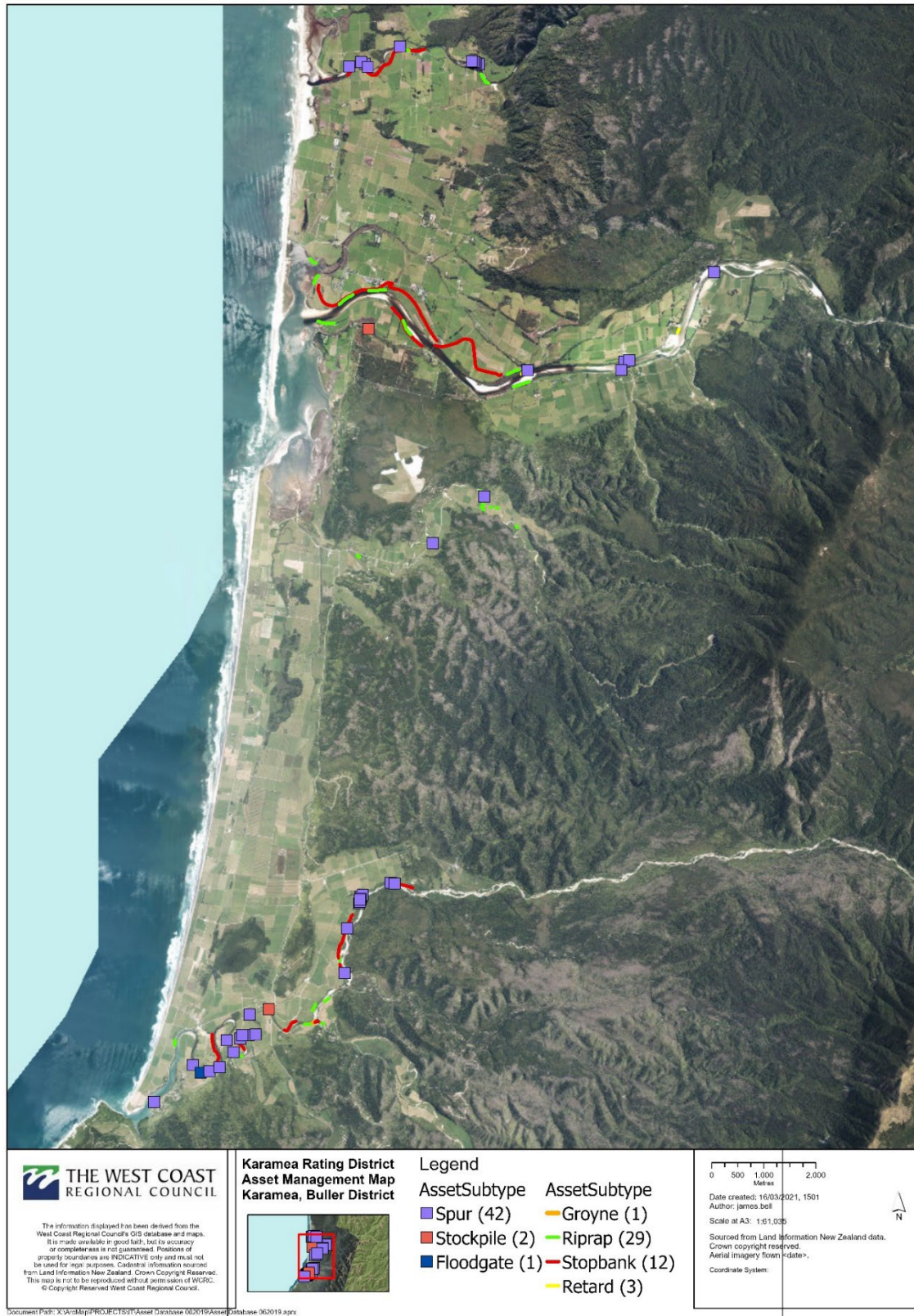
### Little Wanganui River

Asset	Quantity	Unit	Rate
Rock	25,169	Tonne	\$54.00
Stockpiled rock	500	Tonne	\$54.00
Fill	24,020	m <sup>3</sup>	\$32.00
<b>Asset Value</b>			<b>\$2,154,766.00</b>

<b>Total Asset Value</b>	<b>\$9,250,881.30</b>
Contingences	\$1,387,632.20
Resource Consents	\$212,770.27
<b>Depreciating Assets</b>	
Culverts	\$49,919.32
<b>All Assets Replacement Cost</b>	<b>\$10,901,203.08</b>



## 5.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**



## 6.0 Existing Standard

A flood on 21<sup>st</sup> November 1973, which overtopped the Karamea stopbank, was recorded at 3884m<sup>3</sup>/sec at the Arapito gauging station on the Karamea River.

Riverbed cross section surveys were carried out in 2006 and flood modelling based on this information was undertaken in August 2006. The analysis assessed a 50 year return period flood as 3,680 cumecs and the modelling of this flow determined that the existing right bank stopbank has a capacity less than the 50 year event. NIWA have since done more detailed modelling and a report was produced in 2012.

No flow data is available on the Oparara River, Granite Creek or Little Wanganui River to quantify any return flood event. However most of the works on these rivers are for erosion control only, not flood protection.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

The sections of the stopbank built for the original Karamea protection scheme following the 1929 earthquake were built to an unknown design standard. Generally though the historic "Existing Standard" has been 900mm above the highest known flood, however, the Karamea floodbank's current service level appears to be less than a 1 in 50 year return period flood, according to survey work completed to date. Council recommends a 1 in 50 year flood (2% annual exceedance probability) protection as a minimum.

Erosion control works do not have service levels but will be maintained to the dimensions they were initially constructed to.

The objectives of the Karamea Area Rating District are:

1. Oparara River  
To maintain existing protection works with the aim to reduce bank erosion and flooding.
2. Karamea River  
To maintain existing protection works with the aim to reduce bank erosion and flooding.
3. Granite Creek  
To maintain existing protection works with the aim to reduce bank erosion.
4. Little Wanganui  
To maintain existing protection works with the aim to reduce bank erosion and flooding.

The maintenance of the Karamea Scheme protection works can be broken into two zones. Stopbanking and Erosion Control Works.

## 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Karamea Rating District for adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

## 6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried out, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$10,901,203	2%	\$218,024	\$218,024	100%
5%	\$10,901,203	4%	\$436,048	\$305,234	70%
2%	\$10,901,203	8%	\$872,096	\$436,048	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

## 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events

- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$150,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Council's private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

## 7.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

## 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

## 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC’s assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	

Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

## 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



THE WEST COAST  
REGIONAL COUNCIL

## Kongahu Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805



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### **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Kongahu Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Kongahu Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Kongahu protection scheme.
- Convey the long-term strategy for the management of the Kongahu Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

### **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Kongahu Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Kongahu Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Kongahu community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### **3.0 Kongahu Rating District Background**

The Kongahu Swamp covered an area of 1000 hectares in the Karamea District. The swamp extended from the Little Wanganui River to the Otumahana Lagoon over a length of approximately 8 kilometres.

The first proposal to drain the swamp was prepared by the Public Works Department in 1938 but no major work was carried out at that time. At the request of the Karamea Federated Farmers the Westland Catchment Board agreed to carry out a survey and prepare a proposal to drain the Kongahu Swamp.

The proposal included the construction of a contour drain on the eastern side of the swamp to pick up all surface water draining from the hill catchment, while the proposed re-grading and realignment of Blackwater Creek and the construction of an outfall drain from Blackwater Creek along the western side of the swamp would provide an outlet for internal farm drains.

The proposal also included the construction of a new bridge over the contour drain and the replacement of the bridge over Blackwater Creek with a flood-gated box culvert. The estimated cost of the scheme works was \$86,000.

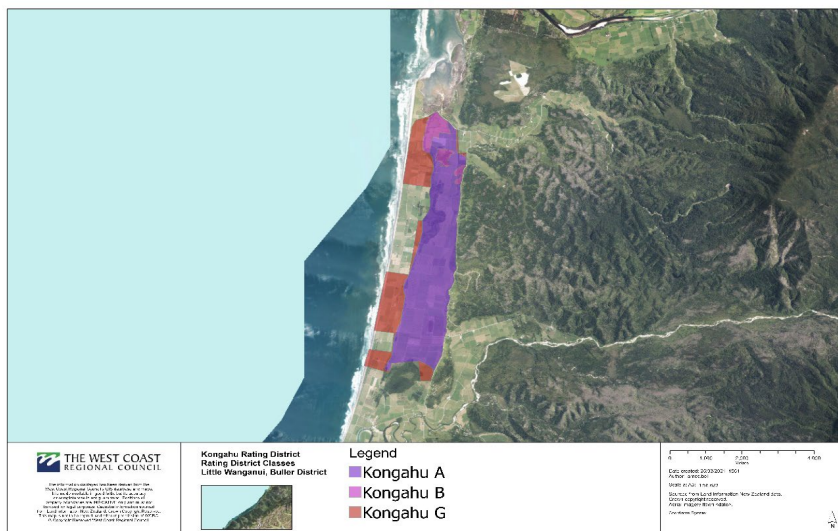
The Kongahu Swamp Drainage Scheme proposal was forwarded to the National Water and Soil Conservation Authority for approval in October 1973 and the Authority granted approval to proceed with the scheme in September 1974. The scheme classification was formally adopted by the Westland Catchment Board on 26<sup>th</sup> May 1975. A loan to finance the ratepayer's share of the scheme was approved by the National Provident Fund in July 1975.

On the 14<sup>th</sup> November 1975 tenders were invited for the construction of 181,000 cubic metres of earthworks over a length of 24.6 kilometres. Ten tenders were received for the work the lowest being Delta Construction from Whangarei who were subsequently awarded the contract. Work commenced in August 1976 and in May 1978 the company went into liquidation.

Tenders to complete the scheme were invited in June 1978. Eleven tenders were received for the completion of the scheme works with the successful tenderer being R.H. Pearson from Westport who commenced work in October 1978 and completed the contract in April 1981.

The area included in the scheme is predominantly dairy farming. Part of the swamp has been set aside as a Wildlife Reserve and Whitebait Breeding area. The area of land within the confines of the scheme is 783 hectares.

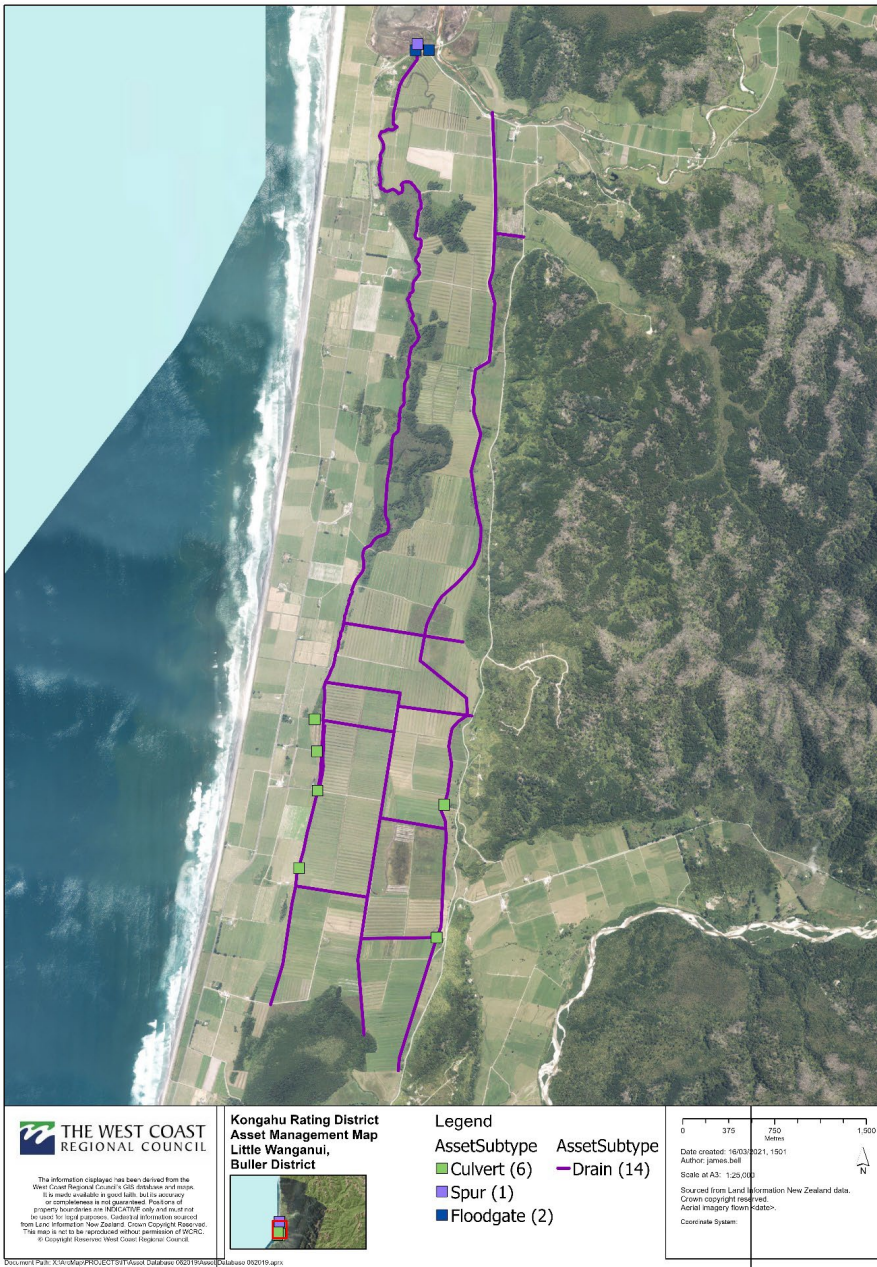
#### 4.0 Kongahu Rating District



5.0 Description of Assets

Asset	Quantity	Unit	Rate
Drain	118,735		\$8.00
Channel	100,492	m <sup>3</sup>	\$8.00
Fill	500		\$26.00
Rock	460	Tonne	\$61.00
<b>Asset Value</b>			<b>\$1,794,876.00</b>
<i>On-costs (15%)</i>			<i>\$269,231.40</i>
<i>Resource Consents (2%)</i>			<i>\$41,282.15</i>
<b>Replacement Cost</b>			<b>\$2,105,389.55</b>
<b>Depreciating Assets</b>			
Culverts			<i>\$125,950.01</i>
<b>All Assets Replacement Cost</b>			<b>\$2,231,339.56</b>
As at 1 July 2023			

5.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**

#### 6.0 Existing Standard

The objective of the Kongahu Rating District is to maintain existing creeks and drains included in the scheme to their original design specifications.

There is no hydrological information held on the Kongahu area in respect to flood events or maximum flows that the scheme is intended to provide drainage for.

The rating district does not wish to have any drain flow analysis undertaken to quantify the actual level of drainage that the scheme currently provides. The scheme structures will be maintained to the dimensions that they were originally constructed.

#### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

The rating district does not wish to have any drain flow analysis undertaken to quantify the actual level of drainage that the scheme currently provides. The scheme structures will be maintained to the dimensions that they were originally constructed.

#### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Kongahu Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.

- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

The maintenance of the Kongahu Swamp Drainage Scheme can be broken into two areas: Creek Maintenance and Drainage Maintenance.

#### **Creek Maintenance**

Creek maintenance includes the excavation of creek bed build up, and the removal of vegetation from within and around waterways to allow the fast passage of flood flows to prevent overtopping of creek banks.

#### **Drain Maintenance**

Drains are required to be cleaned out on a regular basis to maintain their original design capacity as per the plan specifications as well as the repair of any damage to bank batters.

A major new issue as at 2014 is the invasion of the aquatic weed parrot's feather into the scheme's creeks and drains. This aggressive weed is now present throughout the area and can clog up the drains affecting efficient water flows. It has spread beyond the drains during major floods into upstream as well as downstream areas. Roundup will not kill this plant but Garlon does a better job. With NIWA advice, Council staff are trying to develop the optimal method of keeping on top of this pest plant.

#### **Maintenance Issues**

1. Maintain invert levels of drains and creeks.
2. Repair erosion including structural problems and water damage.
3. Maintain access ways to enable future maintenance.
4. Regular spraying to manage weed growth and keep water flowing.

Well established grass covered banks have been proven to be effective in resisting erosion. During normal use damage can be caused by grazing stock causing slumping and damage to the banks of drains and creeks.

Banks and creek beds can be damaged in the event of an earthquake by vertical or horizontal displacement. This could result in the slumping and filling of drainage through liquefaction of the surrounding land.

#### **Typical maintenance works undertaken**

1. Ensure creeks and drains are kept clear of weed and debris.
2. Ensure any slumping of natural banks are repaired by excavation.
3. Control of weeds and unsuitable vegetation on creek and drainage batters by spraying.

6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried out, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$2,231,340	5%	\$111,567	\$111,567	100%
5%	\$2,231,340	10%	\$223,134	\$156,194	70%
2%	\$2,231,340	20%	\$446,268	\$223,134	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council’s debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the ‘prudent reserve’ for this rating district is \$50,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council’s insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*



- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

**Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
  - *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
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## 7.0 Funding

### 7.1 Maintenance

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
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The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

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	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	

Triennially	Review this Asset Management Plan	Report to Council and ratepayers on revaluation of assets and the Plan review.
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### 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

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# Kowhitirangi Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

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Greymouth  
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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Kowhitirangi Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

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In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Kowhitirangi Rating District by preparing this AMP.

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- Meet the service expectations of the Kowhitirangi community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.



### 3.0 Kowhitirangi Rating District Background

Around 1907 the Lands Department erected a groyne near Diedrichs Creek on the Hokitika River to protect land on the true right bank. The protection was effective but the groyne was progressively eroded away and by 1927 it had disappeared completely.

In 1927 the settlers on the right bank at Kowhitirangi approached the Government and requested protection works to protect their land. The response was a counter proposal that the settlers constitute a River Board to carry out the necessary remedial measures. The settlers did not pursue the Government's proposal.

The floods in October 1936 damaged some local public works (Kokatahi, Mills and Malfroy's bridge and their roading approaches). The Government approved subsidy for the work required Council to reinstate and upgrade the local works. In 1937 the Westland County Council constructed a big stone protection wall at Camelback (above W. Jamison's land - Rural Sections 970 and 809).

In 1938 the Westland County Council (with a government subsidy of \$4 for \$1) erected a gabion groyne across an overflow channel along the southern boundary of D.P. 1048 designed to block the mouth of Pigeon Creek.

In 1941 the Westland County Council constructed 110m of stopbank across the overflow channel formed by Diedrichs Creek at the southern boundary of D.P. 1048. The Hokitika River was hitting the right bank almost at right angles and threatening to break through to an old channel behind the existing protection works and outflank the big stone protection wall at Camelback.

In 1944 the Public Works Department constructed a large groyne on the true right bank of the Hokitika River approximately 2km upstream of Mount Camelback. This groyne, generally known as the Camelback Groyne, was designed to block off two large overflow channels which ran through the Kowhitirangi farmlands to eventually join the Kokatahi River.

The Westland Catchment Board was formed on 18 May 1945. From 1945 to 1958 the Westland Catchment Board, at the request of local ratepayers, spent about \$1,600 repairing and maintaining the rockwork on the stronghead of the Camelback Groyne.

This was funded completely by individual contributions.

On 31 March 1958, as a result of further input from the immediately affected adjacent farmers, the Westland Catchment Board approached the Soil Conservation and Rivers Control Council with a proposed Kowhitirangi Flood Control Scheme.

The Scheme comprised:

- (a) 3360m of stopbanking, on the true right bank, from the Camelback groyne up to the Whitcombe Valley Road.
- (b) Willow planting along the berm (downstream along the river frontage of Rural Section 5637) and in the belly of the Camelback hook groyne.
- (c) Fencing of the stopbank (about 7080m) and willow planting.



- (d) Rock protection of about 160m of eroding land along the river frontages of Rural Sections 969 and 970 approximately 500 upstream of Camelback Road.
- (e) Rock protection where the stopbank crosses the two mouths of back flood channels (along the river frontage of Rural Section 4866) immediately below the Vine Creek confluence.
- (f) Repair and reconstruction of the Camelback groyne which had been damaged.
- (g) Reinstatement of the access road to the Camelback groyne.
- (h) About 1300m of stopbanking on the left bank opposite the Camelback hook groyne (Rural Section 2332) to prevent overflows into Supply Creek with consequent flooding and erosion of Rural Sections 2330 and 2331.

In May 1958 the Soil Conservation and Rivers Control Council approved the Catchment Board's proposal at an estimated cost of \$58,000 and granted the following financial assistance:

- (a) A grant of \$12,000 (not eligible for inclusion in the calculation of the subsidy).
- (b) A \$3 for \$1 subsidy on the balance sum of \$46,000, i.e., \$34,500.
- (c) An advance of up to \$6,000 towards the local share of \$11,500 (The advance to bear interest of 5% and to be recovered from subsidy payments within the financial year 1958-9).

At the meeting held on 28 July 1958 the Westland Catchment Board resolved to finance the local share of \$11,500 by:

- (a) Requesting a contribution of \$1,500 from the Westland County Council.
- (b) Raising the landowner's share by a loan to be repaid by the landowners from rates struck on a graduated scale according to the benefit received by individual properties.

The landowners in the Kowhitirangi area (comprising about 7800 ha in 88 properties) between the Hokitika River and the Kokatahi River would be included in this special rating district. In September 1958 the Local Authorities Loans Board, sanctioned the "Kowhitirangi Flood Control Loan - 1958" for \$10,000 to be repaid over 10 years.

The scheme classification was a differential rate set up to address both the loan repayment and the ongoing maintenance. The Scheme was designed to contain 3700 cumecs with 0.80 metres freeboard. Earthworks on the main stopbank on the true right bank were commenced in August 1958 (The Soil Conservation and Rivers Control Council approved a tender to undertake the work on 25 August 1958 in anticipation of the Catchment Board obtaining the finance for the local share because of the urgency of the work) and were completed in December 1958. Rock protection along certain lengths of the stopbank was in place by March 1959.

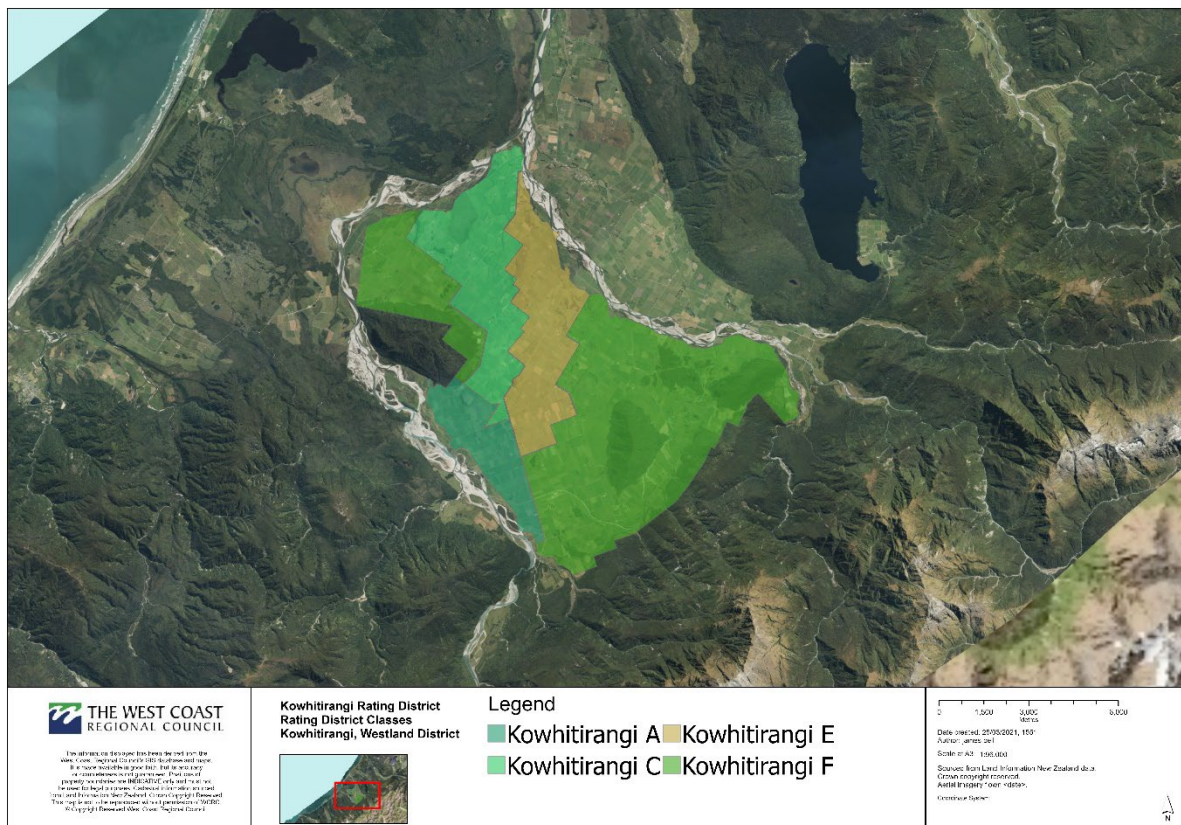
Maintenance of the protection works have been ongoing since then with several flood events causing damage that has been repaired as required.

Resource Consent Numbers 940113 and 940114 were issued by The West Coast Regional Council on 10 November 1994 for a term of 35 years. These consents are to maintain existing river protection works to their original standard. The resource consent is in the name of the Kowhitirangi Flood Control Scheme, C/- The West Coast Regional Council.

The Kowhitirangi Flood Control Scheme extends from Diedrichs Creek at the lower end of the Hokitika Gorge downstream on the right bank of the Hokitika River for 6.5 kilometres to Mount Camelback. The area protected is predominantly dairy farming with some dry stock farming. Community infrastructure such as roads, power and telephone lines all derive benefit from the river control system.

In 2000, concern was expressed at the apparent anomalies of non-paying front-line properties on the scheme. This was the result of additional lease land being freeholded from the Department of Conservation. Those ratepayers agreed that the “new” parcels of land should be included in the overall classification and as a result, a reclassification was carried out. The 2001 Rating District Annual Meeting formally endorsed the draft classification and as a result of further ratepayer consultation the reclassification was endorsed by Council.

