

## **THE WEST COAST REGIONAL COUNCIL**

### **MINUTES OF THE MEETING OF THE COUNCIL HELD ON 10 APRIL 2012, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 11.09 A.M.**

#### **PRESENT:**

R. Scarlett (Chairman), B. Chinn, A. Robb, T. Archer, D. Davidson, A. Birchfield, I Cummings

#### **IN ATTENDANCE:**

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

#### **1. APOLOGIES:**

There were no apologies

#### **2. PUBLIC FORUM**

There was no public forum.

#### **3. CONFIRMATION OF MINUTES**

**Moved** (Robb / Davidson) *that the minutes of the Council Meeting dated 13 March 2012, be confirmed as correct.*

*Carried*

#### **Matters arising**

Cr Chinn asked if a reply had been received from Dr Nick Smith's office regarding the letter sent to him regarding the Auditor General's views around Councillors making prosecution decisions. Cr Scarlett responded that he had not yet received a reply and doubted he would, but stated that the reply may now come from the new Environment Minister, Amy Adams.

#### **REPORTS:**

##### **4.1 ENGINEERING OPERATIONS REPORT**

M. Meehan spoke to this report advising that the works carried out on the Last Resort part of the stopbanks at Karamea are complete. M. Meehan reported that work has been tendered out in the Nelson Creek rating district and will begin shortly. Work will also be carried out in the Red Jacks rating district at the same time.

M. Meehan reported that recent storm events have caused problems in the Punakaiki rating district with toe rock slumping, which now requires topping up. M. Meehan reported that a meeting was held with the rating district committee and it was agreed that the tender of \$55,000 from MBD Contracting Ltd would be accepted rock and rock from their quarry at Rapahoe would be used. M. Meehan advised that this rock was \$20,000 cheaper than the rock from Kiwi Quarry. M. Meehan advised that this work has now been completed.

M. Meehan reported that work is steady in the quarries with tenders invited in the four main quarries. These tenders close on the 1<sup>st</sup> of May.

Cr Chinn asked if Wanganui Quarry has been sold. M. Meehan confirmed this quarry was sold to Ferguson Bros Ltd.

Cr Archer stated that the works carried out at Punakaiki were emergency works and they were unbudgeted. Cr Archer is concerned that this rating district does not have enough funds in its account to meet the costs of these unbudgeted works. He stated that this is a good example of why rating districts

need to build up a nest egg in their accounts. M. Meehan advised that Punakaiki rating district balance is \$49,000 before the works are paid for and there will be a shortfall of funds. M. Meehan stated that this highlights the fact that some rating districts are rating themselves too low. C. Ingle advised that council is only out of pocket for a few months until the next rate installment comes in.

Cr Scarlett stated that he has had good reports on the job done at the Last Resort in Karamea.

Cr Birchfield asked management if there is concern regarding the financial situation of the Coal Creek rating district. M. Meehan advised that this is a rating district that struggles to make decisions. M. Meehan advised that during the November floods the bank was very close to overtopping and lately, there has been a lot of discussions with the rating district about raising the stopbank, but no decision. Cr Birchfield feels that council may need to step in and act. Cr Robb stated that he agrees with Cr Birchfield. Cr Robb advised that he was in this area during this flood event, he advised that there were three or four houses that would have been flooded if the river had overtopped or broken through the bank. Cr Robb stated that there were vehicles on the road during this time that were also at risk. Cr Robb suggested that a meeting is held with the Coal Creek rating district so that it is clearly pointed out that something needs to be done and if they don't make a decision then council will. M. Meehan advised that the rating district has close to \$140,000 in their bank account at the moment and the works required are within this amount. Extensive discussion ensued and it was agreed that a meeting would be arranged to progress this matter with the three Grey constituency Councillors attending.

Cr Birchfield stated that he feels that council will need to intervene with the decision making process in the Coal Creek rating district. Cr Birchfield stated that there is lot of small property owners overriding the large property owners and it is the large property owners who make the biggest financial contribution.

