

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE MEETING OF THE COUNCIL HELD ON 11 AUGUST 2015, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.51 A.M.

PRESENT:

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

IN ATTENDANCE:

C. Ingle (Chief Executive Officer), R. Mallinson (Corporate Services Manager), M. Meehan (Planning & Environmental Manager), J. Adams (Consents and Compliance Manager), A. Mahuika (Minutes Clerk)

1. APOLOGIES:

There were no apologies.

2. PUBLIC FORUM

There was no public forum.

3.1 CONFIRMATION OF MINUTES

Moved (Archer / Ewen) *that the minutes of the Council Meeting dated 14 July 2015, be confirmed as correct.*

Carried

Matters arising

Cr Archer asked for an update on the status of the Glacier Gate Motels sale. M. Meehan advised that he visited Franz Josef last week. He stated that all roofing iron has been removed and all of the cottages along with the house have now been sold. Most other chattels have been sold and there is only a small amount of the frame of the building to be demolished. M. Meehan stated that the buyers of some of the cottages need to get resource consents to shift the buildings which will happen shortly. The NZ Fire Service and Police are keen to run some exercises in this area prior to demolition.

REPORTS:

4.1 ENGINEERING OPERATIONS REPORT

M. Meehan spoke to this report and advised that works have been done in the Vine Creek, Kowhitirangi, Whataroa, Punakaiki, Nelson Creek and Mokihinui rating districts. M. Meehan reported that minor work will be done in the Lower Waiho rating district and investigations into sourcing rock from the Waiho Loop will be carried out. M. Meehan stated that it has been revealed that NZ Petroleum and Minerals will not issue permits for rock removal for any land south of Whataroa which is on DoC land, no matter the status of the land, as it is designated as World Heritage area. M. Meehan stated that it is important for council to have rock available in South Westland. He advised that the permit for the Okuru Quarry expires next year. He stated that the issue needs to be resolved as it is important that the quarry is retained. M. Meehan stated that there are a lot of areas in South Westland where DoC has taken over land where there were good sources of rock and it now seems council can no longer source rock from these areas. M. Meehan advised that a meeting is arranged with NZ Petroleum and Minerals to find a solution.

M. Meehan advised that Council tendered quarry work recently for the next three years for the Camelback, Inchbonnie and Kiwi quarries. The successful tenderer was MBD Contracting Ltd at \$10.70 per tonne. M. Meehan advised that this tenderer had more of a focus on health and safety. He

advised that council no longer supplies explosives as part of the contract and this is now on the contractor.

C. Ingle suggested that he and The Chairman visit the Minister, Hon Simon Bridges, to see what can be done with regard to the issues of rock sources in South Westland. The Chairman stated that this matter needs to be brought to a head as there are huge issues for South Westland relating to roading improvements and transport. M. Meehan stated that NZTA will have a huge interest in this matter as well. Extensive discussion took place on this matter.

Moved (Archer / McDonnell) *That this report be received.*

Carried

4.1.1 LITTLE PADDOCK (2010) LTD AND HANILY RESOURCES LTD RC11057 BOND

Moved (Archer / Birchfield)

That Council dispenses with Standing Orders, and agrees to receive this late item due to urgency of the subject matter.

Carried

J. Adams spoke to this report. He advised that each time the company has got into financial trouble they have put themselves into liquidation, formed a new company and transferred their resource consents back to themselves. Council served abatement notices on the company and informed them that they were not to carry out any mining activities, only rehabilitation on the land as they were outside of their consent. J. Adams advised that council staff eventually got the company to stop mining but they have now refused to carry out the rehabilitation. J. Adams advised that under the terms of the consent, if they haven't been mining for a period greater than six months, and not carrying out any rehabilitation, council can then call in the bond. J. Adams stated that this site has now not been mined for over 12 months. Mr Warren Smith is now the Director of the company and is Mr Lindsay Smith's cousin, (Mr Lindsay Smith is currently in jail). Mr Warren Smith holds the resource consent for the company and he has been informed that council would be calling in the bond if rehabilitation was not started. Mr Warren Smith's reply was "*do your worst*". Currently this land is in the hands of liquidators and a number of sections have been sold off. The mine site cannot be sold off because of the current state of it. J. Adams advised that three contractors have done quotes to do the work and this work can be done within the bond. J. Adams is recommending that the bond is called in so that the rehabilitation can be done. J. Adams answered various questions from Councillors.

Moved (Archer / Birchfield)

That Council calls in the \$30,000 cash bond to enable the rehabilitation of the property at Blue Spur, Hokitika.

Carried

4.2 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson spoke to this report and advised that he circulated his provisional financial report last week. He provided the meeting with updated hard copies of this month's report. R. Mallinson stated that it has been a difficult financial year for the council and the results reflect this. He stated that this report covers the twelve month results to the end of June. R. Mallinson reported that investment income has performed well this year at just under \$1.1M. R. Mallinson drew attention to the Audit NZ Interim Management Report for the year to 30 June 2015 which is attached to his monthly report. Cr McDonnell asked R. Mallinson if there is an explanation as to why the investment portfolio went down in June even though it has gone up by \$120,000 in July. R. Mallinson responded that general international market instability during this time is a likely cause. R. Mallinson offered to follow this up with the portfolio manager and get back to Cr McDonnell.