#### 4.0 Kowhitirangi Rating District

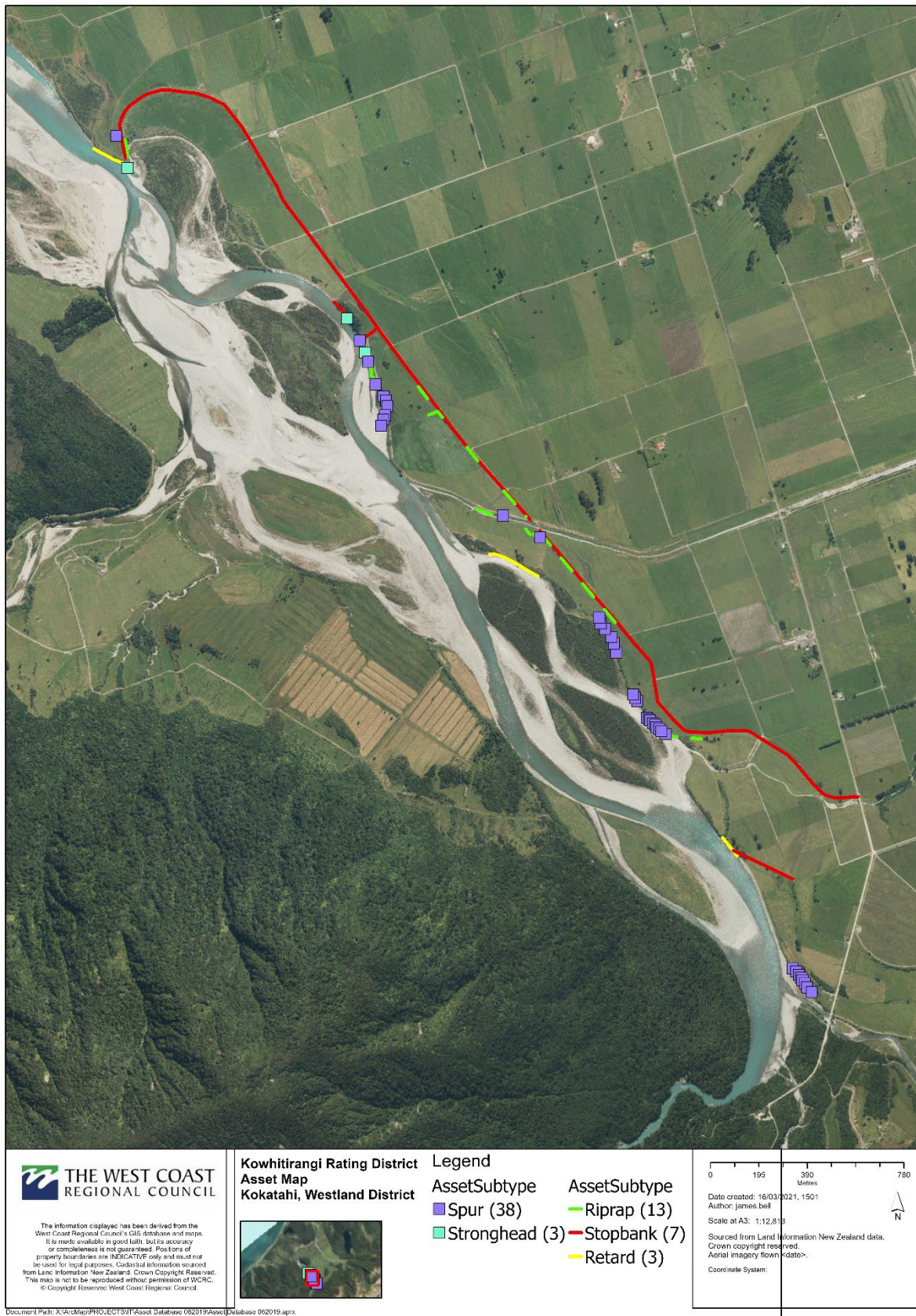


## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Fill	193,400	m <sup>3</sup>	\$26.00
Rock	73,684	Tonne	\$45.55
Rubble	1,309	Tonne	\$16.55
<b>Asset Value</b>			<b>\$8,406,370.15</b>
<i>On-costs (15%)</i>			<i>\$492,537.62</i>
<i>Resource Consents (2%)</i>			<i>\$108,358.28</i>
<b>Assets Replacement Cost</b>			<b>\$9,860,672.19</b>



## 5.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**

## 6.0 Existing Standard

The objective of the Kowhitirangi Rating District is to maintain existing protection works at current service levels with the aim to reduce bank erosion and flooding on the right bank of the Hokitika River between Diedrichs Creek and Mount Camelback.

Cross section surveys and flood flow analysis modelled in June 2008 indicate that its service potential is capable of containing river flows greater than the 2008 estimate of the 1 in 100-year return period flood flow plus 900mm freeboard.

No extra work is required to increase the service level for the stopbank.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of asset condition.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Kowhitirangi Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

The maintenance of the Kowhitirangi Flood Control Scheme can be broken into two areas. Stopbanking and Erosion Control Works.

### 6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried out, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$9,860,672	5%	\$493,034	\$493,034	100%
5%	\$9,860,672	10%	\$986,067	\$690,247	70%
2%	\$9,860,672	20%	\$1,972,134	\$986,067	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$100,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan, or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*



## 7.0 Funding

### 7.1 Maintenance

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### 7.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.



From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three-year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

### 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to the Long-Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



## Matainui Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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## 1.0 Purpose of this Document

The purpose of this document is to summarise the management philosophy that is applied to the Matainui Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Matainui Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Matainui protection scheme.
- Convey the long-term strategy for the management of the Matainui Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## 2.0 Asset Management Objectives

West Coast Regional Council recognises that the Matainui Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Matainui Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Matainui community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Matainui Rating District Background

Matainui Creek is known to have caused flooding problems to the Whataroa township area prior to 1960 before records were kept.

In April 1963 the Canterbury Education Board wrote to the Westland Catchment Board with concern about the overtopping of Matainui Creek and the flooding of the Whataroa School Grounds.

Staff of the Westland Catchment Board inspected the creek in May 1963 and advised the Education Board that some channel clearing and a small stopbank were required to block off an overflow channel to prevent further flooding.

As a result of floods in January and February 1967, the Matainui Creek bed aggraded substantially requiring it to be excavated over a distance of 200 lineal metres. The gravel excavated from the channel was utilised in the reconstruction of the washed out stopbank.

Between the period of 1967-1981 intermittent channel clearing and rock protection works were carried out in the vicinity of the Whataroa Township.

On the 18<sup>th</sup> of September 1984 the owner of the Whataroa Hotel expressed concern at the flooding under the Hotel during heavy rain. This involved the lower Golf Course area through to the State Highway Bridge. Floodwater from upstream was ponding behind the stopbank immediately upstream of the State Highway and flooding the car park behind the Hotel. A small channel was excavated through the stopbank at the downstream end to remedy this problem.

As a result of further substantial flooding a meeting was held on the 4<sup>th</sup> of October 1993 at Whataroa to discuss the funding of a flood and bank protection scheme to prevent future flooding of the Whataroa Township and Golf Course.

The proposed works which included the construction of a stopbank over 350 metres and the placing of rock protection on the right bank of Matainui Creek were estimated to cost \$18,000. It was agreed by the West Coast Regional Council that a postal ballot would be held to gauge support for the scheme.

On the 5<sup>th</sup> of October 1993 the Matainui Creek flooded parts of Whataroa and the Main Road.

On the 5<sup>th</sup> of April 1994 the West Coast Regional Council resolved to establish the Matainui Rating District on a flat rate capital value basis.

The works were carried out in November 1994 by H. Langridge and Sons Ltd for a total cost of \$12,588. The works involved: Stripping grass, constructing an 8,490m<sup>3</sup> stopbank, reshaping the Creek batters over 100 metres, loading, carting, and placing 1,000 tonnes of rock rubble and placing a 600mm concrete culvert and floodgate.

#### 4.0 Matainui Rating District

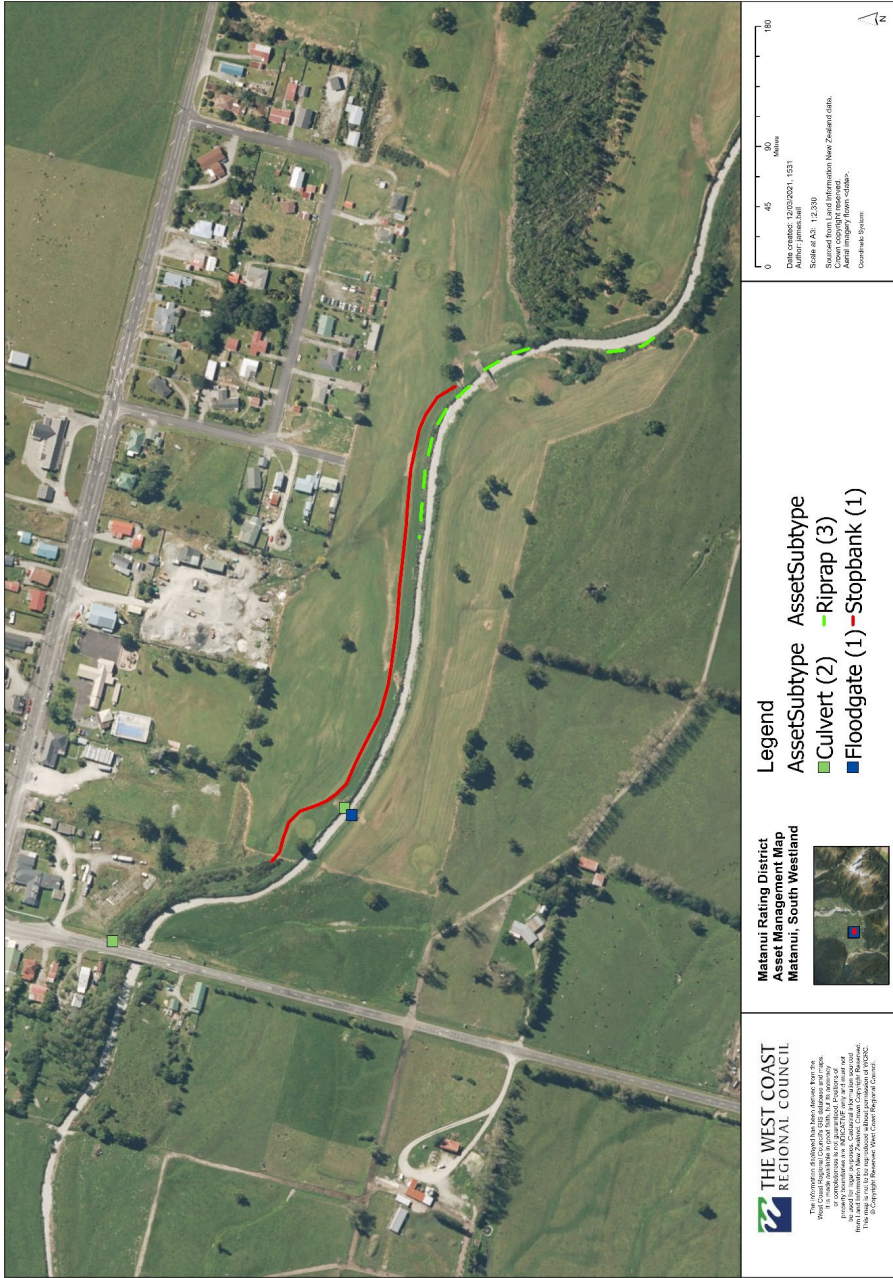


#### 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Fill	1,040	m <sup>3</sup>	\$26.00
Rock/Rubble	1,450	Tonne	\$46.50
<b>Asset Value</b>			<b>\$94,465.00</b>
<i>On-costs (15%)</i>			\$14,169.75
<i>Resource Consents (2%)</i>			\$2,172.70
<b>Replacement Cost</b>			<b>\$110,807.45</b>
<b>Depreciating Assets</b>			
Culverts			\$21,729.99
<b>All Assets Replacement Cost</b>			<b>\$132,537.44</b>



5.2 Asset Map



## 6.0 Existing Standard

The objective of the Matainui Rating District is to reduce bank erosion and flooding along the section of Matainui Creek, from just below of the State Highway Bridge for a distance of approximately 500 metres upstream.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

The historic "Existing Standard" was 300mm above the highest known flood. The Council has suggested that a re-analysis of flood protection levels be commissioned. However, the rating district has decided that they do not wish to have any new analysis undertaken to quantify the actual level of protection that the scheme currently provides. Given that there has been no analysis carried out to date, the scheme structures will continue to be maintained to the dimensions that they were originally constructed.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Matainui Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$132,537	5%	\$6,627	\$6,627	100%
5%	\$132,537	10%	\$13,254	\$9,278	70%
2%	\$132,537	20%	\$26,507	\$13,254	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council’s debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the ‘prudent reserve’ for this rating district is \$10,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council’s insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

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### **Threshold**

Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:

- 0.0075 percent of the net capital value of the city council, district council or unitary authority involved
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## **7.0 Funding**

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Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- Preparation of an annual works programme and corresponding budget.
- Adoption of the annual works programme and budget.
- Discussion of the works report and budget with the ratepayers.
- Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the ~~Creek river, or maintenance to the culverts~~, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

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Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

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Routine damage repairs are funded by a combination of:

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Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

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Financial reserves are held within the rating district account to provide the following:

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The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

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- Culverts and associated assets

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- Miscellaneous assets.

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The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
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	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

### 8.1 AMP Review and Monitoring

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# Mokihinui Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Mokihinui Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

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- Convey the long-term strategy for the management of the Mokihinui Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Mokihinui Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Mokihinui Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Mokihinui community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

## **3.0 Mokihinui Rating District Background**

The Mokihinui riverbank works started in 1952 with rock protection works placed around the river mouth and bay adjacent to the township, on the south side of the Mokihinui river mouth. The gravel bund on the beach was first constructed in 1969.

The river and bay protection works were enhanced by Buller County Council in 1968 with a 2:1 subsidy from Soil Conservation and Rivers Control Council. Repairs occurred in 1974 with a contribution from the Mokihinui Ratepayers Association. That year a rating district was first established with ratepayers contributing \$6 each towards maintenance. This was increased to \$10 per head in 1976.

In 1977 the local community engaged a contractor to improve the sea bund. The sea bund is constructed in two parallel walls, the outermost being a sacrificial bund while the inner one still provides protection when the outer wall is breached by the sea.

In 1978 a 50 metre rock deflector groyne was constructed upstream of the river stopbank. The riverbank rock was topped up again in 1980; and the upstream rock retard was also strengthened. In 1981 the continuous rockwork was extended by 50 metres out to the mouth of the river using 1,000 tonnes of rock.

Maintenance of the rock wall around the river mouth area, and the sea bunds, has continued between 1981 and 2009 when the current rating district was formed by the Regional Council, following a request from the Mokihinui Ratepayers Association.

All other works are the responsibility of either the Buller District Council or individual landowners.

In 2018 the rating district committee agreed to trial a series of small coastal spurs along the front face of the sacrificial bund. Four small spurs of 250 tonnes were constructed in August 2018, plus a top-up of the existing coastal rock groyne with an additional 250 tonnes. The spurs are intended only to provide some additional protection to the sacrificial bund, and not interrupt littoral drift.

In May 2023 an additional spur was placed at the south end by Morgans property. The rock was from a nearby slip, and had been provided at no cost to the Rating District.

#### 4.0 Mokihinui Rating District





## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	14,822	Tonne	\$60.00
Fill	64,870	m <sup>3</sup>	\$26.00
Top course	634		\$37.71
Culverts	6480	\$	\$1.07
<b>Asset Value</b>			<b>\$2,595,410.14</b>
<i>On-costs (15%)</i>			<i>\$389,311.52</i>
<i>Resource Consents (2%)</i>			<i>\$59,694.43</i>
<b>Replacement Cost</b>			<b>\$3,044,416.09</b>
<b>Depreciating Assets</b>			
Culverts			\$19,509.34
<b>All Assets Replacement Cost</b>			<b>\$3,063,925.43</b>

## 5.2 Asset Map



## 6.0 Existing Standard

The objective of the Mokihinui Rating District is to minimise erosion to the township on the south bank of the river mouth, due to sea erosion and river flood and erosion impacts.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

There is no hydrological information held on the Mokihinui seawall in respect to past storm events, however it was reported that the seawall was severely damaged in February 1974 and in May 1977, the seawall was breached creating a large pond of seawater against the secondary coastal stopbank with a freeboard of only 150mm from the crest of that bank.

The seawall was designed to handle the historically observed tidal fluctuations and surge patterns of the Tasman Sea in the vicinity. Given that there has been no analysis carried out the scheme structures will be maintained to the dimensions that they were originally constructed.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Mokihinui Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

The existing 800m coastal bund works will be maintained to their current (2010) dimensions. Annual inspections will occur in July of each year by the Council rivers engineer. In between inspections any damage that occurs due to high seas should be reported to the Council rivers engineer as soon as they are noticed by members of the rating district, in particular the elected spokesperson.

The existing seawall structure is sacrificial sand and gravel bund only, is not rock lined and was not constructed using filter fabric and other methods to ensure long life. It is expected to require reasonably regular maintenance and is not a long term solution to erosion control in this location. It is acceptable by the ratepayers as a short term solution.

The Mokihinui River stop bank has been constructed of compacted hardfill and armoured with rock rip rap material and is therefore a stronger and more permanent structure. However, due to its location in a high energy and dynamic river mouth environment it will also need regular maintenance and top up of slumped or damaged areas. The rating district committee and spokesman should alert the council rivers engineer if any damage is noted following high flow events. It is very important to ensure repairs to damaged bank protection structures is undertaken swiftly.

### 6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$3,063,925	2%	\$61,279	\$61,279	100%
5%	\$3,063,925	4%	\$122,557	\$85,790	70%
2%	\$3,063,925	8%	\$245,114	\$122,557	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council’s debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments



This target balance for the 'prudent reserve' for this rating district is \$35,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Council's private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance, or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*

*0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.

- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the river or sea, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

## 7.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

## 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

## 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

### 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



# Neils Beach Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Neils Beach Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Neils Beach Rating District Scheme for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Neils Beach Rating District Scheme
- Convey the long-term strategy for the management of the Neils Beach Rating District Scheme
- Provide a tool to assist with management assets in a cost effective and sustainable manner
- Manage the environmental, service delivery and financial risks of asset failure
- Demonstrate that the service potential of the rivers and drainage assets is being maintained

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that Neils Beach Rating District Asset Management Plan is the fundamental driver of erosion protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2017 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Neils Beach Rating District Scheme by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Neils Beach community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.



### 3.0 Neils Beach Rating District

The Neils Beach Rating District was formed in October 2016 to fund beach nourishment and coastal protection works.

After an initial approach from concerned ratepayers in early 2014, regarding increased erosion along the foreshore fronting the Neils Beach Settlement in South Westland, an initial inspection was carried out on 1 April 2014 by WCRC staff with an informal group of local property owners, to determine the risk and discuss possible future remedial action for the area.



### 4.0 Description of Assets

Current assets consist of a 120m sacrificial bund constructed from slip material from the local area. The purpose of the bund is to help reduce the chance of wave overtopping.

Asset	Quantity	Unit	Rate
Fill	1,150	M3	\$26.00
<b>Asset Value</b>			<b>\$29,900.00</b>
<i>On-costs (15%)</i>			\$4,485.00
<i>Resource Consents (2%)</i>			\$687.70
<b>Assets Replacement Cost</b>			<b>\$35,072.70</b>

### 5.0 Service Level

The Levels of Service represented in this AMP are described and aligned with customer values including affordability, quality, safety, community engagement, reliability, and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

The key level of service for the Neils Beach Rating District is to provide engineering options to reduce the chances of wave overtopping and erosion continuing.

### **5.1 Maintenance Programme**

An annual maintenance programme will be prepared each year in consultation with the Neils Beach rating district spokesman and liaison committee prior to consideration at the Rating District Annual Meeting and adoption by the Council in the Annual Plan.

In preparing the annual maintenance programme consideration will be given to:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

## **6.0 Funding**

### **6.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Discussion of the works report and budget with the ratepayers.
- c) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

## 6.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

## 6.3 Financial Reserves

Financial reserves are held within the rating district account to:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for unprogrammed works.

## 6.4 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$35,073	5%	\$1,754	\$1,754	100%
5%	\$35,073	10%	\$3,507	\$2,455	70%
2%	\$35,073	20%	\$7,015	\$3,507	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

## 6.5 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is suggested to be \$30,000 This prudent reserve is immediately available for urgent emergency works that may be required following

a major event. It is therefore likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan, or the rating district accounts will go into overdraft. In the instance of extreme weather events, NEMA funding and the Council's private insurance can be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that need to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance, or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or 0.002 percent of net capital value in the case of regional councils*

### **6.6 Depreciation**

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of

service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 7.0 Performance Measures

The overall performance measure is that the infrastructure assets are maintained to meet their service levels at all times.

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works reports for the rating district to include type of work to be undertaken, quantities, location, and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure beach cross section profiles to determine whether the beach is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional sacrificial stopbank protection works over the three-year period.	
	Review this asset management plan.	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

## 7.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Neils Beach Rating District community.
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.





# Nelson Creek Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805



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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Nelson Creek Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Nelson Creek Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Nelson Creek protection scheme.
- Convey the long-term strategy for the management of the Nelson Creek Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Nelson Creek Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Nelson Creek Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Nelson Creek community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Nelson Creek Rating District Background

Prior to 1945 the Lower Nelson Creek area upstream of the State Highway Bridge had been prone to severe floods and erosion, causing problems of inundation of farmland and the closure of 1 kilometer of State Highway 7. Individual landowners had carried out simple and cheap forms of river protection works. Old dredge screens and galvanized iron tanks filled with stones were used to form spur groynes to protect land from erosion.

On 18 May 1945 the Westland Catchment Board held its first meeting. The importance of this date is significant in that direct access to central government resources through the Soil Conservation and Rivers Control Council were made available for river protection works.

Flooding and erosion between the old Road Bridge and the downstream new State Highway Bridge continued until 1961. Minimal works in the form of tree, rope and drum groynes with some rock groynes were carried out in an attempt to halt the erosion and flooding processes.

On 18 December 1961 the Ministry of Works requested the Westland Catchment Board to prepare an estimate of river training works to alleviate flooding of State Highway 7 at Nelson Creek. An investigation of a river control scheme over a length of 1.2 kilometres between Drennan's Bridge and the State Highway Bridge was undertaken. Minor channel reconstruction works were carried out during this period.

On 29 March 1963 a serious flood occurred, crossing the main highway from the bridge to the hill on the north side of the valley. On 3 May 1966 work worth \$7,700 was approved and work commenced on the construction of permeable groynes, channel work, and the driving of rails and placement of heavy wire rope over a distance of 760 metres. Work had been in progress for 4 months, when on the 8 November 1963 a flood again overtopped the stopbank, flooded 3 properties and blocked the State Highway.

Between 1963 and 1973 a considerable amount of work was carried out, mainly in the form of channel clearing with some additional rockwork in the form of spur groynes. Between 1973 and 1978 rock was used more extensively to increase stability along both banks.

In April 1978 floodwater breached a stopbank on the right bank 400 metres downstream of the old Drennan's bridge and again inundated farmland and the State Highway.

The Ministry of Works again sought costs of a comprehensive river control scheme. In 1980 the existing stopbank was raised by 1 metre over a length of 240 lineal metres. Also in January 1980 New Zealand Railways sought advice on remedial action required to alleviate erosion problems at the rail bridge. In October 1980 New Zealand Railways carried out its own protection works, 13,000 tonnes of rock being utilised to protect the rail embankment.

On 18 February 1981 the Westland Catchment Board presented a proposal to protection land on the right bank, above the State Highway Bridge. The design was based on protecting the land from a 50 year return flood. The works involved construction of a stopbank 1.8m high from the State Highway Bridge upstream for 1.6 kilometres and the placement of 1,000 tonnes of rock.

On 5 March 1982 National Roads Board approved 50% funding as its share of the proposed works.

On 8 September 1983 a revised estimate, due to floods on 9 and 10 July 1983, was put forward to those involved. The revised estimate was accepted which involved 21,400m<sup>3</sup> of fill and 1,200 tonnes of rock at a total cost of \$56,000. The contract was let to H. Langridge and Sons on 25 November 1983.

On 23 July 1984 a classification covering all works on Nelson Creek between the old Grey County Bridge and the Tranz Rail Bridge. The proposed left bank costs totalled \$31,000 (NZR Share 50%) and the right bank costs totalled \$32,500 (NZR Share 50%).

The proposal gained New Zealand Railway's approval on 10 December 1984.

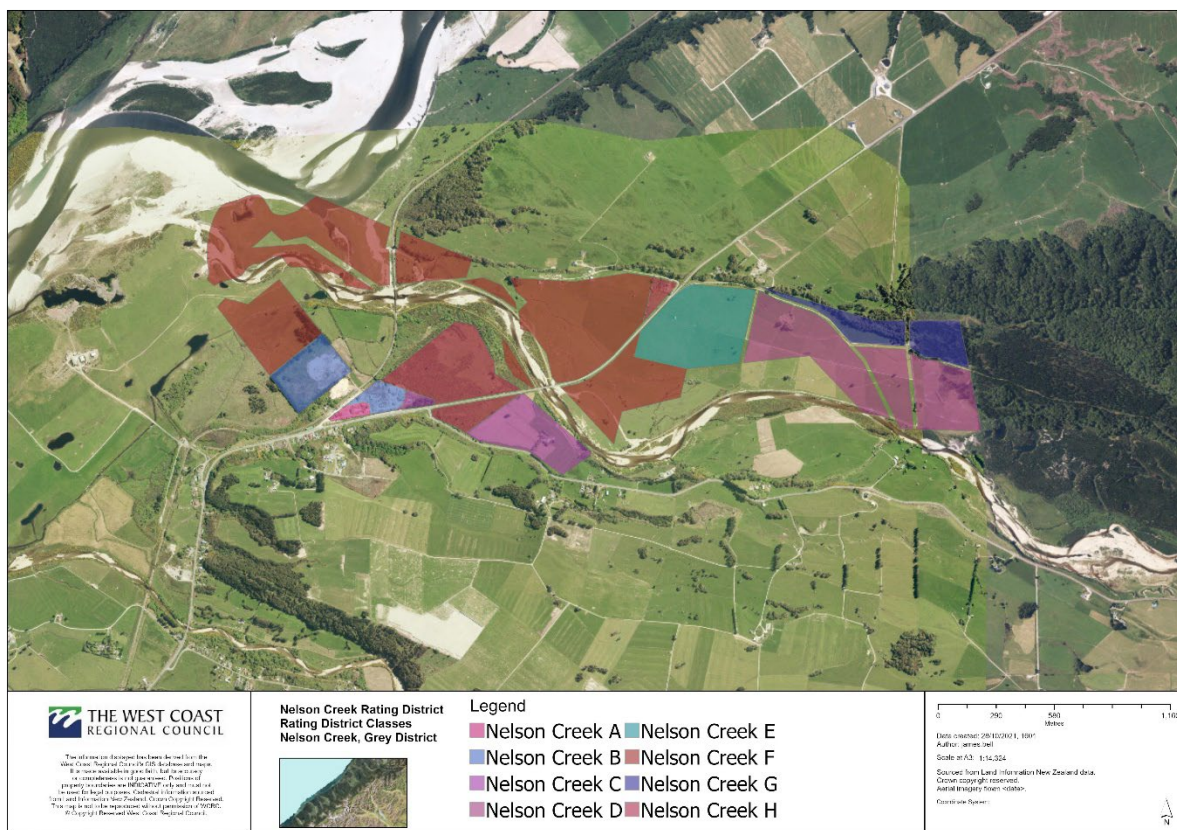
At a ratepayers meeting on 22 July 1985 it was agreed to extend the Rating District Classification to include all works downstream to the rail bridge. The classification would be based on Land Value. This classification was adopted by the Westland Catchment Board on 26 May 1986. This was later changed to Land Area basis on 20 April 1993.