C. Ingle reported that a special meeting has been called with the Kongahu rating district for the 16<sup>th</sup> of April. He advised that Cr Archer would chair this meeting. C. Ingle stated that this meeting is in response to some work that has been ongoing in how to stop the floodwaters in the Little Wanganui River entering the Kongahu drainage scheme and going down through this scheme, which is causing problems. C. Ingle advised that the report done by Graeme Smart has been circulated to the rating district with options on where to from here being discussed at this meeting.

**Moved** (Birchfield / Cummings) *that this report be received.*

*Carried*

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

C. Ingle spoke to this report in R. Mallinson's absence. C. Ingle reported that the investment portfolio has now come into the positive territory. C. Ingle advised that the surplus is currently \$432,449 with \$186,000 of this coming from general rated funded activities. Cr Birchfield stated that most of the gain in investment has come from Westpac, he asked why isn't all of council's investment with Westpac. Cr Archer stated that council would be looking at alternatives to Forsyth Barr. Cr Archer stated that the LTP shows that councils intended income from investments is 7% and is not sure if the banking institutions will come close to this 7%. Cr Archer wonders if 7% is an appropriate level. C. Ingle advised that Audit NZ felt that 6% might be more realistic. Cr Scarlett stated that council has had some good years and the investment portfolio has done well over the years.

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

*Carried*

#### **4.2.1 ADOPTION OF AUDITED LONG TERM PLAN 2012 / 22 STATEMENT OF PROPOSAL**

C. Ingle spoke to this report advising that there were no fundamental issues raised by Audit NZ. He advised that if Council approves the LTP Statement of Proposal for public consultation today, it would then be publicly notified and people can make submissions on this. C. Ingle asked the meeting to agree on a date for the public hearing of submissions. It was agreed that the hearing of submissions would be on the 29<sup>th</sup> of May at 10.30am. C. Ingle advised that final adoption of the LTP would take place at the council meeting on the 12<sup>th</sup> of June.

Cr Archer stated that the LTP is definitely more readable than it has ever been before and the public could read and understand this well. Cr Archer drew attention to page 32 of the LTP relating to environmental farm plans, he asked if it would be any merit or value in identifying where the current farm plans are in place (Lake Brunner, Orowaiti and a Harris Creek) as well as the new catchments for 2012 – 2015 which are Lake Haupiri, Baker Creek and La Fontaine stream. C. Ingle stated that the practice has

been to have one catchment in each of the three districts participating in the farm plan project. C. Ingle agreed to make this minor change.

**Moved** (Birchfield / Robb)

1. *That Council approve the Draft Long Term Plan Statement of Proposal for public consultation pursuant to sections 83 and 94 of the Local Government Act 2002.*
2. *The Council decided public hearings of submissions would occur at 10.30 on 29 May 2012.*

*Carried*

#### **4.2.2 INDICATIVE REMUNERATION POOL FOR JULY 2012 TO JUNE 2013**

C. Ingle spoke to this report. He asked the report be taken as read.

**Moved** (Birchfield / Robb) *That Council endorse the indicative pool allocations as per above.*

*Carried*

#### **4.2.3 EIGHT MONTH PERFORMANCE REVIEW 1 JULY 2011 TO 29 FEBRUARY 2012**

C. Ingle spoke to this report advising that this is the regular eight month review with most performance targets being achieved or in progress. Cr Archer stated this is a very good report.

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

*Carried*

### **6.0 CHIEF EXECUTIVES REPORT**

C. Ingle advised that the meeting he and R. Mallinson had with Westpac was arranged mainly to discuss borrowing for the Warm West Coast project. He reported that Council's Investment Portfolio was also discussed at this meeting.

C. Ingle reported that the main structural change that Audit NZ wanted included in the LTP was the new financial strategy at the front of the document. C. Ingle reported that the new Warm West Coast Insulation and Home Heating Scheme will be publicised particularly to Reefton residents, to inform them that there will be funding available should they wish to install insulation and upgrade their wood burner and home insulation.