Cr Archer asked if there has been an outcome with regard to page eight of the Audit report where Molloy & Associates were engaged to help identify the correct processes for unbilled consent work in progress. R. Mallinson responded that this was an extensive project to help council accurately value unbilled work. This has helped council identify a number of systems that needed to be improved in order to capture all billable work. R. Mallinson stated that the assistance from Molloy & Associates will continue. The Chairman stated that this Audit NZ report is a good result. He asked R. Mallinson if was happy with this. R. Mallinson stated that two years ago when council changed its financial software system Audit NZ was quite scathing of some of council's internal processes. R. Mallinson stated that it

is pleasing to see the improvements in these areas and the Audit Report has acknowledged these improvements.

Moved (Archer / Challenger) *that both financial reports be received.*

Carried

4.2.2 SETTING OF RATES FOR 2015 / 16

R. Mallinson spoke to this report advising that this resolution formally sets Council's rates for 2015 /16. He stated that a legal review of Council's rating resolution was done the previous year, and this is now the format that is required. Cr Archer asked what is the logic for two separate rating systems for the special rating districts, that is, land value versus capital value. R. Mallinson responded that the special rating districts include every possible form of rating ranging from simple capital value to land value, differentiated, non-differentiated and some even rate on land area. R. Mallinson stated that these are the systems that the special rating areas asked for at the time of being established. The Chairman gave the example of his previous involvement in the Taramakau rating district where the rating area was classified on what effect the river would have on different classes of land. R. Mallinson advised that the classifications are dependent on what the ratepayers want when the rating district is first established and the differentials reflect the benefits to the various types of property within the rating area.

Moved (McDonnell / Birchfield)

That Council adopt the attached proposed rates strike and penalty setting resolutions numbered:

- 1. Setting of various rates as per 1 (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (aa), (bb), (cc), (dd), (ee).*
- 2. Due dates for payment.*
- 3. Penalties as per 3 (a), (b)*

Carried

4.2.3 TWELVE MONTH REVIEW 1 JULY 2014 – 30 JUNE 2015

C. Ingle spoke to this report and advised that while the financial reports capture the dollar side of things this report captures the activity side of things and the performance of council staff teams during the 12 months.

C. Ingle drew attention to the performance target for water quality in Lake Brunner. He stated that Council has achieved the Trophic Level Index (TLI) that was set as a target. He stated that this is a major achievement as council has been striving to achieve this for a long time. M. Meehan is currently putting together a report for the next Council meeting which details the work that has gone into this project. C. Ingle stated that he is very happy with the results in all areas as staff have achieved, or are very close to achieving pretty much all targets. Cr Archer agreed with C. Ingle and stated that air quality in Reefton and a few wells are about the only areas of concern. Cr Archer stated that these results are very good, he congratulated staff and management. Cr Birchfield stated that council is on the right track with the work with riparian margins and the bridging of creeks in the Lake Brunner catchment. The Chairman stated that the farming community in that catchment has made a big effort and deserve to be congratulated on a great result. Further discussion took place on the work, improvements and the progress made in this catchment area over the past few years. C. Ingle stated that credit must be given to Westland Milk Products Ltd with the work they have done with their environmental programmes. He stated that this has been a team effort with assistance from the Ministry for the Environment as well.

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

Carried

5.0 CHAIRMANS REPORT

The Chairman spoke to his report. He advised that the Local Government NZ (LGNZ) conference and RSG tour went well. He stated that Hon Paula Bennett's speech about amalgamations drew a lot of

media interest. The Chairman stated that this needs to be community led and work needs to be done on cost benefit and benefits to the community. Extensive discussion took place on this matter. The Chairman reported that the public meeting recently held in Franz Josef went well. Problems facing the Franz Josef area were discussed. The Chairman reported that a working group has been formed with representatives from NZTA, DoC, WCRC, Iwi and Westland District Council. M. Meehan is representing this council and community groups are also part of the working group. The Chairman attended NZTA's Freight Planning workshop on the 6th of August. He stated that this workshop was about ensuring that the region's roads are fit for purpose for freight movement now and into the future. Cr Ewen also attended this workshop and agreed with the Chairman that it was a very good meeting.

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

Carried

6.0 CHIEF EXECUTIVE'S REPORT

C. Ingle spoke to his report and advised that it was pleasing to hear that the Ahaura Bridge is to be replaced within the next five years. He also advised that the design phase for the Taramakau Bridge replacement is currently being tendered. C. Ingle advised that the Mingha Bluff improvement work has now commenced.

C. Ingle advised that the Lifelines Group has now appointed Mr Rob Daniel as a part time co-ordinator. He is employed by this council.

C. Ingle reported that he will likely be attending Civil Defence Group Controller training in Christchurch shortly.

C. Ingle attended a CDEM Joint Committee meeting with the Mayors and Chairs held recently. He stated that a lot is happening in the Civil Defence area at the moment.

C. Ingle reported that Council has recently updated its Business Continuity Plan. This plan will come into action should there be an emergency that impacts on the region.

C. Ingle drew attention to Council's submission on the Proposed National Bovine TB Strategy and TB Free's 6 month report which are both attached to his report

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

Carried

GENERAL BUSINESS

Cr Challenger advised that he would be absent for the September council meeting.

The meeting closed at 12.10 p.m.

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Chairman

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Date