In the period 1996 to 2001 several ratepayers expressed concern at apparent anomalies at residential rating within the Mill site (Savage's property).

A request was made to carry out a reclassification at the rating District's Annual General Meeting on 3 April 2001.

A revised differential, land area based rating district was prepared and was approved by Special Order, by the West Coast Regional Council on 9 July 2002.

#### 4.0 Nelson Creek Rating District

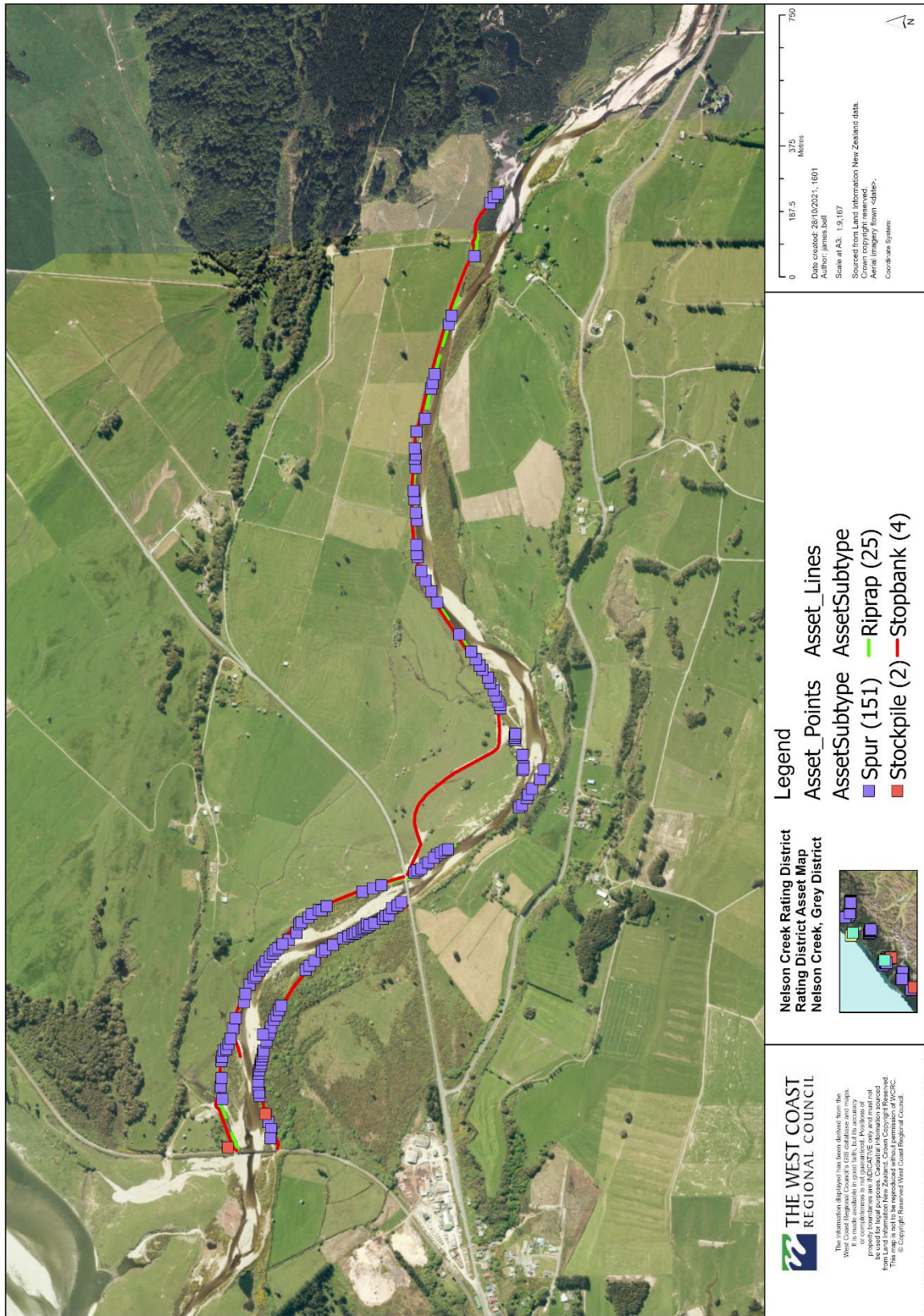


## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	44,894	Tonne	\$62.00
Fill	109,070	m <sup>3</sup>	\$26.00
Stockpiled rock	70	Tonne	\$62.00
<b>Asset Value</b>			<b>\$5,623,588.00</b>
<i>On-costs (15%)</i>			<i>\$843,538.20</i>
<i>Resource Consents (2%)</i>			<i>\$129,342.52</i>
<b>Asset Value</b>			<b>\$6,596,468.72</b>



## 5.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them**

## 6.0 Existing Standard

The objective of the Nelson Creek Rating District is to reduce bank erosion and flooding along the upper and lower reaches of Nelson Creek.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability and sustainability.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

There has been a mix of design standards during the life of this scheme. The original stopbanks were built to 900mm above the highest known flood. After 1983, sections of stopbank were built to contain a flood of 539 cumecs which at that time was estimated to be a 1 in 50 year return period flood. However, no recent flood flow analysis has been undertaken for this river therefore the current level of protection given by the stopbanks is unclear and any service level that has been identified in the past should be treated with caution.

The Council has suggested that an analysis be commissioned to quantify the actual level of protection that the scheme currently provides. The rating district has not yet decided if they wish to have any new flood analysis undertaken. Given that there has been no analysis carried out the scheme structures will continue to be maintained to the dimensions that they were originally constructed.

In 2023 a cross section survey was undertaken to analyse bed level changes that have occurred over the previous 10 year period.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Nelson Creek Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.

- Works anticipated as being required given a ‘normal’ season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

### 6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$6,596,469	5%	\$329,823	\$329,823	100%
5%	\$6,596,469	10%	\$659,647	\$461,753	70%
2%	\$6,596,469	20%	\$1,319,294	\$659,647	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council’s debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the ‘prudent reserve’ for this rating district is \$160,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council’s insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs



*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### **7.2 Damage Repairs**

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 7.6 Cost Sharing

Both NZ Transport Agency and Kiwi Rail make contributions at a fixed percentage rate to the annual maintenance of the Nelson Creek scheme. NZTA pays 35% of maintenance costs above the State Highway Bridge and Kiwi Rail pays 50% of any maintenance works between the rail and road bridges.

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

## 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



THE WEST COAST  
REGIONAL COUNCIL

# Okuru Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805



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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Okuru Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Okuru Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Okuru protection scheme.
- Convey the long-term strategy for the management of the Okuru Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Okuru Asset Management Plan is the fundamental driver of flood protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Okuru Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Okuru community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Okuru Rating District



### 4.0 Okuru Rating District Background

In early 1998, the West Coast Regional Council was asked by local ratepayers to come up with a proposal to protect the western area of the township from the Okuru River.

The Council's first proposal, incorporating one large spur groyne, situated at right angles to the channel flow, was presented to a special public meeting at Okuru on Saturday 28 February 1998. This proposal was estimated to cost in the vicinity of \$100,000 (G.S.T. Exclusive).

A questionnaire was consequently sent out to all ratepayers in the area, seeking support, or otherwise of the proposal and the funding option preferred in the situation where a special rating district was set up and the proposed works proceed. The results of the questionnaire were that 77% of the ratepayers were in favour of proceeding, and as a result the Okuru Rating District was set up and adopted by Council on 9 June 1998 covering both capital and maintenance works.

Resource consent was applied for to carry out the construction of a large groyne. This met with 3 objections. The main concern of the three objectors was the short-term nature of the groyne proposal. In order to resolve these objections, major modifications had to be made in the Council's approach to the problem. The resultant compromise was the proposal to construct smaller rock spurs, at intervals along the eroding riverbank.

The West Coast Regional Council then had to apply for a coastal permit to the Minister of Conservation. The Coastal permit was approved by the Minister of Conservation on 11 February 1999. Subsequently, the erosion threat eased due to the fact that very few flood events had been experienced in the area and the river mouth alignment had alternated north and south along the general Okuru foreshore area.

The Council was faced with two options, either keep a watching brief, or else continue on the construction path and construct the rock spurs to protect the area. This was for the protection from the river only, not for potential sea erosion and meant striking a rate to pay for the immediate river works, estimated at \$100,000 (G.S.T. Exclusive).

A questionnaire was sent out to all ratepayers in June 1999 seeking guidance on the issue. Of a total 48 questionnaires sent out, 23 were in favour of the "watching brief" option and 8 were in favour of continuing with the works.

In early June 2000, the Council was again approached by concerned residents regarding erosion problems. The inspection on 7 June 2000 revealed serious erosion threat to the town area both from the Okuru River, downstream from the Road Bridge and from both the Okuru River and the Tasman Sea on the area west of the township. The West Coast Regional Council, after serious deliberations, arrived at a proposal that would give immediate medium-term protection to the Township both from the river and the sea. The proposal involved:

1. The construction of two large rock spur groynes to reduce the river erosion downstream of the road bridge.
2. The construction of a continuous rock wall, from the township access road along the eroding coastline, for a distance of approximately 500 metres to combat sea erosion.
3. The construction of approximately eight spurs spaced at 50 metre intervals along the eroding coastline to combat river erosion.

The cost of this proposed level of increased protection was estimated to be approximately \$200,000 (G.S.T. Exclusive).

The Council felt that this was the minimal amount of protection required in order to give the Okuru Township a reasonable level of protection under the then current situation. It was explained that further annual maintenance may be required in the future.

A further questionnaire was sent out to all ratepayers with the Council recommendation that the works proceed with urgency. Of the 48 questionnaires sent out 31 were returned. And of these 29 were in favour of the works proceeding and 2 were against any works proceeding.

It was therefore recommended to Council, that the works as outlined, estimated at \$200,000 (G.S.T. Exclusive) be approved for implementation at the earliest possible time and that recoveries of the funding be approved through either a Lump Sum contribution or a 5 year local authority loan arrangement. This was approved by Council.

Tender documents were prepared, and the contract advertised and closed on 18 August 2000. The successful tenderer was Colin Thompson Contracting Ltd with the final cost of the job being \$164,174 (G.S.T. Exclusive). The works involved:

- a) Stopbanking – 17,450 tonnes of quarry rubble and 9,000 tonnes of clean rubble.
  - b) Construction of 2 rock spurs on the Okuru River 1,750 tonnes of rock.
  - c) Construction of 12 x 80 tonnes spurs 960 tonnes of rock.
  - d) Excavate toe and lay fabric over 650 metres 4,000 tonnes of rock
  - e) Place running course on top of completed wall 500m<sup>3</sup> of gravel.
- The placing of filter fabric under the rock armouring Over 690 metres.

## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	10,010	Tonne	\$44.20
Fill	17,925	m <sup>3</sup>	\$26.00
Rubble	9,260	Tonne	\$15.20
Running course	530	m <sup>3</sup>	\$43.00
Filter fabric	5,250	m <sup>2</sup>	\$12.68
<b>Asset Value</b>			<b>\$1,138,604.00</b>
<i>On-costs (15%)</i>			<i>\$170,790.60</i>
<i>Resource Consents (2%)</i>			<i>\$26,187.89</i>
<b>Assets Replacement Cost</b>			<b>\$1,335,582.49</b>



## 5.2 Asset Map



## 6.0 Existing Standard

The seawall has been designed to handle the historically observed tidal fluctuations and surge patterns of the Tasman Sea in the vicinity. The scheme structures will be maintained to the dimensions that they were originally constructed.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

The objectives of the Okuru Rating District are:

- (a) To reduce bank erosion on the right bank of the Okuru River between the State Highway and 1250 metres downstream.
- (b) To reduce further erosion encroachment on the Tasman Sea frontage of the Okuru Township.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Okuru Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.



### 6.3 Damage and Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$1,335,582	5%	\$66,779	\$66,779	100%
5%	\$1,335,582	10%	\$133,558	\$93,491	70%
2%	\$1,335,582	20%	\$267,116	\$133,558	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$100,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Council's private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance, or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or 0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- Preparation of an annual works programme and corresponding budget.
- Adoption of the annual works programme and budget.
- Discussion of the works report and budget with the ratepayers.
- Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the sea/river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### **7.2 Damage Repairs**

Routine damage repairs are funded by a combination of:

- Carrying out work as scheduled in annual works programme.
- Reprioritising works identified in the annual works programme.
- Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.





## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section breach profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

## 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.





THE WEST COAST  
REGIONAL COUNCIL

# Punakaiki Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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## 1.0 Purpose of this Document

The purpose of this document is to summarise the management philosophy that is applied to the Punakaiki Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Punakaiki Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Punakaiki protection scheme.
- Convey the long-term strategy for the management of the Punakaiki Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## 2.0 Asset Management Objectives

West Coast Regional Council recognises that the Punakaiki Asset Management Plan is the fundamental driver of erosion and inundation protection for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Punakaiki Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Punakaiki community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.



### 3.0 Punakaiki Rating District



### 4.0 Punakaiki Rating District Background

As a result of concerns expressed at the continued deterioration of the existing “sacrificial protection bund” erected by the Buller District Council on the Punakaiki Foreshore, the Punakaiki Management Group convened a meeting on 11 February 2004 at Punakaiki.

The meeting comprising of representatives from: the Buller District Council, the West Coast Regional Council, the Punakaiki Management Group, the ratepayers, Electronet Services, the Department of Conservation and Transit NZ discussed the issues and decided to approach the West Coast Regional Council to prepare preliminary designs, costings and a rating mechanism in order to facilitate discussions with local ratepayers to determine the future direction of the protection of the Punakaiki Township area.

The Council’s first proposal, incorporating a rock armoured seawall, situated along the eroding foreshore area from the State Highway in the south to 240 metres north of Owen Street (the Camping Ground area), a distance of 980 metres, was presented to a special public meeting at Punakaiki June 2004. This proposal was estimated to cost in the vicinity of \$800,000 (G.S.T. Exclusive).

The ratepayers’ share would be approximately \$581,700.

A capital value – based rating district was suggested as a possible funding initiative.

A questionnaire was consequently sent out to all ratepayers in the area, seeking support, or otherwise of the proposal and the funding option preferred in the situation where a special rating district was set up and the proposed works proceed. The result of the questionnaire was that 18 were against, 14 for and 6 failed to respond.

As a result of the questionnaire indicated that more ratepayers were opposed to the proposal and no further work was carried out in the interim.

Severe storms further eroded the Punakaiki Township sea frontage over the next 6 months, initiating urgent remedial action.

Council in April 2005 instructed staff to urgently reappraise the situation and as a result a modified proposal including a reduction in length, a reduction in height and the use of rock from the Strongman Mine area was drawn up.

The new reduced proposal covered an area from the southern end of Dickinson Parade in the south to Owen Street in the north. The reduced height allowed for the “topping up” by 1 metre, if required, in the future.

The revised design and rock source resulted in a 41% reduction in ratepayer cost from \$581,700 to an estimated \$342,000.

A proposed rating differential of 100: 60: 20 (Class A: Class B: Class C) was promoted as being a fairer ratio, considering ratepayers’ perception of the reflection of the erosion threat weightings.

A major storm event occurred in the period 27 – 31 May 2005, resulting in further increased serious erosion of the foreshore area.

As a result of the questionnaire, out of a possible 39 properties 78.13% of valid votes cast were in favour. The 10 year Loan Option was the preferred method of funding the initial capital works. As a result, the Punakaiki Rating District was set up and adopted by Council on 9 August 2005. The work was carried out by Ferguson Industrial Division Ltd and was completed at a final cost of \$434,472.

A retrospective resource consent was applied for by the Buller District Council to carry out the construction of the works. This covered the area plus a possible extension to the north to protect the Camping Ground in the future if required.

In 2017, due to severe erosion along the frontage of the Camping Ground that was threatening the camp’s effluent disposal field, the 210m long northern extension of the seawall was completed.

## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	39,906	Tonne	\$69.00
Rubble	3,179		\$37.00
Fill	17,210	m <sup>3</sup>	\$64.00
Top Course	320		\$73.71
Bedding gravel	9,100		\$25.34
Filter fabric	13,260	m <sup>2</sup>	\$12.68
<b>Asset Value</b>			\$4,394,895.00
<i>On-costs (15%)</i>			\$659,234.25
<i>Resource Consents (2%)</i>			\$101,082.59
<b>Replacement Cost</b>			<b>\$5,155,211.84</b>
<b>Depreciating Assets</b>			
Culverts			\$1,313.76
<b>All Assets Replacement Cost</b>			<b>\$5,156,525.60</b>
As at 1 July 2023			

## 5.2 Asset Map





## 6.0 Existing Standard

The seawall built in 2005 has been designed to handle the historically observed tidal fluctuations and surge patterns of the Tasman Sea in the vicinity. The scheme structures will be maintained to the dimensions that they were originally constructed.



A seawall fixes the position of the land sea boundary and provides some protection to the land behind from severe inland flooding from major storms and large waves. The main functional elements of a seawall are the elevation of the structure to minimise overtopping, and the armoured face to minimise erosion. The weight and shape of the structure provides the required stability.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of asset condition.

The objective of the Punakaiki Rating District is to reduce erosion on the coastal frontage of the Punakaiki Township between the southern end of Dickinson Parade and the Punakaiki Beach Camp in the north over a distance of 650 metres.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Punakaiki Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

### 6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

The maximum damage potential must be considered to be the total loss of the wall in a major event because it is not possible to determine return periods for coastal storms.

Seawalls are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy, whilst fixing the land sea boundary. Depending on the volume of sand build up or depletion in front of the seawall, it is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential (seawall only) was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$5,155,212	5%	\$257,761	\$257,761	100%
5%	\$5,155,212	10%	\$515,521	\$360,865	70%
2%	\$5,155,212	20%	\$1,031,042	\$515,521	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

#### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council’s debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the ‘prudent reserve’ for this rating district is \$200,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council’s insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the sea, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### **7.2 Damage Repairs**

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location and costs.	No reports of stopbanks or erosion protection works requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional rock placed on stopbanks and bank protection works over the three year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

## 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



# Raft Creek Rating District 2023-2026 Asset Management Plan

West Coast Regional Council

388 Main South Road  
Greymouth  
7805



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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Raft Creek Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Raft Creek Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Raft Creek drainage scheme.
- Convey the long-term strategy for the management of the Raft Creek Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

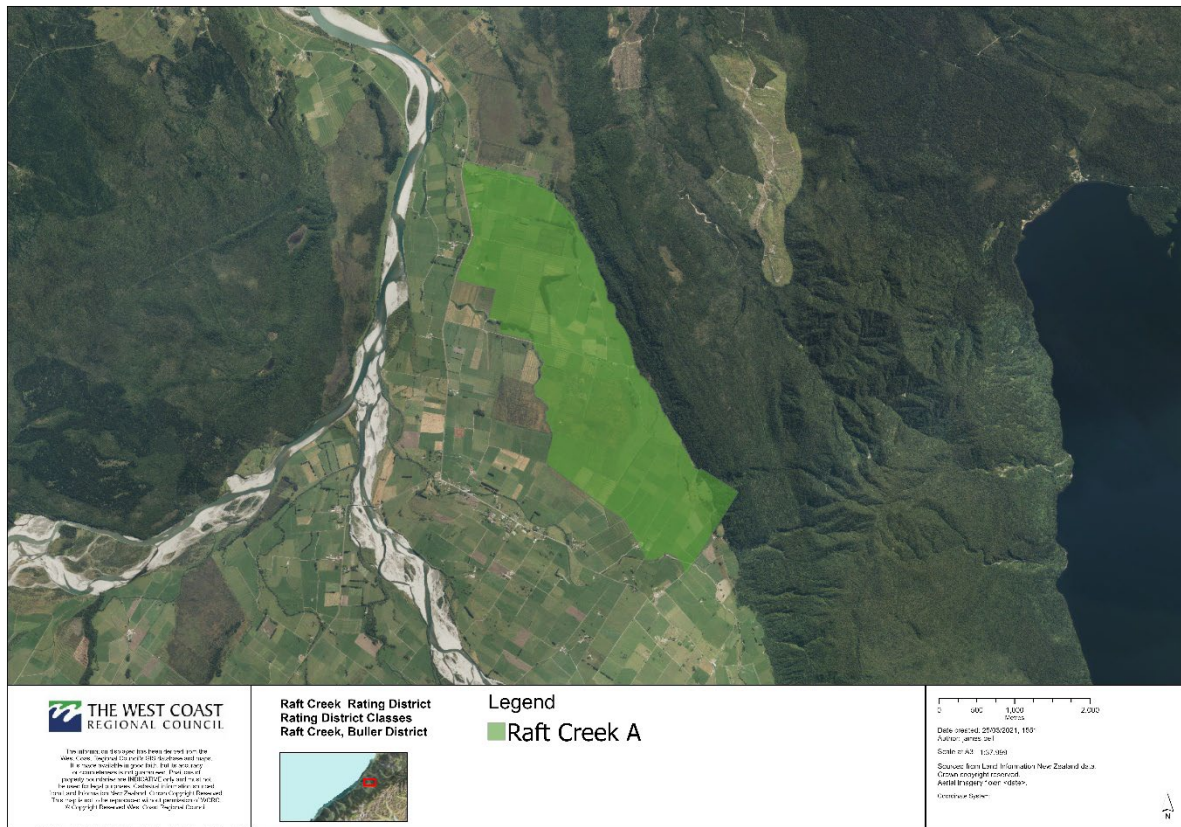
West Coast Regional Council recognises that the Raft Creek Asset Management Plan is the fundamental driver of drainage and infrastructure for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Raft Creek Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Raft Creek community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Raft Creek Rating District



#### 4.0 Raft Creek Rating District Background

In 1959 the Westland Catchment Board was investigating the drainage of the swampy area Lower Kokatahi surrounding Raft Creek. Originally it was proposed to develop a scheme to drain the whole area, including the deep peat swamp in the middle. However, an economic report prepared by the Department of Agriculture suggested the deep peat swamp areas would not be economic for dairying.

The estimated cost of the whole scheme had been \$35,200; while the partial scheme opted for was costed at \$22,200. The scheme classification was adopted by the Westland Catchment Board on 26 September 1960.

The original creek channel was designed at the annual flood level. The design flow for the lower section of the creek was 23.48 cumecs.

In November 1961, the major excavation of Raft Creek was completed. This involved 62,500 m<sup>3</sup> of excavated material and cost \$12,776. In 1962, 23,000 cubic metres of excavated material was removed. In September 1962, the Commissioner of Crown Lands requested an extension to the existing scheme. In 1963 further drainage construction took place, involving 61,000 cubic metres.

Minor clearing works were carried out between 1963 and 1981.

At a Special Meeting of the Rating District held in April 2002, a new classification based on land area, was presented to all ratepayers. It was resolved: "That a new Raft Creek Rating District classification, based on a land area basis, as presented, covering the maintenance of the main Raft Creek channel, be adopted." The Council ratified this decision on 10 July 2002.

## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rubble	2,508	Tonne	\$27.00
Drain	119,420	m <sup>3</sup>	\$8.00
<b>Asset Value</b>			<b>\$1,023,076.00</b>
<i>On-costs (15%)</i>			<i>\$153,461.40</i>
<i>Resource Consents (2%)</i>			<i>\$23,530.75</i>
<b>Total Asset Value</b>			<b>\$1,200,068.15</b>
As of 1 July 2023			



5.

5.2 Asset Map



The information displayed has been derived from the West Coast Regional Council's GIS database and maps. It is made available in good faith, but its accuracy or completeness is not guaranteed. Positions of property boundaries are INDICATIVE only and must not be used for legal purposes. Cadastral information sourced from Land Information New Zealand. Crown Copyright Reserved. This map is not to be reproduced without permission of WRCRC. © Copyright Reserved: West Coast Regional Council

**Raft Creek Rating District  
Asset Map  
Kokatahi, Westland**



**Legend**

- Asset\_Lines
- AssetSubtype
  - Riprap (3)
  - Drain (19)

0 220 440 880  
Metres

Date created: 11/03/2021, 0823  
Author: james.bell  
Scale at A3: 1:14,856

Sourced from Land Information New Zealand data.  
Crown copyright reserved.  
Aerial imagery flown <date>

Coordinate System:

Document Path: X:\ArcMap\PROJ\ECT\GIS\Asset Database 062019\Asset Database 062019.aprx

**Note: Not all assets have been added to the asset map due to having no spatial data to represent them at this current time.**

## 6.0 Existing Standard

The sections of creeks built in 1960 were designed to contain a flood of 23.5 cumecs at that time estimated to be a 50-year return flood. No updates of this information have occurred since.

The rating district has decided that they do not wish to have any flood flow analysis undertaken to quantify the flood flow capacity of the creeks and drains. Given that there has been no analysis carried out the scheme structures will be maintained to the dimensions that they were originally constructed.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

The objective of the Raft Creek Rating District is to maintain existing creeks and drains included in the scheme to their original design specifications.

## 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Raft Creek Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

The maintenance of the Raft Creek Scheme can be broken into two areas: Creek Maintenance and Drainage Maintenance.

