

## **THE WEST COAST REGIONAL COUNCIL**

### **MINUTES OF THE MEETING OF THE COUNCIL HELD ON 14 DECMEBER 2010, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 11.40 A.M.**

#### **PRESENT:**

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

#### **IN ATTENDANCE:**

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

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

**Moved** (Archer / Davidson) *that the apology from R. Scarlett be accepted.*

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

There was no public forum.

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

**Moved** (Archer / Robb) that the minutes of the Council Meeting dated 9 November 2010, be confirmed as correct with the removal of the word "may" on page 4 so that the motion now reads as "*that registration attendance fees may only be met by council with the prior approval of the Council Chair*".

*Carried*

#### **Matters arising**

Cr Archer drew attention to the first paragraph of the minutes where Cr Birchfield had commented that the Council needed to go in a different direction. Cr Archer suggested at the time that it might be helpful if Cr Birchfield provided a paper on this matter. Cr Archer asked Cr Birchfield if there was an intent to produce a paper so that there could be discussion and debate on this subject. Cr Birchfield replied "no comment". Cr Archer asked Cr Birchfield if these were just electioneering comments. Cr Birchfield replied with "no comment".

#### **REPORTS:**

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

M. Meehan spoke to his report. He advised that he would be hosting two meetings in Franz Josef tomorrow regarding the proposed reclassification of the Lower Waiho rating district and the proposed floodwall upgrade for the Franz Josef rating district. M. Meehan advised that members of the Lower Waiho rating district have been provided with an independent reclassification report and the Franz Josef rating district proposed works is to increase the height of the floodwall to a one in one hundred year event, currently it is at a level of one in 20 year event. M. Meehan also advised that he and Cr Archer would be attending a workshop in Westport on climate change later this week.

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

*Carried*

## 4.2 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson spoke to his report advising that this is the four month financial report until the end of October and is a similar result as to that reported to the November meeting. He advised that the surplus for the four months is \$1.382M. R. Mallinson reported that the quarries are generating a good surplus this year and are doing better than budgeted. R. Mallinson reported that the investment portfolio rallied strongly during October and there were net positive budget variances in the general rate funded area. R. Mallinson stated that this is a pleasing result and we are more than holding our own.

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

*Carried*

### 4.2.1 FOUR MONTH REVIEW – 1 JULY 2010 – 30 OCTOBER 2010

R. Mallinson spoke to this report advising that this is the four month performance review and advised that this report shows achievements and progress measured against the performance targets in the 2010 / 2011 Annual Plan. R. Mallinson reported that in terms of the new legislation for resource consent processing within the statutory timeframe, this is being processed at 100%.

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

*Carried*

## 5.0 CHIEF EXECUTIVES REPORT

C. Ingle spoke to his report noting the meetings he attended during the reporting period and a management training workshop in Wellington which was led by a British academic.

C. Ingle reported council has been requested to sign off the disestablishment of the Varroa Agency as this agency has now become redundant. He advised this was initially set up by the South Island regional authorities when it was thought that Varroa may be kept out of the South Island.

C. Ingle reported that a High Court fixture has now been set for the Wetlands appeal on the 19<sup>th</sup> of April 2011. C. Ingle advised that Minister Nick Smith has responded to the Chairman and has indicated that he will visit Council. A date has yet to be set but C. Ingle is hopeful that this will be in February and on the day of the Council meeting. C. Ingle advised this meeting is to discuss what a biodiversity National Policy Statement should mean for the West Coast.

**Moved** (Robb /Archer)

1. *That this report be received.*
2. *That Council agrees to disestablish the Varroa Agency Inc.*

*Carried*

R. Mallinson requested that the Audit Management Report item be deferred to the general business section of the meeting until Mr John Mackey from Audit NZ arrived.

## 7.0 CHAIRMANS REPORT (VERBAL)

There was no Chairman's report.

### GENERAL BUSINESS

There was no general business.

The meeting closed at 11.50 a.m.

12.02 pm

The meeting reconvened with Mr John Mackey from Audit NZ welcomed to the meeting by Cr Chinn.

## **AUDIT MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2010**

Mr Mackey thanked Council for the opportunity to present this report. He highlighted a few key points from the management report including the fact that Council received an unqualified audit opinion and this was done on time. Mr Mackey commented on the very good financial result which shows a \$1M surplus.

Mr Mackey stated that the upgrade of the Greymouth Flood Protection Scheme was a major achievement, this was completed on time, under budget and achieved a high level of protection which was what Council had set out to do. Mr Mackey noted that two sources of income this council has outside of rates, he commended the management of the investment portfolio and also the VCS Business Unit. Mr Mackey advised that Audit NZ carries out audits on behalf of the Office of the Auditor General and Audit NZ is given a brief on what they are to look at. He stated the Auditor General reviewed what had been done previously and is looking at Council's compliance with the Local Government Act as there are requirements in Schedule 10 as to what Council is required to report in terms of non-financial information. Mr Mackey advised that Central Government is pushing the non-financial reporting as they are using this in terms of making decisions as to where money goes so that funding is not continued if achievement is not being met. Mr Mackey drew attention to the performance target for water quality in this region. Mr Mackey stated that from an improvement point of view there should be targets that relate to water quality. Mr Mackey stated that as an entity Council cannot control everything that affects water quality on the West Coast but the question is what is council mandated to achieve and what is council looking to achieve and therefore Audit NZ believe that Council should focus on that. Cr Birchfield stated that he thought Mr Mackey is just the financial guy and asked if he is telling us how to look after the water now. Mr Mackey responded that the Auditor General's brief is wider than financial numbers and he undertakes the audit on behalf of the Auditor General. Cr Birchfield asked C. Ingle if this is correct. C. Ingle confirmed this. C. Ingle clarified that Mr Mackey is referring to the audit report comment on water quality and this is the only area where we have a difference of opinion. C. Ingle stated that the Council does not believe that the Local Government Act process, Annual Plan process is the same as the RMA process which is the process that Council believes sets water quality targets for the region. C. Ingle feels that it would be wasteful to duplicate this process in the annual plan / LTCCP process. C. Ingle feels that council and Audit NZ are coming from different perspectives but he noted that the RMA and Local Government Act processes do work together and it is a matter of drawing the links together to show this to the public and to Audit NZ. Further discussion took place on accounting processes and performance targets. Mr Mackey advised that there has been a significant improvement in performance reporting in this latest round in all areas of New Zealand. R. Mallinson advised that Taranaki Regional Council has this very same discussion as this council is having here as to whether the Annual Plan / LTCCP should set the performance targets or the RMA. R. Mallinson stated that this is not a new argument. Cr Birchfield stated that he cannot believe he is hearing this and to think that we are paying for someone to tell us how to look after the water. Cr Birchfield stated that is costing us money. Mr Mackey spoke of points that will be looked at in the next audit and then LTCCP for 2012 / 22. Mr Mackey answered various questions around staff training matters for civil defence and the performance targets relating to this. R. Mallinson advised that the mandate of The Office of the Auditor General is much wider than a simple financial audit and has been for many years. Cr Chinn advised that there would be an opportunity for Councillors to ask questions in the private session with Mr Mackey.

**Moved** (Duncan / Archer) *That Council adopt the Audit Management Report for the year ended 30 June 2010.*

*Carried*

The meeting closed at 12.22

The meeting moved into committee to enable Councillors to have a private session with the Audit Director, Mr Mackey.

.....  
Chairman

.....  
Date