Cr Archer feels it is important to spell it out to the Reefton community in particular, that if the air pollution levels remain high, and above the NES exceedences then the council will have to do something. Cr Archer stated that this is the perfect opportunity to spell out the potential ramifications should there not be improvement in air quality in Reefton. Cr Scarlett is keen for better public relations this time around and to have a concerted effort to promote this concept. Cr Scarlett suggested a meeting and a letter sent to each household. Cr Archer stated that the public meetings were not well attended last time around. C. Ingle stated he feels that a letter to each household is the best approach. Cr Robb asked if there is a figure of what sort of uptake would be needed to make this work. C. Ingle advised that research was done by Emily Wilton, who is an expert in air quality and she looked at the number of households with multi fuel burners, that were burning coal and wood, and she advised you would need to remove quite a high proportion of these multi burners to meet the PM<sup>10</sup> standard consistently. C. Ingle stated that it is important that council is seen to be doing something about air quality in Reefton. He advised that the Air Plan is now under review and the issue of regulating home heating discharges was on the table. Cr Robb asked if there is an indication as to what this will cost people to convert to a compliant wood burner. C. Ingle stated the cost is between \$10 and \$14 per week for the full scheme but for Reefton people it will be cheaper as there is a new subsidy from ECCA for the replacement of their old wood burner. Cr Scarlett feels that it is important that the public is made aware that compliant wood burners will become compulsory sooner or later. Cr Birchfield stated that Reefton is a coal mining area and why aren't multi fuel burners included. C. Ingle responded that there are currently no multi fuel burners that are compliant with the air quality standard.

C. Ingle reported that the latest BERL report has just come through which puts this council at number 4 for regional councils for economic performance. C. Ingle drew attention to page 26 of the report, which

shows various rankings including this council being ranked highly for openness, and regulatory regime, which helps to promote industry and makes it as easy as possible for people to gain the necessary permissions to establish businesses on the West Coast.

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

*Carried*

## **7.0 CHAIRMANS REPORT (VERBAL)**

The Chairman reported that on the 20<sup>th</sup> of May Minister Nick Smith summoned all mayors and chairs to Parliament to discuss the reform of the Local Government Act. Cr Scarlett stated that this meeting revealed that if councils want to amalgamate they can, but there is no compulsion to amalgamate. Councils that are not performing within a certain criteria will have to go through a three stage process with the third stage being when commissioners would be appointed. Cr Scarlett stated that councils are wanting to get back to core business and to community good. Cr Scarlett stated that he feels the new Local Government Minister, Hon David Carter, will be a good ally to us. Cr Scarlett advised that the day following this meeting, Minister Smith resigned so he is unsure of what road the reform will now take. Cr Scarlett stated that the government is very aware of the role that councilors play and how councils make their decisions. Cr Scarlett feels that this is the reasoning behind the staged approach that government is taking on performance.

Cr Scarlett reported that he attended a meeting regarding crown minerals with Minister Heatley. The Minister advised that there is to be a major shake up in this area and this will not be looked at again for another 15 – 20 years. Cr Scarlett reported that the Minister is very keen to hear from the industry and he wants miners, people in the industry and councils to see him regarding this industry. Cr Scarlett feels the West Coast has a good opportunity to get a levy underway but it needs to be a coordinated approach from the entire West Coast. Cr Scarlett stated that the Australian model is sought, where we workers buy property in the area, and do not fly in and fly out for work but live in the community. Cr Scarlett stated that the Minister is keen to get the economy back on its feet and wants to make it easier to get industries up and going and to attract overseas investment. Cr Scarlett stated that the Minister advised that New Zealand is very mineral rich and oil exploration is very exciting in New Zealand.

**Moved** (Scarlett / Chinn) *that this report be received.*

*Carried*

## **GENERAL BUSINESS**

There was no general business.

The meeting closed at 12.06 p.m.

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Chairman

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Date