### Creek Maintenance

Creek maintenance includes the excavation of creek bed build up, and the removal of vegetation from within and around waterways to allow the fast passage of flood flows to prevent overtopping of creek banks.

### Drain Maintenance

Drains are required to be cleaned out on a regular basis to maintain their original design capacity as per the plan specifications as well as the repair of any damage to bank batters.

## 6.3 Damage and Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$1,200,068	5%	\$60,003	\$60,003	100%
5%	\$1,200,068	10%	\$120,007	\$84,005	70%
2%	\$1,200,068	20%	\$240,014	\$120,007	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.



## 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$30,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan, or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Council's private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance, or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## 7.0 Funding

### 7.1 Maintenance

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where drains are damaged, their flow impeded or the creek is under direct attack or damaged, the protective works ~~rock is required to be placed on an existing infrastructure under direct attack from the sea, the protection~~ required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### 7.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of channel or creek requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options. – If Required.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional excavation and channel clearance and bank protection works over the three-year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

### 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



# Redjacks Creek Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Redjacks Creek Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Redjacks Creek Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Redjacks Creek scheme.
- Convey the long-term strategy for the management of the Redjacks Creek Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

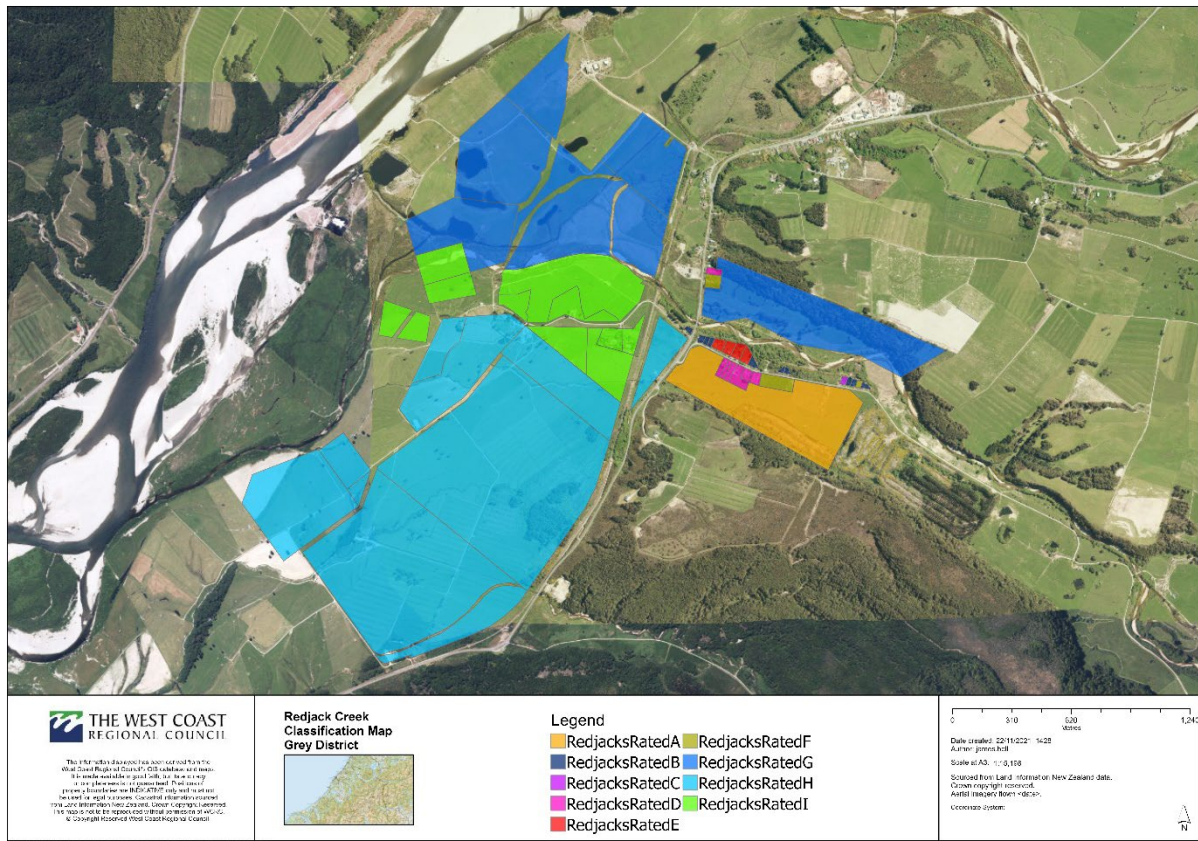
West Coast Regional Council recognises that the Redjacks Creek Asset Management Plan is the fundamental driver of drainage and infrastructure for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Redjacks Creek Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Redjacks Creek community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Redjacks Creek Rating District



### 4.0 Redjacks Creek Rating District Background

Prior to 1945 little is known about the flooding problems associated with the Redjacks Creek area; however, it has been established that the area was susceptible to flooding periodically.

On 12 October 1945 Federated Farmers expressed concern at the flooding dangers on Redjacks Creek.

Between 1945 and 1949 small works in the form of timber constructed groynes and trees spurs were placed upstream of the Road Bridge.

On 11 March 1949 Redjacks Creek overflowed its banks 300 metres upstream of the Road Bridge and inundated farmland down to the Main Road. At this point the Grey County Council offered to contribute monetarily to any proposed works. At this time the Ministry of Works also expressed concern at the lack of protection offered to the residential subdivision being undertaken by the Department of Lands and Survey in the area.

On 30 May 1949 a letter was received by 14 residents requesting a solution to river overflows.

On 21 April 1950 the Ministry of Works proposed works which involved the construction of 400 metres of stopbanking to be protected by willow plantings out from the stopbank.

On 1 June 1950 the Westland Catchment Board sought approval from locals regarding apportionment of proposed costs i.e., Westland Catchment Board - \$1,100; Grey County Council - \$200; and local contributions - \$200. This offer was rejected by local ratepayers at a meeting held on site on 2 July

1950. Between 1950 and 1953 small works in the form of channel cleanouts occurred. Between 1953 and 1958 realignment work and erosion control works were carried out. Between 1958 and 1963 some bank protection took place by placing anchored trees along eroded banks.

On 13 May 1963 the road access was cut to the mill by flooding. 40 tonnes of rock was utilised to rectify the problem.

In early 1968 another request for an investigation was sought for protection to the right bank upstream of the State Highway Bridge. As a result, the Westland Catchment Board produced a scheme to build stopbanks on the left and right banks of Redjacks Creek upstream of the State Highway Bridge. An estimated cost of \$23,000 utilising National Roads Board subsidy of \$8,000 a Grey County Council share of \$3,000 and a 2:1 subsidy on locally raised funds was proposed.

The works were designed to contain a 50 years return period flood event estimated at 411 cumecs with 0.900 metre freeboard. It was also noted that the whole area had been flooded 5 times prior to 1969. In 1969 the road was closed twice by flooding.

On 14 November 1969 the Soil Conservation and Rivers Control Council approved expenditure of \$25,000.

Robinson Construction carried out the works involving:

- 11,209m<sup>3</sup> of fill on the right bank stopbank
- 12,730m<sup>3</sup> of fill on the left bank stopbank
- 2,350 tonnes of rock rip rap on the right bank.

These works were completed on 9 February 1971.

Between 1972 and 1982 approximately \$12,180 was spent on various works.

The Redjacks Creek Rating District is based on a nine class classification within the Special Rating Area, and funds works on both sides of the creek upstream and downstream of SH7. The original scheme classification was adopted in 1986 by the Westland Catchment Board, and then revised in 1993 by the West Coast Regional Council due to a legal problem with levying the same amount per household as it was originally designed, as the law required the rate assessments to be based on either capital values, the land values, or the land areas of the properties concerned. Consultation with the community was via a meeting at the Ngahere Fire Station in January 1993 where recommendations to the proposed revision were made by the affected ratepayers.

The proposed revision was then put to Council and passed via Special Order in February 1993. The statement to justify the change in classification was that the proposed revision of the differential rating had been prepared taking into account the relative benefit accruing to properties from the maintenance of the Scheme, the benefit classification prepared by the Westland Catchment Board in 1986, and the expressed wishes of the affected ratepayers. There were no submissions received on

the proposed revision and it was therefore passed via Special Order and confirmed at the meeting of the Council in April 1993.

A review of the classification was again undertaken by the West Coast Regional Council in 2012. The review was intended to assess whether changes should be made to the Special Rating Area, and/or classification. The review recommended a one class classification system, and an increase to the rating district boundary area that would reflect the impact of and involvement with principal stakeholders Grey District Council, NZTA and KiwiRail. The effect of the recommendations would be to increase the property base from approximately 31 ratepayers to 52 ratepayers; that, combined with agreements with utility holders, would decrease rates substantially. The proposed changes were put to the community 2013 but were rejected by the affected landowners, so to date, the 1993 classification remains in place.

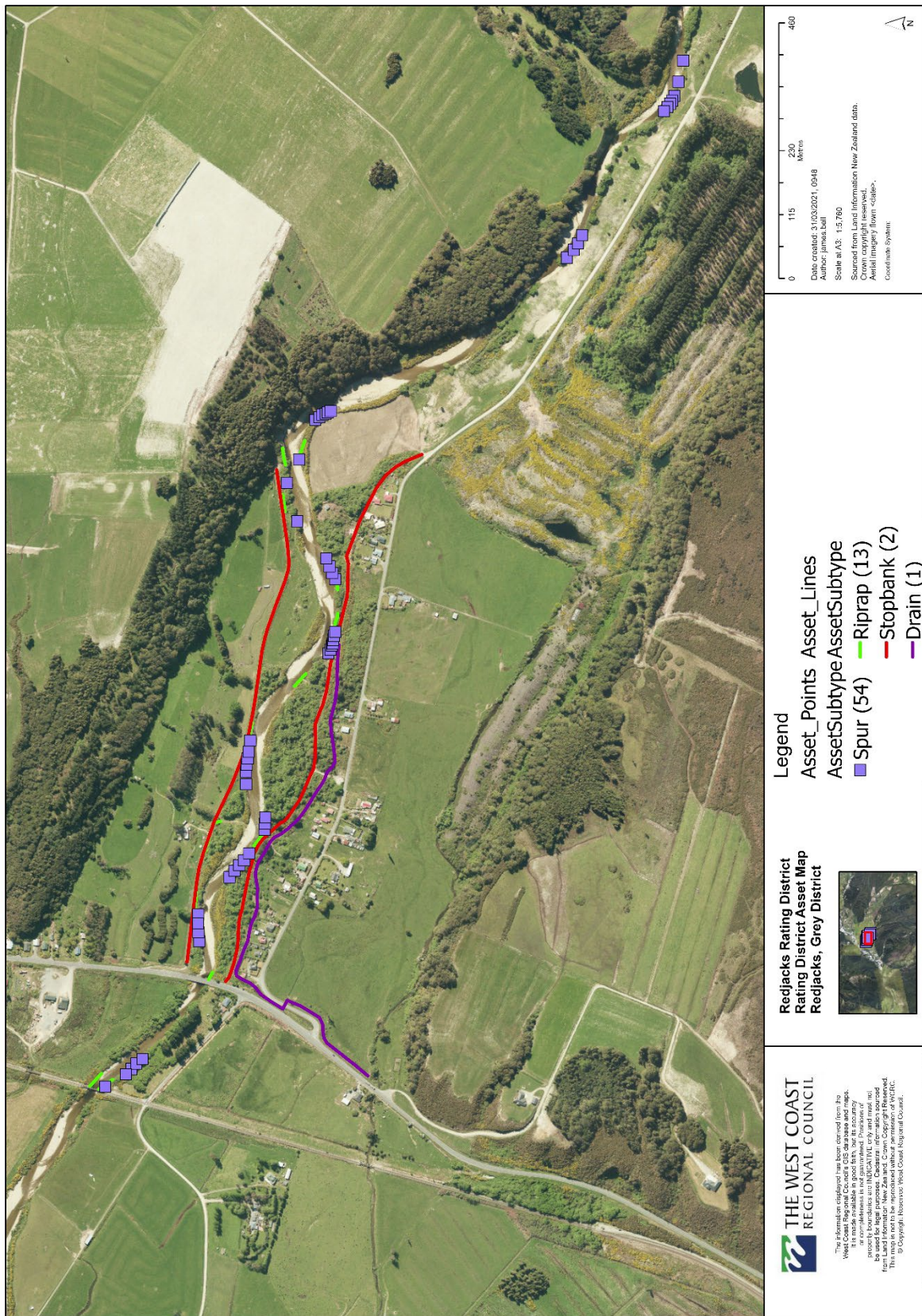
## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	9,518	Tonne	\$62.00
Fill	31,500	m3	\$26.00
Excavation	6,750		\$8.00
<b>Replacement Cost</b>			<b>\$1,463,116.00</b>
<i>On-costs (15%)</i>			<i>\$219,467.40</i>
<i>Resource Consents (2%)</i>			<i>\$33,651.67</i>
<b>All Assets Replacement Cost</b>			<b>\$1,716,235.07</b>





## 5.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them at this current time.**

## 6.0 Existing Standard

The objective of the Redjacks Creek Rating District is to reduce bank erosion and flooding over the length of the scheme.

There have been a mix of design standards during the life of this scheme. The original stopbanks were built 900mm above the highest known flood. After 1986, sections of stopbank were built to contain a flood of 411 cumecs which at that time was estimated to be a 1 in 50-year return period flood.

The Council have suggested that an analysis be commissioned to quantify the actual level of protection that the scheme currently provides. In 2021 the rating district decided that they do now wish to have an analysis undertaken to quantify the current level of service. Cross sectional survey was undertaken in 2023 and a hydrological analysis will be carried out once LiDAR information is available for the Redjacks catchment area.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Redjacks Creek Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.



### 6.3 Damage Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$1,716,235	5%	\$85,812	\$85,812	100%
5%	\$1,716,235	10%	\$171,624	\$120,136	70%
2%	\$1,716,235	20%	\$343,247	\$171,624	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

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Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
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## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

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Routine damage repairs are funded by a combination of:

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Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

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Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.

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The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

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The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

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Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

#### 7.6 Cost Sharing

A cost-sharing agreement was negotiated with the Grey District Council in 2014. The Grey District Council resolved to contribute \$2,000 (plus GST) per year to the Scheme.



## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of channel or creek requiring repairs without an agreed programme of remedial work in progress.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional excavation and channel clearance and bank protection works over the three-year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

## 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

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# Taramakau Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

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## **2.0 Asset Management Objectives**

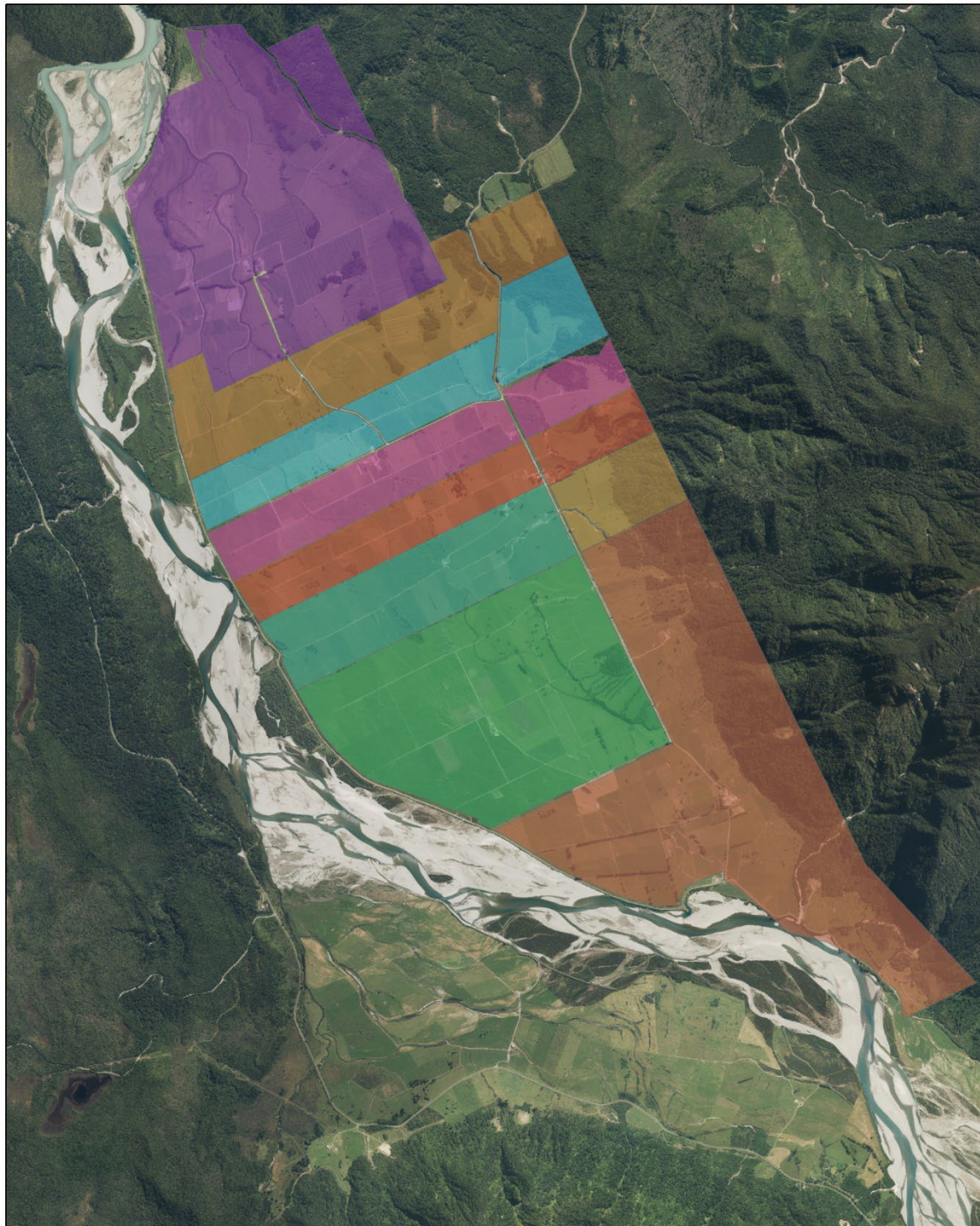
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- Meet the service expectations of the Taramakau community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Taramakau Rating District



 <p><b>THE WEST COAST REGIONAL COUNCIL</b></p> <p><small>The information displayed has been derived from the West Coast Regional Council's GIS database and maps. It is made available in good faith, but its accuracy or completeness is not guaranteed. Portions of property boundaries are INDICATIVE only and must not be used for legal purposes. Cadastral information sourced from Land Information New Zealand. Crown Copyright Reserved. This map is not to be reproduced without permission of WCRCL. © Copyright Reserved: West Coast Regional Council.</small></p>	<p><b>Taramakau Rating District Asset Management Map</b> Taramakau, Grey District</p> 	<p><b>Legend</b></p> <p>SRA</p> <table border="0"> <tr> <td><span style="color: green;">■</span> Taramakau A</td> <td><span style="color: brown;">■</span> Taramakau E</td> <td><span style="color: tan;">■</span> Taramakau H</td> </tr> <tr> <td><span style="color: teal;">■</span> Taramakau B</td> <td><span style="color: blue;">■</span> Taramakau F</td> <td><span style="color: yellow;">■</span> Taramakau I</td> </tr> <tr> <td><span style="color: orange;">■</span> Taramakau C</td> <td><span style="color: red;">■</span> Taramakau G</td> <td></td> </tr> <tr> <td><span style="color: purple;">■</span> Taramakau D</td> <td></td> <td></td> </tr> </table>	<span style="color: green;">■</span> Taramakau A	<span style="color: brown;">■</span> Taramakau E	<span style="color: tan;">■</span> Taramakau H	<span style="color: teal;">■</span> Taramakau B	<span style="color: blue;">■</span> Taramakau F	<span style="color: yellow;">■</span> Taramakau I	<span style="color: orange;">■</span> Taramakau C	<span style="color: red;">■</span> Taramakau G		<span style="color: purple;">■</span> Taramakau D			<table border="1"> <tr> <td>0</td> <td>375</td> <td>750</td> <td>1,500</td> </tr> <tr> <td colspan="4" style="text-align: center;">Metres</td> </tr> <tr> <td colspan="4">Date created: 15/09/2021, 0927</td> </tr> <tr> <td colspan="4">Author: james.bell</td> </tr> <tr> <td colspan="4">Scale at A3: 1:25,000</td> </tr> <tr> <td colspan="4">Sourced from Land Information New Zealand data. Crown copyright reserved. Aerial imagery from &lt;date&gt;</td> </tr> <tr> <td colspan="4">Coordinate System:</td> </tr> </table>	0	375	750	1,500	Metres				Date created: 15/09/2021, 0927				Author: james.bell				Scale at A3: 1:25,000				Sourced from Land Information New Zealand data. Crown copyright reserved. Aerial imagery from <date>				Coordinate System:			
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### 4.0 Taramakau Rating District Background

The Taramakau Settlement was opened after World War II in 1949. There were 9 settlers on dairy farms contributing to works and each of these farms had a river frontage and suffered serious erosion prior to the construction of the groyne (stone-basket strongpoint) built in mid-1940 (Langridge's hook groyne). A total of 2,640 tonnes of rock riprap was placed in 1949. The strongpoint however, was still in a dangerous state. Floods in June and October 1949 further damaged the groyne. An estimate of \$5,130 was proposed for the supply of 2,400 tonnes of rock.

The total area protected was 1,500 hectares with a capital value of \$27,730.

In May 1950 a stopbank (50 metres in length) built behind the strongpoint was destroyed. This bank prevented flood overflows from taking an old course along the settlement frontage.

In 1952 an estimate was prepared to repair 1 downstream farm frontage (A length of 200 lineal metres).

A report completed on 21 January 1955 indicated works involved 24,647m<sup>3</sup> on stopbanking, and 2,300 tonnes of rock were required to protect the uppermost areas of the district.

Widespread flooding on 26 and 27 December 1958 caused extensive damage and required a reappraisal of bank heights in the Taramakau area.

In 1960 NZ Soil Conservation and River Controls Council was approached to fund works (i.e. 1,000 tonnes of rock) to top up the main groyne.

The Taramakau Settlement Separate Rating area was first proposed by the Westland Catchment Board on 10 April 1962. The first rates were struck on 22 July 1962. The rates were based on an area basis.

In October 1968, the bottom property (Shaw) underwent erosion. A proposal to build a rail and willow retard 1,080 metres long was estimated to cost \$6,400.

On 16 August 1972 a report was sent to the Commissioner of Works. This report outlined an overall protection scheme for the Taramakau River between Pugh's Hook and the bottom gorge. This scheme had been discussed with all farmers on both the left and right banks. The agreement, in principal included stopbanking, hook groynes, and riprap protection. The estimated total cost of the overall scheme was \$284,000.

The first works proposed involved 5,000 tonnes of rock rip rap, 10,300<sup>3</sup> of stopbanking and opening up a new quarry.

On 22 May 1972, the Taramakau River was in danger of breaking through the bank. Urgent repairs were carried out – (\$16,000). At a meeting of farmers and Westland Catchment Board representatives it was resolved to produce an overall scheme proposal as soon as possible.

In February 1977, 2700 tonnes of rock was utilised on the top section of the stopbank (Langridge/Gluyas). This was placed as rip rap.

In 1977 a revised scheme covering 12.2 kilometres from the Pugh and McGrath Hook at Turiwhate to the bottom of the Taramakau Settlement was estimated at \$360,000. The scheme was designed to provide flood protection for a 50-year return period flood. The flood design discharge was 4,400



cumecs. The stopbanks were designed to have a freeboard of 0.900 metre above the design flood level.

The proposed works included:

- i. 7.3 kilometres of stopbanking on the right bank – 250,000m<sup>3</sup>
- ii. 5 new rock retards
- iii. rock rip rap along both banks

In 1978, 3,297 tonnes of rock was utilised on Langridge’s and Templeton’s properties.

In 1980, 1,540 tonnes was placed in the same area.

On 24 December 1981 the NZ Soil Conservation and Rivers Control Council approved funding for the Taramakau River Scheme at an estimated cost of \$846,000 with a 70% subsidy rate. Work had to commence by December 1983. The Scheme work was carried out over a 10-year period.

A classification was presented to ratepayers on 17 February 1983 and adopted by the Westland Catchment Board on 28 May 1984.

On 20 August 1985 the major works on the Taramakau Scheme were completed. This major contract involved 120,400m<sup>3</sup> of stopbanking, and 21,126 tonnes of rock (total cost \$255,740).

The Westland Catchment Board purchased Milson’s Island from Colin Stewart on 5 June 1985 for \$380.00. This was gazetted on 17 April 1986. This land was purchased to allow the small overflow diversion to be constructed through the property.

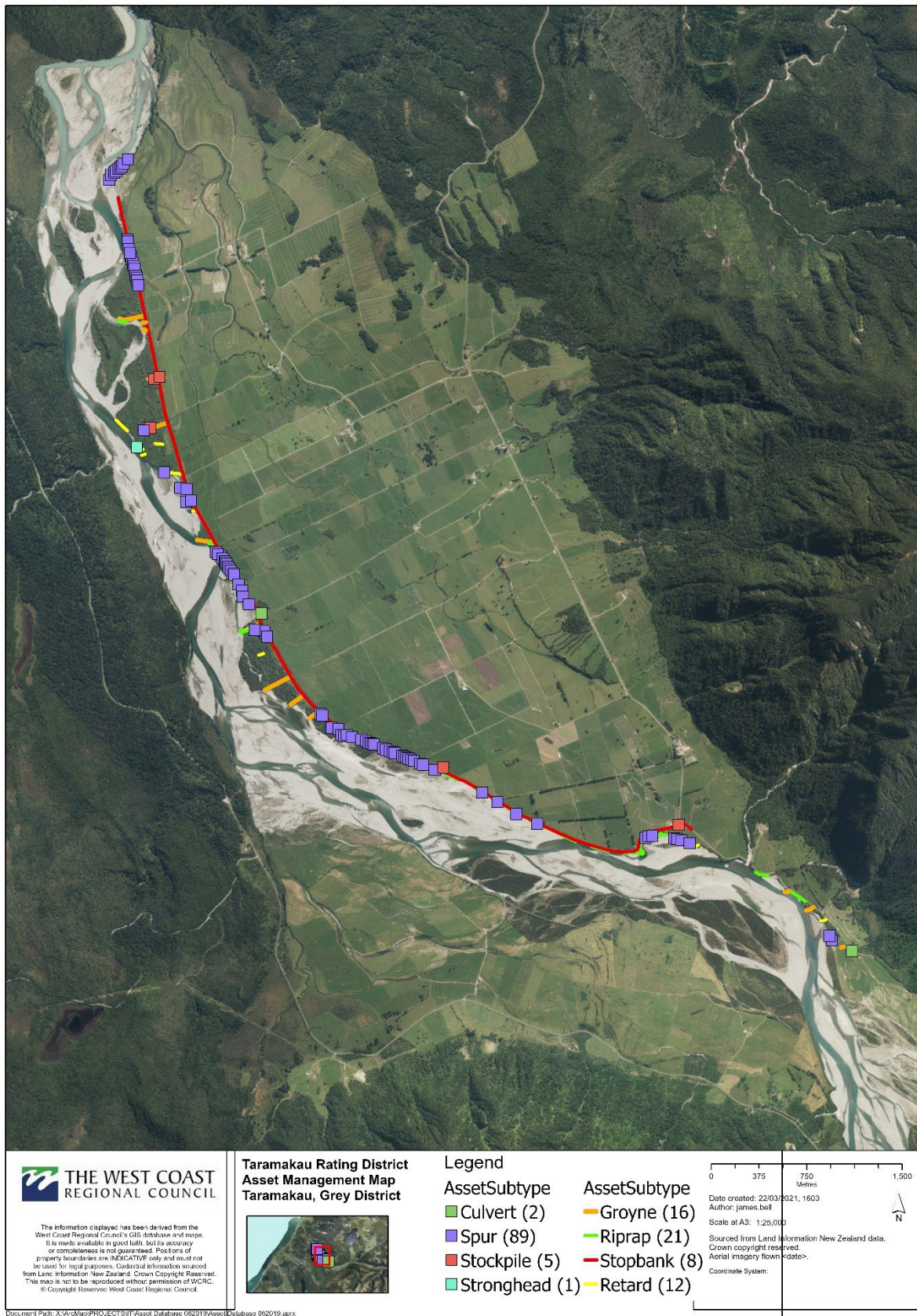
At the ratepayers’ request, a new classification was promulgated and adopted by the West Coast Regional Council on 18 May 1993.

It is an area-based maintenance and capital rating district.

## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	207,972	Tonne	\$27.50
Rubble	6,645		\$24.57
Stockpiled rock	3841		\$27.50
Fill	513,002	m <sup>3</sup>	\$26.00
Top Course	115	M3	\$34.58
Excavation	6000	M3	\$8.00
<b>Asset Value</b>			<b>\$19,378,153.85</b>
<i>On-costs (15%)</i>			<i>\$2,906,723.08</i>
<i>Resource Consents (2%)</i>			<i>\$445,697.54</i>
<b>Replacement Cost</b>			<b>\$22,730,574.47</b>
<b>Depreciating Assets</b>			
Culverts			\$124,857.26
<b>All Assets Replacement Cost</b>			<b>\$22,855,431.73</b>

## 5.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**

## 6.0 Existing Standard

Cross-section and flood flow analysis undertaken for the Taramakau scheme indicates that approximately 70% of the main stopbanks are not capable of containing 4,100 cumecs, which is the 2008 estimate of the 1 in 50-year return period flood with 900mm freeboard. The rating district has accepted that there is a need to increase the level of protection and are considering raising its height in the medium to long term.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

The objective of the Taramakau Rating District is to reduce bank erosion and flooding along the upper and lower sectors of the Taramakau River Scheme.

Cross-section and flood flow analysis undertaken for the Taramakau scheme indicates that approximately 70% of the main stopbanks are not capable of containing 4,100 cumecs, which is the 2008 estimate of the 1 in 50-year return period flood with 900mm freeboard. The rating district has accepted that there is a need to increase the level of protection afforded by the stopbank and are considering raising its height in the medium to long term.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Taramakau Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.



- Works anticipated as being required given a ‘normal’ season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

### 6.3 Damage Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$22,855,432	5%	\$1,142,772	\$1,142,772	100%
5%	\$22,855,432	10%	\$2,285,543	\$1,599,880	70%
2%	\$22,855,432	20%	\$4,571,086	\$2,285,543	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council’s debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the ‘prudent reserve’ for this rating district is \$500,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan, or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council’s insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance, or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### **7.2 Damage Repairs**

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse.
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of channel or creek requiring repairs without an agreed programme of remedial work in progress.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional excavation and channel clearance and bank protection works over the three-year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

### 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.





# Vine Creek Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805



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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Vine Creek Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Vine Creek Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Vine Creek scheme.
- Convey the long-term strategy for the management of the Vine Creek Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

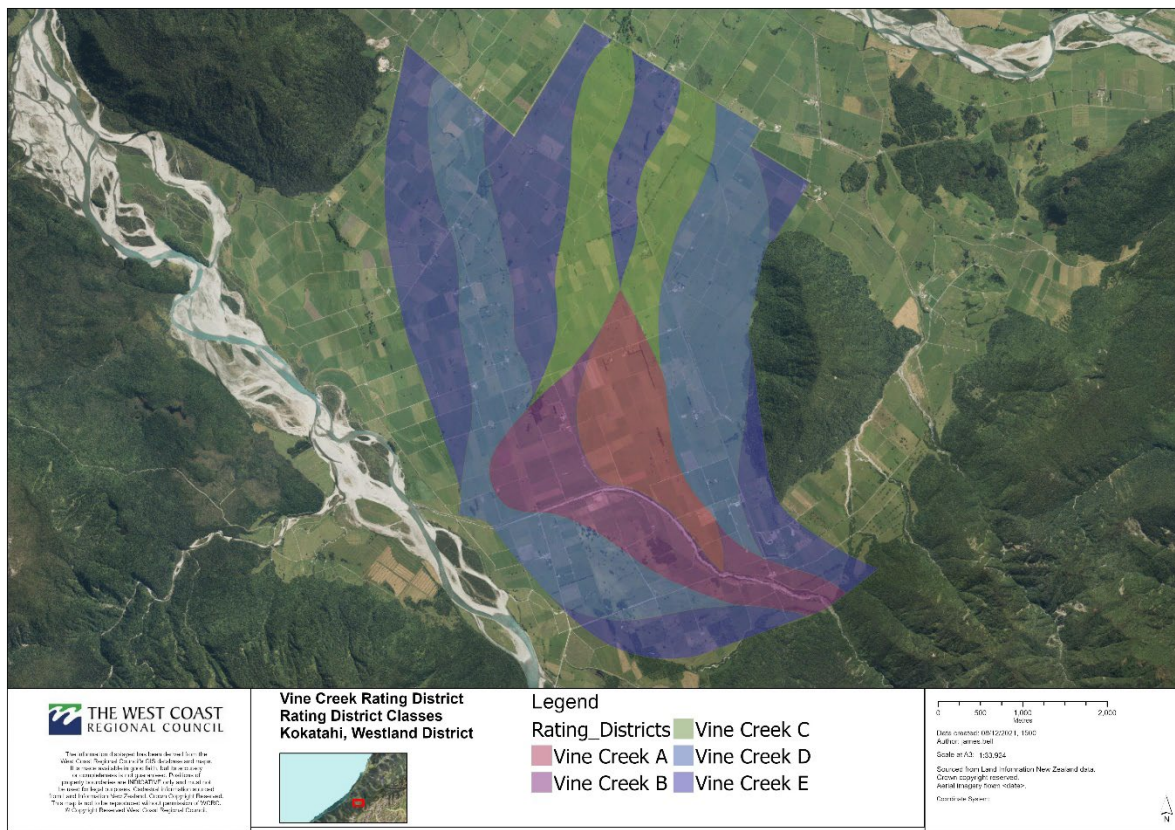
West Coast Regional Council recognises that the Vine Creek Asset Management Plan is the fundamental driver of drainage and infrastructure for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Vine Creek Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Vine Creek community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Vine Creek Rating District



### 4.0 Vine Creek Rating District Background

Vine Creek rises on the northern slopes of the Diedrichs Ranges and runs out onto the farmed flats of Kowhitirangi. The catchment is steep, ranging from over 1,500 metres to 60 metres above mean sea level over approximately 8 kilometres. The main Alpine Fault crosses the catchment with the result that the creek carries large quantities of detritus from the shatter zone. After leaving the hills, the creek runs out onto a large shingle fan and spreads out on to the flats below. Over the lower part of the fan, the course was quite unstable and meandered widely. Below the fan are three creek systems, namely Harris, Murray, and Lawyer Creeks. These provided the course for Vine Creek over the years, the actual course adopted being dependent on the position of Vine Creek on the fan. These stream systems were inadequate, having been choked up with large quantities of fine schistose material being carried down by Vine Creek, with the result that several properties were suffering severe flooding and frequent silting of pastures.

The Westland Catchment Board recognised this longstanding problem and had been seeking a solution for many years up to 1966. Any permanent solution involved the halting or retarding of a geological process and a remedy could not be found. While the Board was aware that the moving detritus would involve continual and costly maintenance, the Board proposed to divert Vine Creek 2.5 kilometres to the Hokitika River.

The proposed scheme was to excavate a diversion channel along the line of Diedrichs Road Reserve to the Hokitika River. As this would pass through the main Kowhitirangi stopbank, it would be necessary to construct a return bank along the right bank of the new channel (480 metres long).

It was proposed to acquire a 30 metre strip of land on either side of Diedrichs Road to gain an 80 metre strip of land on which to excavate the diversion channel and stockpile spoil. The channel was to be

placed on the south of the road reserve, leaving the remainder of the land for spoil deposition. This changed later due to ratepayer opposition. Above the diversion point it would be necessary to bank off overflows that had been occurring over the right bank for 400 metres above Diedrichs Road Reserve.

The estimated cost of \$36,000 involved the excavation of a diversion channel (6,000m<sup>3</sup>) the construction of 480 metres of stopbanking (10,500m<sup>3</sup>), 600 metres of rock riprap, the acquisition of 10 hectares of land and legal riverbed, survey and fencing costs.

The channel was designed to contain 88 cumecs. It should be noted that with this design discharge, some spread over the left bank would occur. The channel width was to be 10 metres wide with 3:1 batters.

A special rating district was set up on 22 August 1966 based on land value. The final land acquisition took place in 1967. The Vine Creek Diversion Scheme was approved by Soil Council in 1963 and construction began in 1967-1968.

In 1969 erosion damage occurred to the Mount Diedrichs Farm Settlement. An estimated rockwork proposal was costed at \$10,000. Since 1969 extensive rock spurs have been placed along the right bank section and extensive channel clearing operations have been carried out.

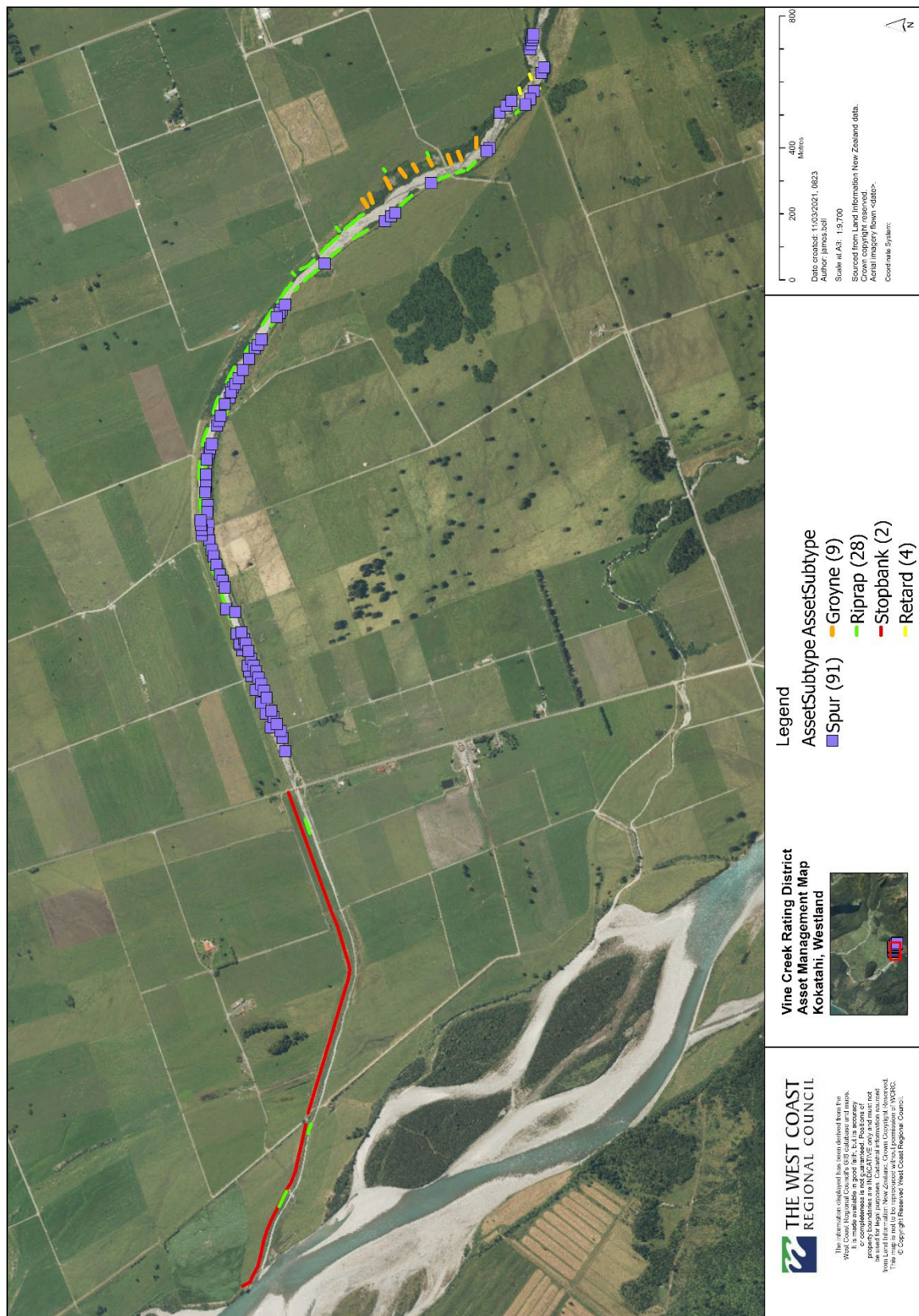
The classification was revised and adopted by the Westland Catchment Board on 24 June 1985. Land Value was used as the Classification base.

## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	31,314	Tonne	\$43.03
Rubble	5,087.12	Tonne	\$13.53
Fill	106,355	m <sup>3</sup>	\$26.00
<b>Asset Value</b>			<b>\$4,181,500.15</b>
<i>On-costs (15%)</i>			\$627,225.02
<i>Resource Consents (2%)</i>			\$96,174.50
<b>Replacement Cost</b>			<b>\$4,904,899.68</b>
<b>Depreciating Assets</b>			
Culverts			\$106,949.45
<b>All Assets Replacement Cost</b>			<b>\$5,011,849.13</b>



## 5.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them at this current time.**

## 6.0 Existing Standard

The historic "Existing Standard" was 300mm above the then 50-year design flood. While new cross sections were measured in 2007, the rating district has not decided yet to have flood flow analysis undertaken to re-quantify the level of protection that the scheme currently provides.

Given that there has been no recent analysis carried out the scheme structures will be maintained to the dimensions that they were originally constructed.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Vine Creek Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

The maintenance of the Vine Creek Rating District can be broken into two zones. Stopbank Maintenance and Erosion Control.



### 6.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$5,011,849	5%	\$250,592	\$250,592	100%
5%	\$5,011,849	10%	\$501,185	\$350,829	70%
2%	\$5,011,849	20%	\$1,002,370	\$501,185	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$150,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan, or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance, or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*

## **7.0 Funding**

### **7.1 Maintenance**

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the creek, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### **7.2 Damage Repairs**

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

### 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.



## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of channel or creek requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional excavation and channel clearance and bank protection works over the three-year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

## 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



# Waitangitaona Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805



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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Waitangitaona Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Waitangitaona Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Waitangitaona scheme.
- Convey the long-term strategy for the management of the Waitangitaona Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

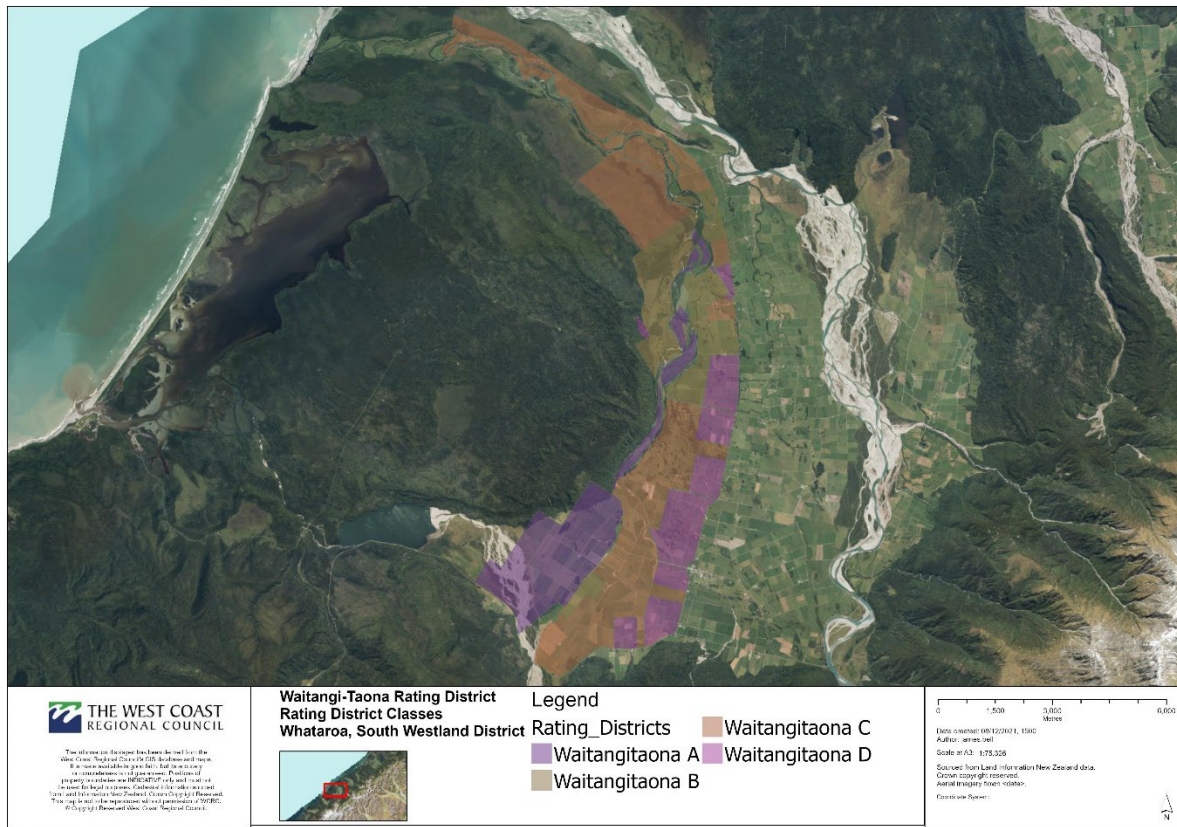
West Coast Regional Council recognises that the Waitangitaona Asset Management Plan is the fundamental driver of drainage and infrastructure for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Waitangitaona Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Waitangitaona community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Waitangitaona Rating District



### 4.0 Waitangitaona Rating District Background

A large slip occurred in the headwaters of the Waitangi-taona River (Gaunt Creek) in the early 1920's. The State Highway Bridge was built at the same time.

In 1931, \$12,000 was provided for the construction of a stopbank along the left bank downstream of the bridge to prevent the main flow of the river from leaving its course and ultimately flowing into Lake Wahapo.

In 1947 a further \$12,300 was spent on raising and extending this bank. The area protected was 500 hectares at peak flood time. Also, in 1947 the road bridge was raised by 1 metre because the waterway had been reduced by 50% due to aggradation from the slip material. The material in some places was higher than the surrounding land.

It was pointed out in 1948 that small scale works would not “tame” the Waitangi-taona River. As a consequence, a request was made to extend the left bank stopbank.

In February 1949, 100 metres of the left bank stopbank was breached. The previously placed willow mattresses held in place with rock and ex World War II torpedo nets were scoured out.

In March 1955 the left stopbank breached over 80 metres. Property, houses, and sheds were flooded. Two further floods partially destroyed the remedial works. 5,500m<sup>3</sup> of fill was required to repair the damage.

In August 1955 a proposal to raise the left bank stopbank to provide a 2-metre freeboard was suggested. Spur groynes (crates) were proposed.

The Westland Catchment Board reported in 1959, that to raise the bank to restore freeboard due to aggradation and carry out full rock protection would cost at least \$63,000.

Also, in 1959 a report to the newspaper pointed out that only 5 farms were bearing the full cost of the works, 2 of which were receiving little or no benefit and to give these 2 farms protection an extension of 3.2 kilometres of stopbank would be required at a cost of \$24,000. This could be doubled if rock work was required for erosion protection. Some questions also arose on a comprehensive river scheme covering the right bank, but this was considered uneconomic at the time (i.e. 12.8 kilometres of stopbank being required costing a considerable sum).

By 1960 the protection works covered:

- (a) The right bank upstream of the bridge (1,040 lineal metres of stopbanking). This was maintained by the Works Department. This work had the effect of realigning the river into a smoother more direct line leading into the State Highway Bridge.
- (b) The left bank below the State Highway Bridge. \$20,000 had been spent on this bank and maintenance was reasonably high due to aggradation.

Severe flooding in March and April 1967 caused a major breach in the left bank stopbank approximately 200 metres below the road bridge. This breach flooded Muir's farm and continued to flow down into Lake Wahapo which rose 3 metres above normal and flooded the main highway. The breach was 220 metres wide and 3 metres high, resulting in Muir's farm being abandoned. Prior to the flood damage occurring an estimate had been prepared to strengthen the bank, but as local interest was not forthcoming the proposal lapsed.

At a public meeting on 11 April 1967, it was decided to approach the Soil Conservation and Rivers Control Council for advice. The flood itself was estimated at a 5-year return period flood.

State Highway 6 was blocked by floodwaters five times in 1967. \$48,000 was spent in the first year on State Highway repairs:

Bank Protection near State Highway bridge	\$4,000
Protecting bridge piles	\$10,000
Richardson Road stopbank	\$6,000
Raising bank at Lake Wahapo	\$15,000
Restoration and protection below Lake Wahapo Outlet	\$5,000
Miscellaneous	\$8,000

A report was commissioned by the Ministry of Works in October 1968. The recommendations were that:

1. The Westland Catchment Board be asked to prepare proposals for a Waitangi-taona River Control Scheme to direct and maintain the Upper Waitangi River on a course through Lake Wahapo.
2. With local approval set in motion the procedure to set up a separate rating area to finance the proposal.

On 24 February 1969, NWASCO advised the Westland Catchment Board "That the new course of the Waitangi-taona River be accepted as a natural feature and the Westland Catchment Board be advised to prepare a scheme proposal for the necessary river control works".

On 16 March 1971 the Westland Catchment Board purchased Mr Muir’s property and on 13 September 1973 a preliminary estimate of \$300,000 was placed on the scheme proposal. The estimate involved 52,000m<sup>3</sup> of fill on the right bank and 96,000m<sup>3</sup> of stopbanking on the left bank. The balance of \$231,000 involved rock work, creek and channel clearing, land acquisition, fencing and control weirs at Lake Wahapo. The work was to be spread over a 15-year period.

In 1976 a revised estimate was proposed. This had the effect of raising the cost to \$472,000.

On 10 November 1982, the majority of ratepayers voted to request the Westland Catchment Board to proceed with a comprehensive scheme. A provisional classification was prepared on 26 April 1983. The Waitangi-taona Special Scheme and classification was adopted by the Westland Catchment Board on 23 May 1983 and approval to proceed with scheme works was approved by the Ministry of Works on the 31 May 1983. The design of stopbanks was based on an 800 cumecs flood event with 900mm freeboard.

With a classification in place a final scheme proposal was forwarded which involved a 3-year construction works programme.

On 19 December 1983 NWASCO approved a 70% subsidy rate for the Waitangi-taona Scheme.

Stage 1 was completed on 14 November 1984. The works involved:

- a. 12,470m<sup>3</sup> of stopbanking;
- b. 2,500 tonnes of rockwork;
- c. 576 tonnes of rubble.

The total cost of \$44,140 completed by H. Langridge & Sons Ltd. Stage 2 involved the completion of right bank scheme works. This was carried out in 1985 and involved the following:

- a. All weather access formation
- b. 3 groynes (240 tonnes)
- c. Rock facing (2,400 tonnes of rock – 2,000 tonnes of rubble)
- d. Extension of stopbank to toe of hill (1,355 metres) 15,500m<sup>3</sup>
- e. 1,500 lineal metres of rear drain

2004 – Construction of a new deflector groyne took place – 190m in length

2009 – The above deflector groyne was extended by 150m

2012 – The above deflector groyne was extended by 300m

2019 - The above deflector groyne was extended by 200m

2023 - The above deflector groyne was extended by 50m

It is important to note that the left bank works are to be maintained solely by NZTA.

## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	40,677	Tonne	\$50.00
Rubble	9,195	Tonne	\$32.50
Fill	136,800	m <sup>3</sup>	\$26.00
Stockpiled rock	980	Tonne	\$50.00
Excavation	6500	M3	\$8.00

<b>Asset Value</b>	<b>\$5,990,487.50</b>
<i>On-costs (15%)</i>	\$898,573.13
<i>Resource Consents (2%)</i>	\$137,781.21
<b>Assets Replacement Cost</b>	<b>\$7,026,841.84</b>



## 5.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them at this current time.**



## 6.0 Existing Standard

Cross-section and flood flow analysis undertaken for the Waitangitaona scheme indicates that it is capable of containing less than 990 cumecs, which is the 2008 estimate of the 1 in 50-year return period flood with 600mm freeboard. The rating district has accepted there is a need to eventually increase the level of protection afforded by the stopbank and are considering raising its height in the medium to long term future.

## 7.0 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

The objective of the Waitangi-taona Rating District is to reduce bank erosion and flooding on the right bank between the State Highway bridge and lower hill of the Waitangi-taona River.

### 7.1 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Waitangitaona Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

## 7.2 Damage Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$7,026,842	5%	\$351,342	\$351,342	100%
5%	\$7,026,842	10%	\$702,684	\$491,879	70%
2%	\$7,026,842	20%	\$1,405,368	\$702,684	50%

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West Coast Regional Council

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## **1.0 Purpose of this Document**

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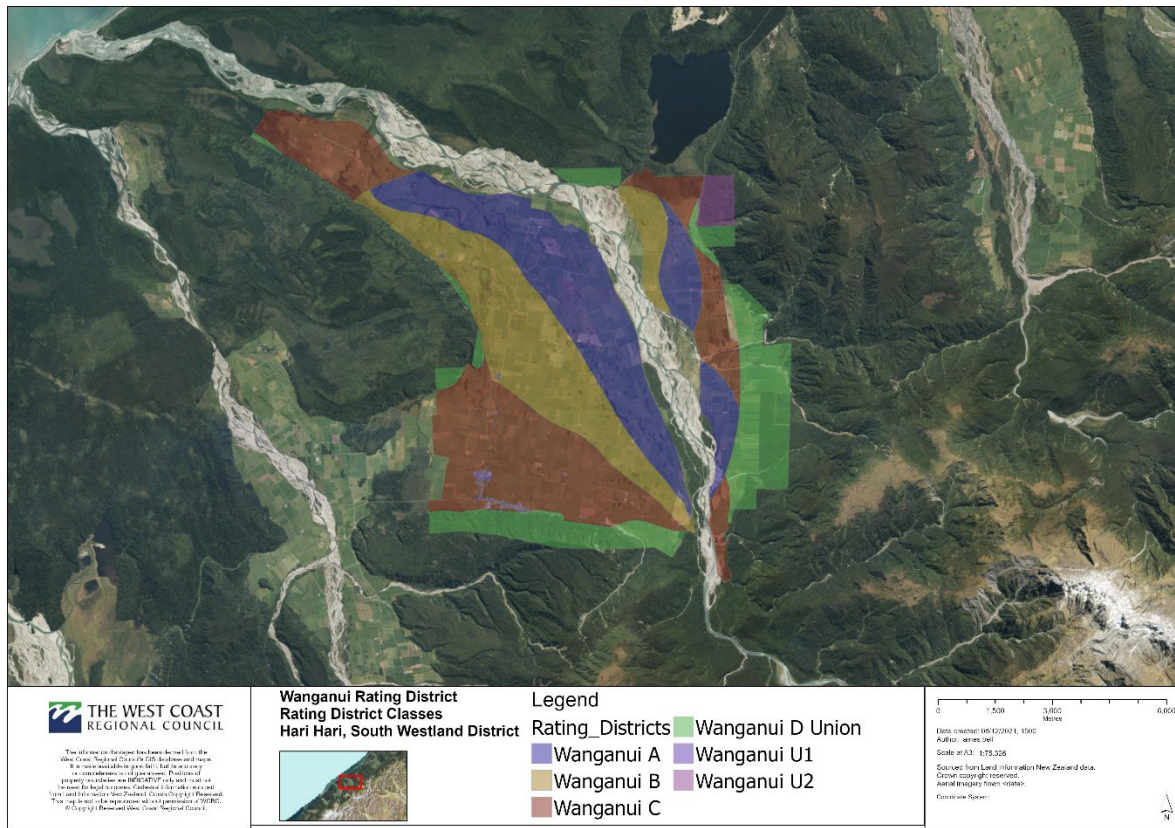
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In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Wanganui Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Wanganui community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.

### 3.0 Wanganui Rating District



### 4.0 Wanganui Rating District Background

#### Wanganui River – Left Bank

Severe flooding of the Hari Hari Flat during the early part of 1913 resulted in the first protection works being carried out on the Wanganui River. A stopbank with wire gabion basket protection was constructed from a point on the hill 200 metres west of the old main road bridge abutment and extended downstream for 400 metres to prevent further flood overflows from causing damage to developed farmland downstream.

There is no record of any further work being carried out until 1958 when Mr. V. Berry constructed a low stopbank on his frontage approximately 8 kilometres below the state highway bridge to prevent overflows from the river ruining his pasture.

In 1960 approximately 5 kilometres below the state highway bridge on Ford Brothers frontage a boulder gabion stronghead was constructed and a stopbank extended upstream for 750 metres to prevent flooding of their property.

In 1962 the Hari Hari Flat Protection Scheme which involved the construction of 4.4 kilometres of stopbanking and 18,000 tonnes of rock protection was approved by Soil Conservation and Rivers Control Council. The estimated cost of the scheme was 36,000 Pounds. A loan of 9,000 Pounds to finance the local share of the scheme work was granted in July 1963. A special rate to pay back the loan and maintain the scheme works was adopted in May 1964.

The new stopbank extended downstream from the old bank completed in 1913 for 4.4 kilometres and involved 52,000 cubic metres of earthworks. Rock protection for this bank was carried out during 1965 and involved approximately 18,000 tonnes of rock placed in various protection works.

The access road up to the Wanganui Quarry was completed during the contract for the acquisition of rock for the scheme.

Approximately 9.5 kilometres below the state highway bridge on Mr V. Berry's frontage a hook groyne and 2.3 kilometres of stopbanking was constructed during 1966. This work was subsidised but was not part of the scheme works at that time.

2.5 kilometres below the state highway bridge 650 metres of stopbanking, hook groyne and training wall was constructed in 1972 to prevent erosion to the main scheme stopbank. 700 metres below the Wanganui Flat Road a stopbank, hook groyne and training wall extending downstream for 1.7 kilometres was constructed in 1974 for the La Fontaine Farm Settlement and others. A stopbank 2.5 kilometres in length connecting V. Berry's bank and the La Fontaine Farm Settlement bank was completed in 1975.

In January 1982, 1.8 kilometres below Ford Brothers stronghead, 200 metres of stopbanking was washed out and was replaced by a hook groyne and training wall. The stronghead of this hook groyne was destroyed by a flood in January 1994.

A stopbank 1.6 kilometres in length connecting Ford Brothers stopbank and V. Berry's stopbank was completed in 1982.

600 metres below the state highway bridge a rock retard was constructed in 1984 to provide protection to the main stopbank.

#### Wanganui River - Right Bank

In 1966 severe erosion on the right bank 2 kilometres below the state highway bridge resulted in 5,000 tonnes of rock being placed on the McGrath frontage. Below the confluence of Evan's Creek, a 100-metre hook groyne with rock protection was constructed in 1969. A rock training wall extending approximately 1 kilometre downstream from the end of the hook groyne was constructed in 1971 and a rail groyne extending a further 700 metres downstream was constructed in 1972. A second hook groyne and stopbank extending downstream for 1.1 kilometres from the one built in 1969 was constructed in 1974.

2.5 kilometres below the state highway bridge a hook groyne and training wall 500 metres in length was completed in 1976. Flooding during 1980 washed the riverbank out on the inside of the hook groyne and a second hook groyne was constructed in 1981. The hook groyne and training wall completed in 1976 was destroyed by flooding during 1985 and replaced by a stopbank.

1.5 kilometres below the state highway bridge on McGrath's frontage a stopbank 240 metres in length with rock protection was completed in 1987.

A revised classification to finance maintenance work in part of the Poerua Valley, Wanganui River, La Fontaine, Hari Hari township and lower La Fontaine drainage schemes was adopted by the Westland Catchment Board in May 1985.



The classification was further revised with the Poerua Valley taken out of the area. This classification was adopted by the Regional Council in April 1993

### Drainage

At the request of the Hari Hari branch of Federated Farmers, an economic assessment of potential areas for development in the Poerua Valley, Evans Creek and Hari Hari areas was carried out by farm management research officers of the Department of Agriculture.

As a result of the assessment the Westland Catchment Board prepared a drainage scheme for the La Fontaine Stream catchment.

The scheme included the reconstruction of La Fontaine Stream and major tributaries as well as internal farm drainage. The estimated cost of the scheme was 9225 Pounds. This scheme was approved by Soil Conservation and Rivers Control Council in November 1959.

The classification for the La Fontaine Drainage Scheme was adopted in April 1961 by the Westland Catchment Board. In 1966 the drainage scheme was extended up to Robertson's Road and including land adjacent to the state highway and the Hari Hari Township. This area was classified as the Hari Hari Township Drainage Scheme.

A revised classification to finance maintenance work in part of the Poerua Valley, Wanganui River, La Fontaine, Hari Hari Township and Lower La Fontaine Drainage Schemes was adopted in May 1985.

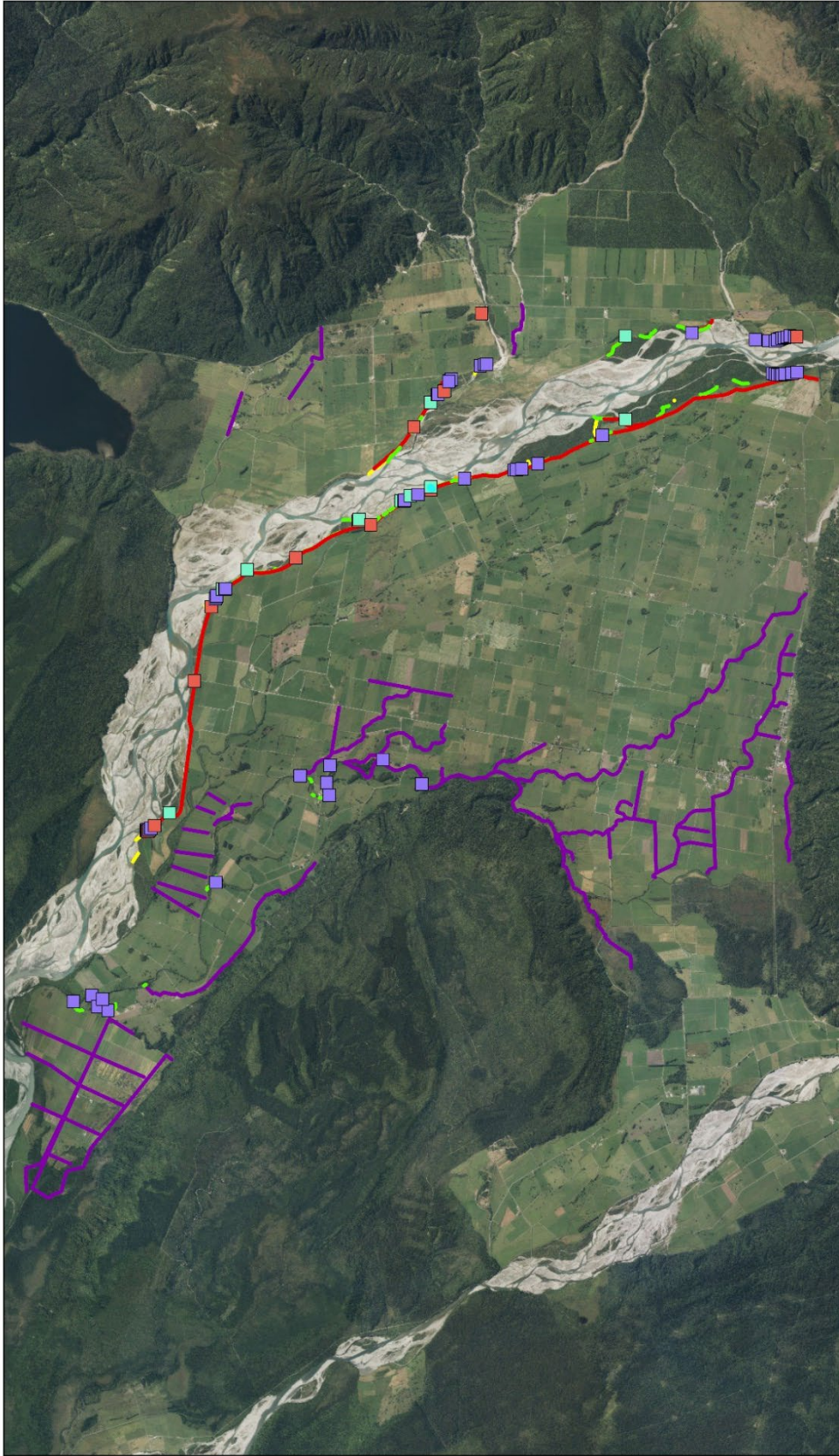
The classification was further revised with the Poerua taken out of the area. This classification was adopted by the Regional Council in April 1993.

## 5.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	305,465	Tonne	\$40.00
Rubble	1,200	Tonne	\$37.23
Fill	681,225	m <sup>3</sup>	\$26.00
Stockpiled rock	10,395	Tonne	\$40.00
Excavation	183,440	M <sup>3</sup>	\$8.00
Cleanout	23520	M	\$11.00
<b>Asset Value</b>			<b>\$32,117,166.00</b>
<i>On-costs (15%)</i>			\$4,817,574.90
<i>Resource Consents (2%)</i>			\$738,694.82
<b>Replacement Cost</b>			<b>\$37,673,435.72</b>
<b>Depreciating Assets</b>			
Culverts			\$13,072.90
<b>All Assets Replacement Cost</b>			<b>\$37,686,508.62</b>



## 5.2 Asset Map



Date created: 09/03/2021, 15:49  
 Author: James Bell  
 Scale of AS: 1:48,800  
 Sourced from: Land Information New Zealand data  
 Crown copyright reserved  
 Aerial Imagery from «data»  
 Coordinate System:

**Legend**  
 AssetSubtype  
 Spur (56)  
 Stockpile (13)  
 Stronghead (11)  
 Retard (11)  
 Drain (52)

**Wanganui Rating District  
 Asset Management Map  
 Wanganui, South Westland**

**THE WEST COAST  
 REGIONAL COUNCIL**  
 This information displayed has been derived from the West Coast Regional Council's GIS database and maps. The information is not guaranteed. The Council is not responsible for any errors or omissions in the data. This is Copyright Reserved West Coast Regional Council.

**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**

## 6.0 Existing Standard

The objectives of the Wanganui Rating District are:

1. To reduce bank erosion and flooding on the existing structures between the State Highway Bridge and the end of the stopbank 13 kilometres downstream.
2. To maintain existing creeks and drains included in the La Fontaine and Lower La Fontaine and Hari Hari Township Drainage Schemes to their original plan specifications.

The historic "Existing Standard" was 900mm above the highest known flood. The Council has suggested that an analysis be commissioned to quantify the actual level of protection that the scheme currently provides. However, the rating district has decided that they do not wish to have any new analysis undertaken. Given that there has been no analysis carried out the scheme structures will continue to be maintained to the dimensions that they were originally constructed.

### 6.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

### 6.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Wanganui Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

### 6.3 Damage Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$37,686,509	5%	\$1,884,325	\$1,884,325	100%
5%	\$37,686,509	10%	\$3,768,651	\$2,638,056	70%
2%	\$37,686,509	20%	\$7,537,302	\$3,768,651	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 6.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$500,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan, or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Councils private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance, or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

**Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*



## 7.0 Funding

### 7.1 Maintenance

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the river, the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### 7.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 7.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

## 7.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.



## 8.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of channel or creek requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional excavation and channel clearance and bank protection works over the three-year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.

### 8.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.



THE WEST COAST  
REGIONAL COUNCIL

# Whataroa Rating District 2023-2026 Asset Management Plan



West Coast Regional Council

388 Main South Road  
Greymouth  
7805

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## **1.0 Purpose of this Document**

The purpose of this document is to summarise the management philosophy that is applied to the Whataroa Rating District including the infrastructure assets and services. This approach ensures that acceptable levels of service are provided in the most cost-effective manner and contribute to the achievement of the community outcomes identified in the West Coast Regional Council's Long-Term-Plan (LTP).

This AMP defines the objectives and performance standards of the Whataroa Rating District for which the West Coast Regional Council bears the maintenance responsibility, including providing a basis upon which the effectiveness can be measured. The key purposes of this AMP are to:

- Provide a history of the Whataroa scheme.
- Convey the long-term strategy for the management of the Whataroa Rating District.
- Provide a tool to assist with management assets in a cost effective and sustainable manner.
- Manage the environmental, service delivery and financial risks of asset failure.
- Demonstrate that the service potential of the rivers and drainage assets is being maintained.

## **2.0 Asset Management Objectives**

West Coast Regional Council recognises that the Whataroa Asset Management Plan is the fundamental driver of drainage and infrastructure for the scheme. This AMP has been developed in accordance with the Local Government Act 2002, with the first AMP completed in 2003 with three yearly updates or earlier where information indicates a significant change from what is stated in the current AMP.

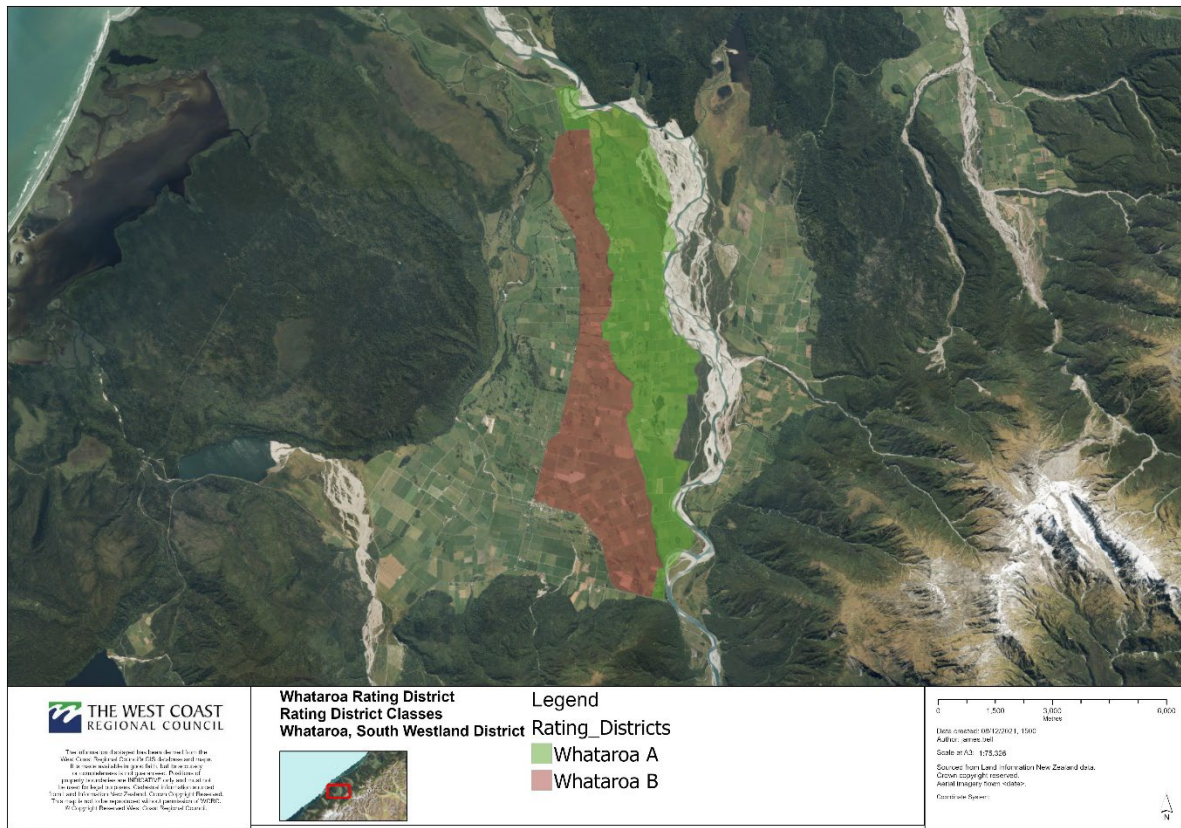
In order to fulfil the outcomes, vision, goals and objectives of these assets, the West Coast Regional Council have adopted a systematic approach to the long-term management of its assets and services on the Whataroa Rating District by preparing this AMP.

West Coast Regional Council is committed to best appropriate practice asset management in order to achieve the following key objectives:

- Meet the service expectations of the Whataroa community.
- Ensure maintenance activities achieve efficient results with optimal benefits.
- Demonstrate Council's approach to managing risk and meeting growth requirements towards a sustainable future.
- Comply with all statutory requirements.



### 3.0 Whataroa Rating District



### 3.1 Whataroa Rating District Background

The Whataroa Rating District was formed in November 2011 to fund unforeseen and urgent emergency river protection works. The Council claims no ownership of these assets and is responsible for maintenance only.

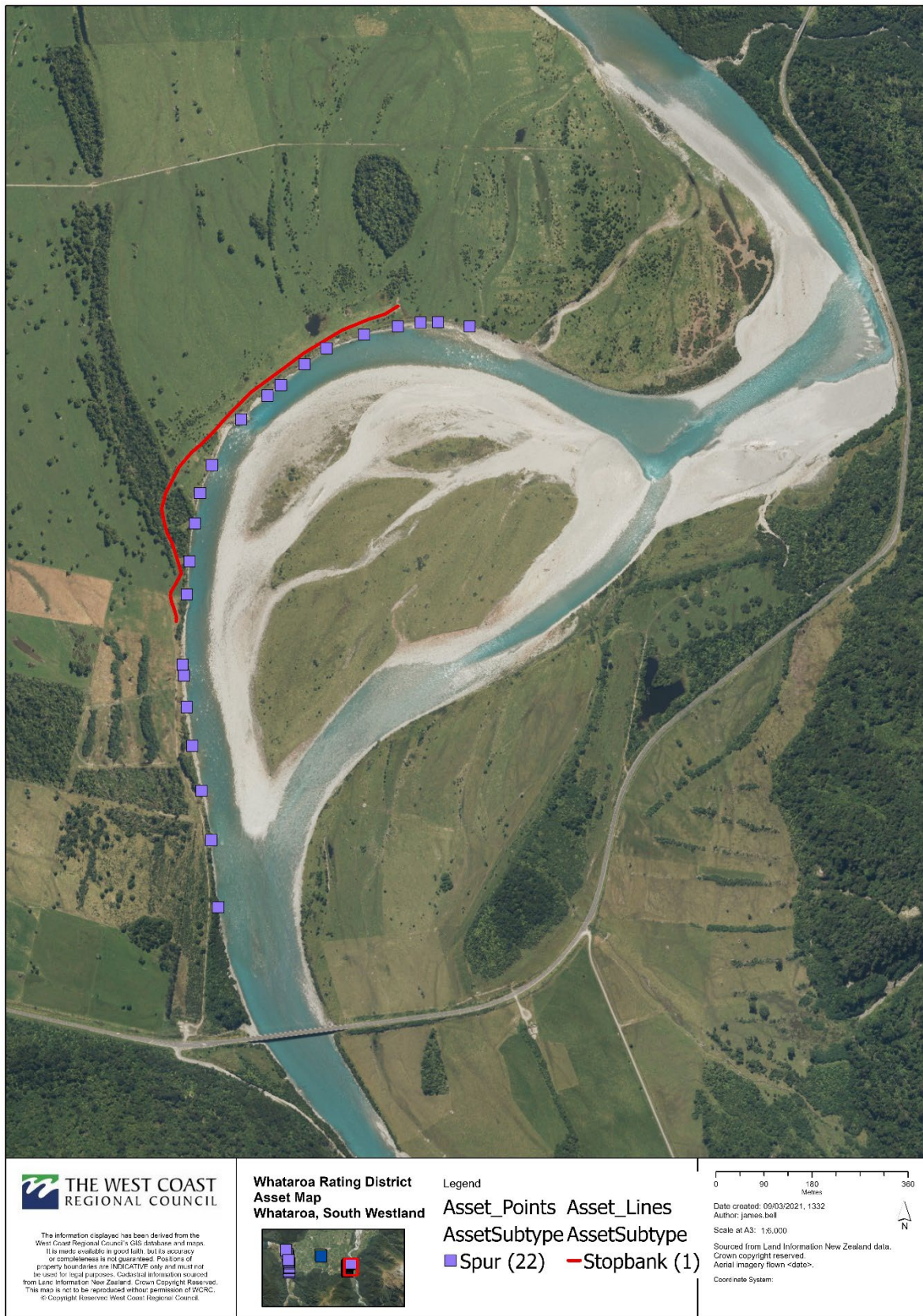
The Whataroa Rating District consists of flood and erosion protection works and extends from the State Highway Bridge downstream for 1.6 kilometres on the true left bank. The area protected is predominantly dairy farming with some dry-stock properties. Community infrastructure such as roads, power and telephone lines all derive benefit from the river control system.

#### 4.0 Description of Assets

Asset	Quantity	Unit	Rate
Rock	15,330	Tonne	\$46.50
Fill	15000	m <sup>3</sup>	\$26.00
<b>Asset Value</b>			<b>\$1,102,845.00</b>
<i>On-costs (15%)</i>			\$165,426.75
<i>Resource Consents (2%)</i>			\$25,365.44
<b>All Assets Replacement Cost</b>			<b>\$1,293,637.19</b>



## 4.2 Asset Map



**Note: Not all assets have been added to the asset map due to having no spatial data to represent them.**

## 5.0 Existing Standard

### 5.1 Service Level

The Levels of Service represented in this AMP are described and aligned with community values including affordability, quality, safety, community engagement, reliability, and sustainability. The scheme structures will be maintained to the dimensions that they were originally constructed.

Councils in New Zealand will generally adopt one of three methods for determining the level of service provided by a scheme:

- Agreeing on a scope of physical works with the community without reference to a target capacity or return period (low risk schemes)
- Providing physical works with a level of performance provided in terms of a target capacity (medium risk schemes)
- Providing physical works with a level of performance in terms of a target return period (high risk schemes)

Each of the three methods for determining the level of service may be suitable for a given scheme, provided that communities understand event likelihood, scheme and property vulnerability, potential consequences, and residual risk.

Where council staff have recommended physical works or analysis that did not proceed due to community resistance to cost, then councils are only able to track their service delivery through measures around maintenance works programmes or a general description of channel condition.

### 5.2 Maintenance Programme

An annual maintenance report is prepared each year in consultation with the Whataroa Rating District to adoption by the Council for inclusion in its annual budgets.

In preparing the annual maintenance report the following will be considered:

- An inspection to identify works requiring immediate repair.
- Works anticipated as being required given a 'normal' season.
- Flexibility to meet unbudgeted damages.

An annual report will be presented to the Rating District outlining the condition of the scheme assets and maintenance works and expenditure required for the coming financial year.

### 5.3 Damage and Risk Exposure

Erosion works are constructed in a very high energy environment with the purpose of resisting and absorbing some of that energy. It is considered that no matter what the standard of maintenance carried, it is likely that damage will occur from time to time.

An assessment of maximum damage potential was estimated as below:

Event size (AEP)	Value	Damage ratio	Damage exposure	Prudent Reserve	Prudent reserve contribution
10%	\$1,293,637	5%	\$64,682	\$64,682	100%
5%	\$1,293,637	10%	\$129,364	\$90,555	70%
2%	\$1,293,637	20%	\$258,727	\$129,364	50%

It has been deemed, within reason, that all Rating Districts have a prudent reserve target balance that contributes to at least 100% of the damage exposure for a 10% AEP event, 70% for a 5% AEP event and 50% for a 2% AEP event. These percentages define what is an appropriate and acceptable level of risk for Council and the community.

### 5.4 Prudent Reserve

Why do we need a prudent reserve?

- Minimise the financial impact of unplanned works, such as those caused by weather events
- Ensure the rating district is able to contribute funding that is sustainable and affordable
- Ensure Council's debt level is managed, and that borrowing is still available when required
- Ensure the debt levels of the rating district do not exceed the ability to fund the repayments

This target balance for the 'prudent reserve' for this rating district is \$100,000 as agreed by council. This prudent reserve is immediately available. It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

If an event were to occur and the prudent reserve does not cover the full repair and rebuild cost of the assets, it is understood by the community that the remaining costs will be paid by loan, or the rating district accounts will be in overdraft. In the instance of extreme weather events, NEMA funding and the Council's private insurance will be accessed for cost recovery if the criteria are met. The West Coast Regional Council's insurance policy has a \$400,000 excess. 40% of eligible rebuild costs will be met by this policy.

Below are the key criteria that needs to be met to access the NEMA funding, which can cover up to 60% of eligible rebuild costs

*The provisions for government financial support to local authorities apply whether or not a state of emergency is, or has been, in force*

*Government assistance will not normally be available for assets which receive a subsidy from any other source, unless:*

- *the local authority has adequately protected itself through asset and risk management including mitigation, where appropriate, and the proper maintenance of infrastructure assets, or*
- *the local authority has made sound financial provisions (such as the provision of reserve funds, effective insurance or participation in a mutual assistance scheme with other local authorities) to a level sufficient to ensure that the local authority could reasonably be expected to meet its obligation to provide for its own recovery*

### **Threshold**

*Threshold for reimbursement; As with other response claims, Government policy is to reimburse 60 percent of the combined eligible costs (response and essential infrastructure costs), above the following thresholds:*

- *0.0075 percent of the net capital value of the city council, district council or unitary authority involved*
- *0.002 percent of the net capital value of unitary authorities where the assets in question are of a type that ordinarily are managed by regional councils, or*
- *0.002 percent of net capital value in the case of regional councils*



## 6.0 Funding

### 6.1 Maintenance

Maintenance is funded by targeted rates, the level of rating being determined each year in the Annual Plan process. This involves:

- a) Preparation of an annual works programme and corresponding budget.
- b) Adoption of the annual works programme and budget.
- c) Discussion of the works report and budget with the ratepayers.
- d) Adoption of final budget in the Council's Annual Plan.

The aim of maintenance is to ensure the infrastructure assets are kept at a standard where they can always perform to their service level. Where rock is required to be placed on an existing infrastructure under direct attack from the [sea river](#), the protection required to maintain the existing infrastructure at its same service potential would be charged to the scheme maintenance account.

Capital works are generally defined as works which increase the service level of the scheme. Such work would include increasing the design standard or the area covered by a scheme and works to increase security or performance of an erosion control system or structure over and above that identified in the asset plan.

### 6.2 Damage Repairs

Routine damage repairs are funded by a combination of:

- a) Carrying out work as scheduled in annual works programme.
- b) Reprioritising works identified in the annual works programme.
- c) Use of financial reserves.

Major damage repairs would be funded by loans raised by the Council and repaid by targeted rating over a number of years.

### 6.3 Financial Reserves

Financial reserves are held within the rating district account to provide the following:

- a) Meet the costs of unscheduled works.
- b) Enable an immediate response to flood damage repairs.
- c) Prevent major fluctuation in rating levels annually.

The levels of financial reserves held in the rating account are determined by the estimated damage exposure and the likely need for un-programmed works.

## 6.4 Depreciation

The bulk of WCRC's assets comprise bulk formation of excavation, fill and heavy rock protection. These assets are considered to have an infinite Useful Life (UL) with a strategy to maintain in perpetuity. The predominant mechanisms for deterioration are slumping and or storm or flood event damage. In these circumstances the performance and level of service is brought back to specification by remedial and / or emergency works from operational and maintenance budgets. Otherwise, these assets do exist in perpetuity.

From 2023 WCRC have recognized the difference between operational and maintenance expenditure (typically to remediate after an event) and capital expenditure that improves performance or level of service, or reduces risk. The former are not capitalised, the latter are capitalised and are added to the asset register and valuation.

Assets with an infinite Useful Life do not depreciate, so these assets are valued separately as non-depreciating.

Asset components in this category include:

- Excavation
- Cleanout (of natural water courses for utilisation as drains)
- Fill
- Rock protection
- Top course, differentiated from normal road assets in that life and deterioration mechanisms are the same as for the stopbanks they traverse
- Bedding gravel and filter fabric noting that even if fabric deteriorates it would not be replaced unless the stopbank itself was being replaced, or it was being replaced as part of an event remedy operation and maintenance.

Around 3.4%, by replacement cost value, of WCRC's assets are of a nature that will deteriorate, have a limited useful Life, and hence are depreciating. These include:

- Culverts and associated assets
- Constructed assets such as concrete flood walls in Greymouth
- Miscellaneous assets.

## 7.0 Performance Measures

The following procedures may be adopted to ensure the adequacy of maintenance.

Period	Procedure	Performance Measure
Annually	Produce annual works report for the rating district assets to include type of work to be undertaken, quantities, location, and costs.	No reports of channel or creek requiring repairs without an agreed programme of remedial work in progress. Asset maintenance is current as per level of service.
	Organise contracts for agreed scheme work, oversee contract completion and report to Council.	
	Report on works undertaken during the previous financial period to the rating district ratepayers and Council.	
Triennially	Re-measure cross section river profiles to determine whether the riverbed is stable, or aggrading, and to identify management issues or options.	Report to Council and ratepayers on revaluation of assets and the Plan review.
	Revaluation of the asset schedule to include any additional excavation and channel clearance and bank protection works over the three-year period.	
	Review this Asset Management Plan	
10-yearly	Flood modelling will be undertaken to identify a range of level of services.	Report to council and ratepayers.



## 7.1 AMP Review and Monitoring

This plan is a living document, which is relevant and integral to daily activity. To ensure the plan remains useful and relevant the following on-going process of AMP monitoring and review activity will be undertaken:

- Formal adoption of the AMP by the West Coast Regional Council.
- Review and formally adopt Levels of Service to comply with the Rating District committee
- Revise this AMP three yearly prior to Long Term Plan (LTP) to incorporate and document changes to works programmes and outcome of service level reviews.
- Quality assurance audits of asset management information to ensure the integrity and cost effectiveness of data collected.
- Peer review and external audits will be undertaken to assess the effectiveness with which this plan meets corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of asset management processes, systems and data and external audits will be undertaken to measure asset management and performance against 'best practice'.

## Groups of Activities

### How to read this section

Under the Local Government Act 2002 (LGA), the Council is required to aggregate and report its financial and performance information in groups of activities for ease of understanding. We have aggregated the range of activities we do into 5 groups of activities.

These are:

1. Regional Leadership
2. Infrastructure and Resilience
3. Natural Environment
4. Policy and Regulation
5. Commercial Activities

Each Group of Activities describes:

### What we do and why

A summary of the activities that make up the group of activities and a description of the legislative, strategic and/or other rationale for the delivery of the group of activities. This section also includes the community outcomes to which the group of activities primarily contributes.

Community outcomes are the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district or region in the present and for the future.

<b>Economic</b>	A thriving, resilient and innovative economy is supported, which creates opportunities for growth, wealth generation and employment
<b>Environmental</b>	The high quality and distinctive character of our environment is retained
<b>Social</b>	A region that continues to be a safe place to live, with a strong community spirit and cohesion
<b>Cultural</b>	Recognising and providing for the culture and traditions of Poutini Ngāi Tahu and their relationship with their ancestral lands, water, sites of wahi tapu and other taonga

### Changes to Levels of Service

A summary of the change in the level of service of the Group of Activities from the previous Long-term Plan

### Key projects

The Council's key projects over the next three years of the plan.

### Significant negative effects

Outlines any significant negative effects that any activity within the group of activities may have on the social, economic, environmental or cultural well-being of the local community.

### Levels of service

Describes the intended levels of service for major aspects of the group of activities to which Council aims to deliver and how it measures progress towards targets.

Note that funding sources and the reason it was selected, is covered in detail in the Revenue and Financing Policy.

### Summary of changes

The Groups of Activities have been redesigned to better reflect the work areas of Council. As part of this process, Council has reviewed the levels of services, performance measures and targets. These represent a more modern and contemporary set of measures for the Council in the current context and better serve to measure Council's service to the community.

## Regional Leadership Group of Activities

There are two primary activities within the Regional Leadership Group of Activities:

- Governance
- Working with Poutini Ngāi Tahu

### Contribution to Community Outcomes

#### **Economic**

#### **Environmental**

#### **Social**

#### **Cultural**

*This Group of activities contributes to all four community outcomes by maintaining effective and open community representation as an important part of the democratic process; enabling Poutini Ngāi Tahu to take a leadership role in the management of resources for the region; supporting opportunities for communities to be involved in planning for the future through Long-term Plan and Annual Plan processes; and providing information to enable business and communities to make their own decisions and take action.*

### Overall direction

The Regional Leadership Group of Activities provides effective, transparent governance on behalf of the community while ensuring that Council operates within statutory requirements. It combines a wide range of activities that allows the organisation to take a strategic outlook, coordinate actions with other partners in the region and continue to build a meaningful relationship with communities and Poutini Ngāi Tahu.

This Group of Activities also encompasses the essential corporate and support functions required to support staff in delivering on the levels of service committed to as well as ensuring Council is operating in an efficient, accountable and legislatively compliant manner. These systems need to be future-proofed to support the work carried out on behalf of the environment, economy and community.

Communication and engagement functions assist with connecting Council with the community. Connecting the community in a timely and accessible way to decision-making, and the work of Council is critical. This also includes ensuring Council has the various platforms available for the provision of public information such as aerial photography, property data and natural hazards.

### Changes to levels of service

Levels of service remain mostly the same for the *Regional Leadership* Activity Group. The major changes are outlined below:

The rebuild of Council's corporate services and back-office functions is critically important for the organisation to deliver on its levels of service across all functions. This requires considerable investment in purchasing, onboarding and training for new financial modelling tools and financial systems. It also requires recruitment of suitably qualified staff.

The volume of policy change in the past several years has resulted in Council submitting on numerous documents. An increase in the regional sector voice has taken over much of this work, and a change in government will likely result in a reduction in this work. However, Council will ensure that where there is a differing opinion, or outcome sought, from that of the regional sector, feedback will still be provided to support the best interests of the West Coast community.

Each year Council's Annual Report is audited, as well as the Long-term Plan every three years, and Annual Plans where significant change has taken place. Advice has been received that the Auditor General will no longer be subsidising these audits with costs anticipated to double. While the level of

service is not changing, the cost to undertake the same amount of work will be increasing substantially.

### Significant negative effects

There is likely to be tension between the ability for communities to pay and the levels of service they want to be delivered. Council will continue to balance these competing demands, seeking input from the community on service levels. No other significant negative effects have been identified as a result of undertaking these activities, however, not investing in the organisation to rebuild the corporate services and back-office functions will result in Council being unable to deliver on all levels of service.

## Governance

### What Council does and why

This activity aims to support elected members in their governance roles to make robust and transparent decisions. This includes ensuring that Council meetings are supported and provide opportunities to enable community participation. It also maintains the integrity of Council processes by providing timely and appropriate responses to official information requests and Ombudsman's office enquiries. In addition to setting and monitoring policy, the Council keeps abreast of relevant matters so that emerging issues for the region can be investigated and planned for.

To meet the current and future needs of regional communities, it is necessary to plan Council's activities with an eye to the future. Every three years Council will draft, consult on and complete a Long-term Plan (this document), looking ten years into the future. In the years between the Long-term Plan, Council will complete and consult, when required, on annual plans that make necessary adjustments to ensure delivery on levels of service, or emerging issues can be addressed. At the end of each year, Council will report back to the community on how it went against its plans. Ensuring value for money for the community relies on Council making sound financial decisions and the community having input into what activities should be undertaken and how they should be funded. This programme of work enables this to happen.

Council's governance functions also include the support services which underpin all activities. Without these functions Council is unable to deliver services to communities. The support services include:

- Finance
- Customer services
- Information technology
- Human resources
- Communications.

Underinvestment in the past has meant that there is now a need to invest to bring back-office support services up to a level that they can provide the functions required by staff to meet community expectations. This will require significant investment over the course of this Long-term Plan.

### Key projects for years 1 to 3

Council will deliver on the following key projects over years 1 – 3:

- Rebuild of corporate services and back-office functions including:
  - The purchasing, onboarding and training of new financial modelling tools and financial systems.
  - Recruitment of suitably qualified staff.

Level of service: Council maintains effective, open and transparent democratic processes					
Measure	Baseline	Targets			
		2024-25	2025-26	2026-27	2027-34
Percentage of Council meetings elected members attend	New measure	At least 80%	At least 80%	At least 80%	At least 80%
Response to official information requests within statutory timeframes	New measure	100%	100%	100%	100%
Council's Long-term Plan (LTP), Annual Plan and Annual Reports meet audit requirements		Unqualified audit opinion achieved for LTP and Annual Report	Unqualified audit opinion achieved for Annual Report.	Unqualified audit opinion achieved for Annual Report.	Unqualified audit opinion achieved for LTP and Annual Report

## Working with Poutini Ngāi Tahu

### What we do and why

Central to the relationship between Council and Poutini Ngāi Tahu is the Paetae Kotahitanga ki Te Tai Poutini – Partnership Protocol and the Mana Whakahono ā Rohe – Iwi Participation Arrangement (collectively referred to as the Arrangement).

Iwi participation agreements/arrangements are tools under the Resource Management Act, designed to assist tangata whenua to discuss, agree and record how they will work together, including how tangata whenua will be involved in resource management decisions. Signed in 2020, a review of the Arrangement is now required to assess the working relationship between the parties and identify where further improvements can be made for the future.

Delivering on the principles of the Arrangement is an 'all of Council' responsibility. However, often the most effective space for Poutini Ngāi Tahu to be engaged is at the governance and strategy level, hence their positions on the Resource Management Committee. There is considerable value in having manawhenua at the Council table as equal partners. Other areas where Council has identified close working relationships are beneficial are included under the section "*Partnering with Poutini Ngāi Tahu*".

This Group of Activities provides for these opportunities.

### Key projects for years 1 to 3

Council will deliver the following key projects:

- Undertake review of the Paetae Kotahitanga ki Te Tai Poutini – Partnership Protocol and the Mana Whakahono ā Rohe – Iwi Participation Arrangement in year 1.
- Implement the outcomes of the review from year 2.

Level of service: Work in partnership with Poutini Ngāi Tahu toward outcomes that are in the iwi, hapu and regional interest					
Measure	Baseline	Targets			
		2024/25	2025/26	2026/27	2027-2034
Council and Poutini Ngāi Tahu work together to review and implement the Paetae Kotahitanga ki Te Tai Poutini (Partnership Protocol) and Mana Whakahono ā Rohe (RMA Iwi Participation Arrangement))	<b>New measure</b> Review the Partnership Protocol and Participation Arrangement every three years	Review of Arrangement	Implementation of outcomes	Implementation of outcomes	Reviews to be undertaken in 2027, 2030 and 2033

## Infrastructure and Resilience

This Group includes the following Council activities:

- Infrastructure – flood and erosion protection
- Emergency Management
- Flood Warning

## Contribution to Community Outcomes

### **Economic**

### Environmental

### **Social**

### Cultural

*The Infrastructure and Resilience Group of Activities contributes primarily to the achievement of the economic and social outcomes, contributing to a thriving and resilient community, and a region that continues to be a safe place to live by providing communities protection from flooding and erosion hazards; working with communities to become resilient in the face of natural hazards and climate change; providing up to date flood warning information.*

## Overall direction

The choices made in the past on where communities become established and do business have made them susceptible to the impacts of natural hazards. The short and long-term impacts from natural hazards and climate change have on people's homes, businesses and well-being can be devastating. There is a need to adapt, or defend as required, to build resilience and work together with communities to be better understand and be prepared (and recover faster from) future events and emergencies. This remains a key focus of this Long-term Plan.

Council's priority for the next ten years is in supporting communities with the management and administration of their rating districts, building the resilience of the region through emergency management functions, lifting the robustness of the hydrology network to provide greater flood warning information and building awareness of the natural hazards communities live within.

This Long-term Plan contains an Infrastructure Strategy which identifies the four most significant issues for the flood and erosion protection schemes on the West Coast and how Council intends to manage these.

The West Coast is exposed to a wide variety of natural hazards that impact on people, property, infrastructure and the environment. The Resource Management Act requires that natural hazard risk and climate change are addressed as part of the planning across the region. While this work is funded under this Group of Activities, the outcomes contribute to work programmes across Council.

Natural hazard information is available on Council's website.

## Changes to levels of service

Council will be undertaking the collection of data from regular river surveys, condition assessments and structural inspections. This data, and how it is managed and analysed, is critical to inform work programmes and associated activities. This also enables Council to identify and ensure appropriate management of the region's most critical assets. The systems and processes required to manage such information require significant investment.

Investment to enhance the hydrology / flood network system will be undertaken for modelling, expanding the network and improving its reliability. This includes the installation of new sites.



### Significant negative effects

Flood and erosion protection works play a vital role in protecting communities, property and infrastructure from flood and erosion hazards but have the potential to impact natural ecosystems and natural character as well as people's enjoyment of these areas. This is also a concern for Poutini Ngāi Tahu who have strong ties with their ancestral rivers. Any negative effects are carefully managed both within the Resource Management Act framework and by maintaining engagement with Poutini Ngāi Tahu, as well as other stakeholders and communities across the region, throughout the design and construction stages of protection projects.

There are no other significant negative effects identified for this Group of Activities.

## Infrastructure

### What Council does and why

Council designs, builds, manages and maintains river management and coastal erosion protection schemes on behalf of 23 rating districts across the region to ensure they work as expected during severe weather events. These schemes allow the productive potential of a significant part of the region to be fully realised, protecting people and infrastructure from flooding.

Council also undertakes the development of asset management plans. These are required to be prepared at three-yearly intervals, and our infrastructural assets (which currently have a depreciated asset replacement value of \$181.842 million) must undergo regular revaluations to ensure these values are accurate. As part of the Long-term Plan development, the Asset Management Plans for the 23 schemes that have assets which are required to be inspected and maintained have been reviewed and updated. Council intends for these updated plans to be effective from 1 July 2024.

The schemes, associated infrastructure assets and more specific detail such as the issues and management approach are provided in the respective rating district asset management plans (available at [www.wcrc.govt.nz](http://www.wcrc.govt.nz)) and the Infrastructure Strategy.

Construction of the Westport Flood Protection project, as well as further work on the outcomes of the River Management Strategy for the Waiho River, will be completed during this Long-term Plan.

Council responds to many enquiries about flood risk, drainage related issues and coastal erosion. Depending on the issue, staff are able to assist with the provision of advice. River cross-section investigations and LiDAR of riverbeds and coastal areas provide valuable information on changing patterns in river and coastal systems and is critical in the delivery of asset management.

With changes to weather patterns and ongoing coastal erosion issues, it is likely that further requests for protection infrastructure, or upgrades to existing assets, will be made. Council will continue to advocate for central government support for the building of new capital projects, upgrades to existing projects and ongoing maintenance costs on behalf of the region's rating districts.

### Significant assets

Council manages assets across 23 rating districts. Information on these assets is available in the respective asset management plans available at [www.wcrc.govt.nz](http://www.wcrc.govt.nz)

### Key work for years 1 to 3

Council will deliver the following key projects:

- Implementation of the Asset Management System to enhance the collection and storage of inspection data for each rating district in year 1.

- Construction of the Westport Flood Protection project in years 1 to 3.
- Our current funding mechanisms are overly complex and cumbersome to administer. A review of the quantum of rating districts, including the rating model, for each scheme will be undertaken to inform the development of the 2027-2037 Long-term Plan. This review will be undertaken in year 2.

Level of service: Life and property are protected by the building, monitoring and maintenance of flood, drainage and erosion infrastructure					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2027-2034
Rating District assets are maintained, repaired and renewed to the levels of service defined in the respective Asset Management Plans	Complete and record all inspections of rating district assets	100%	100%	100%	100%
	Hold meetings with all rating districts annually, or as agreed with the spokesperson of the Rating District committee	100%	100%	100%	100%
	Perform all capital and maintenance works as agreed in the annual work programme	100%	100%	100%	100%
Rating District Asset Management Plan review timeframes are met	Review Rating District Asset Management Plans every third year, or earlier where information indicates a significant change from what is stated in the Asset Management Plan	NA	NA	100%	Every third year with future reviews to be undertaken in 2029/30

## Emergency management

### What Council does and why

This activity is responsible for the coordination of hazard reduction, readiness, response and recovery for emergency events. Emergency management, is provided in partnership with the district councils, emergency response organisations and other stakeholders of the West Coast region. There are two key work areas under Emergency Management:

- West Coast Civil Defence Emergency Management (CDEM) Group
- West Coast Regional Council Emergency Management

### West Coast CDEM Group

Under the CDEM Act 2002 (the Act), the region's local authorities must form a CDEM Group which is governed by a combined Joint Committee (the region's Mayors and Chairs, and for the West Coast Poutini Ngāi Tahu) and a Coordinating Executive Group (Council/District Health Board Chief Executive Officers, Police District Commander and Fire Area Manager). Under the Act, the West Coast CDEM Group is required to maintain an operative CDEM Group Plan that outlines a strategy to coordinate CDEM activities across the region.

The Group operates as a shared service across the region's councils delivering emergency management outcomes for risk reduction, readiness, response and recovery with the Regional Council acting as the Administering Authority for the Group. This improves the capability for the region to respond to and recover from disaster.

## West Coast Regional Council Emergency Management

Council maintains an emergency response capability to support the West Coast's CDEM Group, and to staff the Emergency Coordination Centre during an event. It does this by ensuring that staff are trained to help coordinate a response, including management of the Council's assets and ensuring essential business continues despite any disaster. Council also operates a 24-hour CDEM duty management service to respond to alerts issued and emergencies as they arise.

### Key projects for years 1 to 3

Council will deliver the following key projects:

- Extension to the emergency services resource register to include community and business assets in year 1; and exercised to ascertain access and utility of register in year 2.
- Regional fuel storage capacity review to be undertaken in year 2.
- All Community Groups have developed or are developing Community Response Planning Arrangements in year 2.

<b>Level of service: Emergency Management West Coast will increase risk awareness and readiness, and ensure a coordinated and appropriate response and recovery from a civil defence emergency to reduce the impact on people and property</b>					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2027-2034
An operative Group Plan under the CDEM Act is in place at all times and reviewed within statutory timeframes by the Joint Committee	The Group Plan is operative. Rolling reviews have commenced.	Operative Group Plan	Operative Group Plan	Operative Group Plan	Operative Group Plan
A Group Work Programme implementing the Group Plan objectives is approved and reviewed 6-monthly by the Coordinating Executive Group	<b>New measure</b>	Group work programme reviewed 6-monthly	Group work programme reviewed 6-monthly	Group work programme reviewed 6-monthly	Group work programme reviewed 6-monthly
Comply with the West Coast Civil Defence Emergency Management Partnership Agreement	<b>New measure</b> Ensure full compliance with the Partnership Agreement	100%	100%	100%	100%
Maintain a suitably trained team to staff the Emergency Coordination Centre	Maintain at least 30 trained staff. 33 as at 30 June 2023	> 30 trained staff	> 30 trained staff	> 30 trained staff	> 30 trained staff

## Flood warning

### What Council does and why

Flooding is a significant hazard for West Coast communities, with extreme weather events predicted to occur with greater severity, more frequently.

Operating a comprehensive network of rainfall and river level recorders across the region supports community led flood warning and response, and feeds into sophisticated computer modelling to provide a predictive flood warning and forecasting system. Modelling rainfall runoff relationships is becoming increasingly important to prepare communities in advance of flood events, and provide reliable data for flood mitigation infrastructure, planning and design.

Hydrometric data collected is also used for State of Environment reporting to inform policy on water allocation limits and environmental base flows. The capability to analyse this information, as well as to undertake flood modelling and forecasting, in-house, is a priority.

All river and rainfall (hydrometric) data collected is publicly available via Council’s website which presents live feeds of rainfall and river level/flow information.

A network expansion and upgrade programme has been developed which will see the:

- Installation of additional flow and rainfall sites to improve the spatial distribution of sites, and increase the resolution of the network;
- Improvement in the redundancy of data collection and telemetry at key flood warning sites;
- Improvement in the resilience of sites to ensure data is collected at peak flow events; and
- Resolution of responsiveness and access issues associated with gauging flood events via the development of remote monitoring of rivers (cameras).

The upgrade programme also requires new rivers to be added to the regional flood warning network, and Council’s ability to meet such demand depends on the resources available balanced against the river’s proximity to a major population centre and the risk profile. In some cases, historic flow monitoring sites, decommissioned by NIWA, can be re-instated at a fraction of the cost of new sites. Any decision to invest in new assets will take into account factors such as need (risk), cost, accessibility, and the reliability of communication pathways (i.e. radio, cell or satellite).

In addition to strengthening our hydrometric network, Council is partnering with schools located in parts of the network where rainfall data is currently unavailable and installing new sites whereby the data collected is also used for educational purposes. This feeds into wider educational STEM programs and community engagement events to help promote the value of the work undertaken.

### Key projects for years 1 to 3

Council will deliver the following key projects:

- Commence and complete the replacement of all data loggers for 4G compatibility in year 1.
- Complete safety improvements to river gauging access points in years 1 and 2.
- Expand Council’s rainfall network to Kumara and Moana Schools along with data sharing agreements and an annual STEM outreach programme for hydrology and water science in year 1.
- Develop and install a network of continuous groundwater level monitoring in the Grey, Westport and Hokitika catchments from year 1 (a ten-year programme).
- Develop and install a network of remote cameras with active feeds for community use, flood gauging, and Emergency Management use.

Level of service: Provide timely and high-quality information for the region’s telemetered rivers*					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2024-2034
Real-time river level and rainfall information is made available to the community	New measure	Flood warning network operational 100% of the time during flood events**	Flood warning network operational 100% of the time during flood events**	Flood warning network operational 100% of the time during flood events**	Flood warning network operational 100% of the time during flood events**

\*Karamea River, Mokihinui River, Buller River, Grey River, Hokitika River, Waiho River

\*\*Excluding scheduled maintenance, external system outages and as a result of damage caused by flooding or earthquake

## Natural Environment

This Group of Activities includes the following Council Activities:

- Monitoring
  - Water
  - Air
- Biodiversity and Biosecurity

### Contribution to Community Outcomes

#### Economic

#### Environmental

#### Social

#### Cultural

*The Natural Environment Group of Activities contributes to all four community outcomes. Monitoring our environment informs where policy is required to protect the environment, to provide for social and cultural expectations as well as identifying health issues for our communities for drinking water, swimming or air quality; economic outcomes are supported through our biosecurity activity with the control of pests that may have an adverse effect on agriculture and other primary industries, and impact the regional economy as a whole; our targeted biodiversity work at Te Kinga also contributes to each of the four well-beings .*

### Overall direction

The West Coast natural environment is generally in good shape, particularly when compared to other parts of New Zealand. However, some of our land, water, air and ecosystem resources are under pressure. Council is constantly collecting information on the quality of natural resources across the region to gain a better understanding of issues and emerging trends.

Council's environmental science monitoring programme involves the interpretation of data and reporting on the state, conditions and use of land, air, water, coast and marine resources within the region and reporting against relevant standards and guidelines. Science investigations into causes and effects are undertaken as well as new and existing initiatives to improve environmental outcomes. Regional resource management plan changes are supported with science, so that plan changes are informed with rigorous evidence.

Council has a statutory responsibility for monitoring the State of Environment locally. This is reported on formally every three years. Along with more frequent updates, this provides information on any risks of resource use as well as informing policy review and development. It also enables Council to respond in a timely manner to any adverse effects from resource use from an operational perspective. Water quantity information is gathered through the hydrology work undertaken by Council under Flood Warning and the *Infrastructure and Resilience* Group of Activities.

Part of protecting and enhancing the biodiversity and natural environment of the West Coast is through the work undertaken in biosecurity. Pest management is a core function of Council and is implemented through the Regional Pest Management Plan as well as monitoring, and if required, enforcing. Council's role in biodiversity is limited, with work focused on the Predator Free Te Kinga project, recognising the significant amount of land administered by the Department of Conservation across the region.

### Changes to levels of service

The level of service for monitoring the natural environment will increase in line with the need to support council activities and respond to legislative requirements. This includes expanding monitoring programmes and creating systems to manage the increasing amount of data processed and produced.

There is an increase in the level of service for biodiversity and biosecurity activities.

### Significant negative effects

No significant negative effects on the economic, environmental, social or cultural wellbeing of the community have been identified as a result of undertaking these activities.

## Monitoring - Water

### What Council does and why

The National Policy Statement for Freshwater Management 2020 (NPSFM) requires Councils to work with communities to understand how they value waterways, and to set goals based on economic, social, cultural and environmental factors. The NPSFM recognises *Te Mana o te Wai* and sets out objectives and policies that direct local government to manage water in an integrated and sustainable way. A key requirement of the NPSFM is that the quality of the region's rivers, lakes and groundwater must be maintained or improved. Understanding the current, and ongoing, state of the resource is required to achieve this.

West Coast water bodies, and its coast are highly valued by the community, with water playing a significant role in Poutini Ngāi Tahu's spiritual beliefs and cultural traditions. Water is a key resource for domestic use, agriculture and other productive purposes, and supports a wide range of recreational activities.

Monitoring of rainfall, river flows and levels is captured as part of Flood Warning in the *Infrastructure and Resilience* Group of Activities. It provides additional context to the overall monitoring programme and is particularly important in assessing any pressures on water quantity and allocation.

Data gathered through Council's monitoring programme is used to inform plan policies and engagement with the community. Better data enables Council to make more informed decisions when setting policy for resource use. Where issues are identified, management programmes will be developed and implemented. Data collected is made available through Council's website and LAWA platform and is published in a three-yearly State of Environment Report.

### Key projects for years 1 to 3

Council will deliver the following key projects:

- Develop and implement a long-term surface water monitoring programme for South Westland in year 1.
- Grow knowledge of freshwater fish species distributions using electric fishing and eDNA monitoring in years 1 and 2.
- Build the West Coast lake health database using traditional physiochemical methods and plants surveys years 1 – 3.
- Complete Council's State of Environment Report in year 2.

Level of service: Water science, including quantity and quality, underpins Council policy and is freely available					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2027-2038
The results from the West Coast environmental networks monitored for water quality, quantity and ecological values for legislative purposes are made available to the community via Council's	<b>New measure</b>	100%	100%	100%	100%

website, and Land Air Water Aotearoa					
Work programmes are established for areas found to breach legislative or regional planning requirements	<b>New measure</b>	100%	100%	100%	100%

## Monitoring – Air

### What Council does and why

Air pollution on the West Coast is primarily driven by emissions from home heating, and thus is seasonal and mostly observed in winter. The link between air quality and human health has been well established. The pollutant of most concern on the West Coast is particulate matter (PM). Particulate matter can result in a range of health effects. The most vulnerable are the very young, the elderly and people with pre-existing respiratory or cardiovascular disease.

Council has a role to protect communities from the risks of air pollution. Only Council has the power to control discharges of pollutants to air under the Resource Management Act and must implement the National Environmental Standards for Air Quality 2004 (NESAQ).

Reefton was classified as an Airshed (air quality management area) in 2005. Council has been gradually increasing its air quality monitoring programme with investigations undertaken in Westport during 2022 and 2023. Monitoring of the West Coast’s two other main towns, Greymouth and Hokitika, is planned for this Long-term Plan.

Where results are shown to breach the requirements of the NESAQ, Council is required to implement policy provisions through the Regional Air Plan to manage these.

### Key projects for years 1 to 3

Council will deliver the following key projects:

- Increase the monitoring programme (Reefton, Westport and Greymouth, Hokitika) to collect additional data for analysis from year 1. This includes shifting one of two continuous air quality monitoring devices in Reefton to the original monitoring site to allow for historic comparisons.
- Undertake policy changes and develop work programmes if required.

Level of service: Our air quality work programme is based on data and research					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2024-2034
Compliance with NESAQ requirements for airshed monitoring and reporting	New measure	Airshed monitoring and reporting is completed to the NESAQ requirements	Airshed monitoring and reporting is completed to the NESAQ requirements	Airshed monitoring and reporting is completed to the NESAQ requirements	Airshed monitoring and reporting is completed to the NESAQ requirements



## Biodiversity and Biosecurity

### What Council does and why

Biodiversity involves working collaboratively with organisations and landowners within catchments to actively manage high priority biodiversity sites to protect and restore native species and ecosystems. Council's work in this area is minimal given the predominance of land administered by the Department of Conservation throughout the region, however, there is a commitment to progress the Predator Free Te Kinga project and the eradication of possums from the mountain as part of a coordinated predator control program across the wider Lake Brunner basin while external funding remains available. External funding to deliver this project has been secured for years 1 and 2 of this Long-term Plan. Funding from year three onwards will require a contribution from the General Rate.

Furthermore, biodiversity work forecast over the next 10 years will include an increased investment to ensure Council fulfills its obligations to the National Policy Statement for Indigenous Biodiversity which includes the development and implementation of a Regional Biodiversity Strategy by 2026.

Council's biosecurity activity delivers pest plant management through the dissemination of information and advice, research, surveillance, monitoring and inspections, direct control and pathway management. Objectives, methods and rules are established through the Regional Pest Management Plan which is then implemented through the Annual Operating Plan. A review of the Regional Pest Management Plan will seek feedback from the community on the inclusion of pest animals in addition to pest plants.

Council also delivers a lake surveillance programme across the region annually. Higher risk lakes are inspected every year with a selection of other lakes included in the programme. This work is co-funded by the Department of Conservation and Manawa Energy and informs the LakeSPI project.

While delivery of this function sits under the Natural Environment Group of Activities, funding of the Regional Pest Management Plan and Biodiversity Strategy component comes from the *Policy and Regulation* Group of Activities.

### Key projects for years 1 to 3

Council will deliver the following key projects:

- **Regional Pest Management Plan**
  - Review of the plan to be undertaken in year 2 to update existing provisions based on the latest information and legislation, as well as consideration of the inclusion of pest animals.
  - Proposed Plan to be notified in year 3.
- **Predator Free Te Kinga**
  - Complete the deployment of monitoring and trapping devices across the project area; undertake an aerial predator control operation on Mt Te Kinga to eliminate possums and suppress rats and mustelids; use remote sensing on trapping devices and undertake isolated predator control to mop up residual possum populations in the elimination area in year 1.
  - Maintenance of zero possums via Detect and Respond operations; community education, support and involvement; ongoing biodiversity monitoring to assess the ecological impacts of predator removal to be undertaken in year 2.

## Biosecurity/Biodiversity

Level of service: Appropriate regulatory tools are in place for species type and there is a consistent policy framework for managing identified species					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2024-2034
Maintain and implement a Regional Pest Management Plan (RPMP); and prepare an Operating Plan and Annual Report in accordance with the Biosecurity Act	New measure	N/A  Operating plan prepared Annual Report completed	Review RPMP  Operating plan prepared Annual Report completed	Undertake public consultation on RPMP  Operating plan prepared Annual Report completed	Operating plan prepared Annual Report completed

## Policy and Regulation

This Group of Activities includes the following Council Activities:

- RMA Policy and Planning
- Consent activities
- Compliance Activities
- Transport Activities
- Navigation and Harbour Safety

## Contribution to Community Outcomes

### Economic

### Environmental

### Social

### Cultural

*This Group of Activities contributes to the Community Outcomes and well-beings by promoting the sustainable use, development and protection of the West Coast's natural and physical resources of land, water, air, coast and biodiversity in accordance with statutory duties, regional planning objectives and national policy and other standards in an enabling manner; processing consents within statutory timeframes making use of non-notified and limited notified processes to minimise delays; setting appropriate conditions on specific resource uses in accordance with the policies set by Council plans; compliance monitoring to ensure consent conditions are adhered to; pollution and incident response; facilitating growth, economic development and social connections through land transport planning and funding; and safety across our navigable waterways.*

## Overall direction

The natural resources of the West Coast are critical to the wellbeing of the region and its community. Council has a range of activities to manage our natural resources, which if done well, can benefit both the environment through the protection accorded, and regional communities by having pragmatic planning documents and effective consenting processes enabling ease of business and development.

Considerable work is required to ensure Council's regional planning documents are up to date. Reviews undertaken will be based on robust evidence gathered through the various monitoring programmes. Government reform will likely continue to influence much of Councils work over this Long-term Plan in the review of planning frameworks.

Regional plans are implemented through administering consents and undertaking compliance monitoring and enforcement. Council's work over many years is now paying dividends within the dairy sector which is enabling a shift in focus to the monitoring of other areas activities where compliance can be further enhanced. Given the extent of the region there is a reliance on the public alerting us to potential issues. Investigating environmental complaints is an important part of the work Council does to safeguard the environment.

This Group of Activities also includes Council's delegated authority to provide for marine oil spill planning and response.

## Changes to levels of service

There will be a change in focus for the Policy and Planning area with the Regional Policy Statement and other Regional Plans given priority to undertake the various plan reviews required.

A new workstream has been included in this Group of Activities to review Council's Navigation and Harbour Safety responsibilities.

### Significant negative effects on community wellbeing.

Environmental wellbeing is the foundation of our economic, social and cultural wellbeing. There will always be some level of tension between environmental and economic wellbeing, particularly in Council's regulatory work. Council will continue to carefully balance this tension to enable economic activity, where appropriate, while ensuring that the region's environment remains healthy for future generations.

There are significant costs associated with developing, implementing and reviewing plans, National Environmental Standards and other regulations.

There is a risk with reform of the Resource Management Act and other legislation affecting current resource consents and resource management arrangements/strategies.

### Policy and Planning

#### What Council does and why

This activity includes work that provides overarching strategic direction for resource management and advocacy. It provides Council with an important lever to effect change where needed. Much of the work under this activity is required by national legislation, and an Order in Council for Te Tai o Poutini Plan (the combined district plan for the West Coast).

The Regional Policy Statement (RPS) is a critical component of this activity that provides overarching direction for the various plans required under the Resource Management Act. These plans encompass land, water, coastal and air resources.

The West Coast Regional Council is now responsible for preparing, approving and reviewing a combined District Plan for the West Coast under the guidance of Te Tai o Poutini Plan Committee – a Joint Committee made up of representatives from the four Councils, Poutini Ngāi Tahu and an independent chair. Development of the Plan was fast-tracked during the previous Long-term Plan to avoid being caught up in the reform of the Resource Management Act.

Over the next 10 years, Council will work with Poutini Ngāi Tahu, communities, other councils and organisations to ensure regional plans, are up to date and give effect to national direction. This includes work on natural hazards, and Coastal and Air Quality Plan reviews. There is a significant amount of work ahead during this Long-term Plan across all of our regional planning documents. Changes to legislation by central government may result in further revision.

The focus during this Long-term Plan is on ensuring the current resource management plans are current and up to date.

#### Key projects for years 1 to 3

Council will deliver the following key projects:

- **Review of the Regional Policy Statement**
  - Plan change to update existing provisions based on the latest information and changes to legislation in regards to natural hazards, flooding provisions and any other matters. To be notified in year 1.
  - Plan change hearings undertaken in year 2.
  - Mediation on the Plan change to be undertaken in year 3.
  
- **Regional Land and Water Plan**
  - Plan change to be progressed in year 1 to review the non-freshwater provisions.
  - Plan change hearings undertaken in year 3.

- Mediation on the Plan change to be undertaken in year 4.
- **Regional Coastal Plan**
  - Proposed Plan to be notified in year 2.
  - Hearings to be undertaken in year 3.
- **Review of the Regional Air Plan**
  - Undertake a full Plan review in year 1.
  - Notification of Proposed Air Plan in year 2.
  - Hearings to be undertaken in year 3.
- **Completion of Te Tai o Poutini Plan**
  - Plan hearings to be completed in year 1.
  - Mediation to be undertaken in year 2.
  - Te Tai o Poutini Plan to become operative in year 3.

Level of service: Good management of the West Coast's environment is supported by up-to-date legislative planning documents based on sound evidence and processes.						
Measure	Baseline		Target			
			2024/25	2025/26	2026/27	2027-2034
Ensure the Regional Policy Statement, Regional Plans and Strategies meet legislative requirements	<b>New measure</b> - Compliance with statutory requirements and internal timetables for the preparation review and implementation of policies, plans and strategies	Regional Policy Statement	Notify plan change	Hearings	Mediation	Continue planning review work as required
		Land & Water Plan	Review Plan	Notify Plan change	Hearings	
		Coastal Plan	Review Plan	Notify Plan change	Hearings	
		Air Plan	Review Plan	Notify Proposed Plan	Hearings	
Achieve and maintain an operative Te Tai o Poutini Plan	<b>New measure</b>		Hearings completed	Mediation	Operative	Rolling reviews

## Consent Activities

### What Council does and why

This activity implements the Council's Regional Resource Management Plans, National Environmental Standards and Resource Management Act Section 360 Regulations through the processing and issuing of resource consents.

Resource consents may be issued by the Council for taking, use, damming, diverting water, for discharges to land, water or air, for activities in the coastal environment and for a variety of land activities (including river and lakebeds) that are covered by rules in the plans, standards and regulations. Resource consents, when issued, give the holder significant rights to use a resource or have a defined and controlled impact on the environment.

Central government regulatory reform will likely influence future demand for consents. Changes to legislation and guiding documents have resulted in increased complexity for consent processing.

Managing consent and compliance information is a fundamental role of Council. The IRIS project will see a significant upgrade in the existing IRIS system that records information and timeframes

associated with Council’s consent and compliance activities. This is likely to be implemented in year 3 of this Long-term Plan and will require considerable resourcing for the project in commissioning and training.

In addition to processing consents, a part of this activity is to give advice on resource management matters.

Regional Councils have responsibility for the processing of building permits for dams. Council has transferred this function to Environment Canterbury to process dam applications under the Building Act. Council, however, retains the authority to process resource consents for damming water and waterways under the Resource Management Act.

### Key projects for years 1 to 3

Council will commence the following key project:

- IRIS new generation system upgrade likely to be undertaken in year 3.

Level of service: Processing and administration of resource consents is efficient and effective					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2027-2034
Process all resource consent applications within statutory timeframes	100%	100%	100%	100%	100%

## Compliance Activities

### What Council does and why

This activity involves the monitoring of resource consents, investigating issues raised by the general public and checking activities comply with regional plan rules and national regulations and standards. Where there is non-compliance with a rule in a plan, resource consent or national regulation, Council will investigate and take appropriate action in accordance with enforcement procedures.

With a compliant consent record held by the majority of dairy farms there is no longer a requirement to continue with the current annual monitoring regime. A reduction in monitoring frequency will commence from 2024 for compliant dairy farms with this time being utilised for other monitoring activities. Council’s new approach will retain sufficient monitoring of these farms to ensure the good compliance standards do not slip unduly over time.

The reduction in dairy monitoring frequency will provide an opportunity to focus on other significant consented discharges such as those associated with district council infrastructure and river and coastal protection structures. Council will also continue with the mining inspection programme, particularly as it appears that this sector is growing across the region.

Council also provides a pollution response service, investigating environmental pollution incidents and breaches notified by the public.

### Key projects for years 1 to 3

Council will deliver the following key projects:

- Undertake a shift in compliance monitoring with the phasing out of annual dairy inspections and increasing inspections of other significant activities and discharges from year 2.

<b>Level of service:</b> Maintain the compliance functions of Council in a manner that promotes transparency and accountability to the West Coast community					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2027-2034
The number of compliant or non-compliant point source discharges to water or discharges likely to enter water	All significant* consented discharges are monitored at least annually	90%	100%	100%	100%
Operate a 7.00am – 9.00pm pollution incident service	Respond to all urgent / high risk reported incidents within 24 hours	100%	100%	100%	100%
	Respond to non-urgent medium / high risk reported incidents within 10 working days, and non-urgent / low risk reported incidents desktop response only	100%	100%	100%	100%

\*Significant Consented Discharge includes: any consented discharge from a municipal sewage scheme or landfill, any consented discharge from a working mine site and any large-scale industrial discharge.

## Regional Transport

### What Council does and why

The region’s transport system is an enabler of economic growth and social cohesion, connecting businesses, providing access to and between communities, and ensuring the West Coast can import and export goods.

Regional transport management is a responsibility of Council set by legislation. Council acts as the secretariat for the Regional Transport Committee which is responsible for the preparation, review and implementation of the Regional Land Transport Plan. The Plan shapes decisions and actions about the West Coast’s land transport system and reflects central government’s strategic direction.

A new Regional Land Transport Plan must be developed every 6 years and reviewed after 3 years of operation. A new plan must be prepared by 30 June 2027 for the period 2027 – 2033.

Council has historically had a limited role in the delivery of public transport services. This Long-term Plan has been prepared on the assumption that Council will continue to maintain responsibility for the administration of the ‘Total Mobility’ scheme over the next 10 years. Funded in partnership by local and central government, the Total Mobility scheme assists eligible people, with long term impairments to access appropriate transport to meet their daily needs and enhance their community participation. With an aging population, the ongoing provision of this service is integral to the wellbeing of many throughout the region’s communities.

Technology is improving and becoming more accessible, Council has national goals to lower carbon emissions, and the cost of fuel increases. Options for different forms of public transport will need to be considered to support communities with potential alternative transport options throughout the region into the future.

### Key projects for years 1 to 3

Council will deliver the following key projects:

#### Regional Land Transport Plan



- Undertake an interim review of the Regional Land Transport Plan in year 3.

### Total Mobility

- Replace the current paper voucher system with permanent Total Mobility Scheme user ID cards in year 1.

### Regional Public Transport Plan

- Undertaken investigation as to the demand for public transport services, and form that these may take, in year 3.

Level of service: Land transport policies that deliver efficient and effective transport solutions, land transport infrastructure and services for the West Coast					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2027-2034
All Regional Transport Plans for the West Coast are kept current in accordance with statutory requirements	An operative Regional Land Transport Plan and Regional Public Transport Plan	100%	100%	100%	100%

## Harbour Navigation and Safety

### What Council does and why

The New Zealand Port and Harbour Marine Safety Code, produced by Maritime New Zealand, provides measures for the safe management of ships in ports and harbours. It also includes measures to prevent serious harm to people and protect the marine environment. The Council has delegated responsibility from Maritime New Zealand for navigation safety and harbour management responsibilities for the region.

To date, Council has not undertaken activity in this area as this has been overseen by the District Councils of the region for their respective river ports and Jacksons Bay.

### Key projects for years 1 to 3

Council will deliver the following key projects:

- Review the navigation and harbour management responsibilities for the region in year 1.
- Implement outcomes of the navigation and harbour responsibilities review in year 2.

Level of service: Assist with maintaining safe and navigable waterways in the region					
Measure	Baseline	Target			
		2024/25	2025/26	2026/27	2027-2034
Review the navigation safety and harbour management responsibilities of the region and implement the outcomes of the review.	New measure	n/a	100%	100%	100%

## Commercial Activities

This Group of Activities includes the following Council activities:

- Investment portfolio
- Commercial operations

## Contribution to Community Outcomes

### **Economic**

### **Environmental**

### **Social**

### Cultural

*Providing economic and social outcomes by offsetting rates; maintaining access to funds in the event of an emergency; creating employment opportunities through Council's business unit with pest control programmes protecting the environment; enhancing the safety and well-being of communities through the provision of quality rock at a fair market rate.*

### Overall direction

Council has several investments and commercial operations. Surplus revenue generated by this Activity Group will be used to supplement the General Rate reducing the rating burden on ratepayers where possible.

Commercial activities include Council's quarries and Vector Control Services (VCS) business unit.

Growing these commercial activities to reduce the reliance on rate funding is central to the management of this Group of Activities.

### Change in level of service

There is no change in the level of service anticipated.

### Significant negative effects

Quarrying activities can result in adverse environmental effects. However, these are managed through the Resource Management Act consents process.

VCS uses 1080 poison in its delivery of pest management programmes. Some people prefer other methods of possum control, however the use of pesticides is currently the most effective tool for controlling the spread and proliferation of bovine TB amongst farmed cattle and deer herds and the benefits of the use of pesticides far outweigh any perceived adverse effects. Council acknowledges the level of community concern about aerial 1080 operations, however decisions need to be based on the benefits to the region as a whole.

## Investment Portfolio

### What Council does and why

In 2000, each of the four West Coast Councils received \$7m from the Government's \$120m compensation package following the end of indigenous timber logging in the region. The other \$92m went to Development West Coast.

Council invested the funds into an investment portfolio managed by JBWere, earning income which has been used to contribute to a number of Council projects including the acquisition and building project for the Paroa Office in 2002, seeding of the Catastrophe Fund in 2011 and purchase of a commercial property in Rolleston in 2013. Since 2004, interest earned from the Investment Portfolio has also been used to fund Council activities such as democracy, resource management, transport, hydrology, flood warning and emergency management. This assisted with reducing rate increases over a number of years.

At 30 June 2023, the JBWere Investment Fund Portfolio was worth \$12.8 million.

These investment activities require a degree of risk management. The approach is to manage the investments to optimise returns in the long term while balancing risk and return considerations. As a responsible public authority, any investments should be managed prudently. It also recognises that lower risk generally means lower returns. Investments are utilised to produce a revenue stream to reduce the reliance on general rate revenue.

Level of service: Effective management of Council investments					
Measure	Baseline	Targets			
		2024-25	2025-26	2026-27	2027-34
Endeavour to achieve the JBWere projected dividend forecast	New measure	Achieve projected dividend	Achieve projected dividend	Achieve projected dividend	Achieve projected dividend

## Commercial activities

### What Council does and why

Council manages several quarries throughout the region providing an economical rock source for flood and erosion protection schemes. A review of the quarries has been undertaken to identify future potential revenue generation opportunities as well as liabilities in their management.

Vector Control Services (VCS) currently competes on the open market to deliver ground-based and aerial predator control work in the delivery of TB management and biodiversity protection. Long-term it is expected that TB management will decline over the next 10 years. Council is therefore committed to investing in VCS to build capability across new work streams to ensure its ongoing viability.

Robust business plans and governance processes will be developed for both the quarries and VCS to lift their financial performance.

### Key projects for years 1 to 3

Council will deliver the following key projects:

- Business plans developed in year 1.

- Staff resourcing increases in year 1 to enable investment in Wild Animal Control which is forecast to increase across the West Coast over the next five years.

Level of service: Effective management of Council's commercial activities					
Measure	Baseline	Targets			
		2024-25	2025-26	2026-27	2027-34
Operate VCS and Quarry activities in line with their respective business plans.	New measure	N/A	100%	100%	100%

**WEST COAST REGIONAL COUNCIL**

To: Chair, West Coast Regional Council

*I move that the public be excluded from the following parts of the proceedings of this meeting, namely – **agenda items 10 and 12 (all inclusive)**; and that*

1. *Darryl Lew and Shanti Morgan be permitted to remain at this meeting after the public have been excluded due to their knowledge of the subjects. This knowledge will be of assistance in relation to the matters to be discussed; and*
2. *That the minutes taker also be permitted to remain.*

<b>Agenda 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 7 of LGOIMA for the passing of this resolution</b>
10.1	Minutes of Council meeting 5 March 2024	The item contains information relating to commercial, privacy and security matters	To protect commercial and private information and to prevent disclosure of information for improper gain or advantage (s7(2)(a), s7(2)(b), and s7(2)(j)).
11	Actions List	The item contains information relating to commercial, privacy and security matters	To protect commercial and private information and to prevent disclosure of information for improper gain or advantage (s7(2)(a), s7(2)(b), and s7(2)(j)).
12	Vector Control Services - Operational Report	The item contains information relating to commercial matters	To protect commercial information s7(2)(b)).