

ENVIRONMENT CANTERBURY

MINUTES OF THE 274TH MEETING OF ENVIRONMENT CANTERBURY HELD IN THE COUNCIL CHAMBER, 58 KILMORE STREET, CHRISTCHURCH ON THURSDAY, 2 MARCH 2006 AT 9.30 A.M.

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24. NEXT MEETING – 30 MARCH 2006
25. CLOSURE

PRESENT

Councillors T K Burke (Chairman), R A Budd, A S Carroll, E H Cunningham, R H M Johnston, R M Kirk, R I R Little, A R McKay, A G Neill, M E Oldfield, J F Slee, N J Wagner, J M Waters and W E Woods.

MANAGEMENT AND OFFICERS PRESENT

B R Jenkins (Chief Executive) and J C Pani (Manager Secretariat).

J L Atkinson (Acting Director Operations), W M Falconer (Director External Relations), M C Freeman (Director Regulation), G A Griffiths (Director Investigations and Monitoring), J D Talbot (Director Policy and Planning) and I W Thomas (Director Finance and Corporate Services) were in attendance for part of the meeting and some report authors were in attendance to present their reports.

1. APOLOGIES

Nil.

2. MINUTES OF MEETING – 2 FEBRUARY 2006

Cr Oldfield requested that his reason for voting against item 8, Hearing Arrangements for Variation 1 NRRP Chapters 4–8, be noted in the minutes as a matter of accuracy.

Moved Cr Budd, seconded Cr Johnston.

That the minutes of the 273rd meeting held on 2 February 2006, as amended, be confirmed a true and accurate record.

CARRIED

3. MATTERS ARISING

Item 8, Hearing Arrangements for Variation 1 NRRP Chapters 4–8

Cr Woods commented that Mr Talbot had advised that councillors who put their name forward as a member of a Hearing Panel for Variation 1 NRRP Chapters 4–8 must be prepared to hear every submission, as a commissioner who does not hear all the submissions will not be able to vote on the variation. Cr Woods said that his view was that it is only the submissions that a commissioner does not hear that they will not be able to make recommendations on, as it is the full Council that makes the final decision.

4. DEPUTATIONS AND PETITION

Nil.

5. REPORT OF THE FINANCE AND AUDIT COMMITTEE

Moved Cr Wagner, seconded Cr Neill.

That the Council:

- (a) *Notes the report on the implications of International Financial Reporting Standards for Environment Canterbury.*
- (b) *Approves, subject to agreement of the outstanding issue relating to the Clean Heat Loan Scheme with Audit New Zealand, the proposed approach for inclusion in Environment Canterbury's draft LTCCP.*
- (c) *Approves the revised Investment Policy, as amended, and the Liability Management Policy.*

CARRIED

6. DAM SAFETY FUNDING POLICY

Wayne Thomas (Director Finance and Corporate Services) presented this report proposing a policy for funding the Council's new responsibilities for dam safety under the Building Act 2004.

Moved Cr McKay, seconded Cr Budd.

That the report "Revenue and Financing Policy Analysis" be adopted as the basis for funding dam safety responsibilities under the Building Act 2004, incorporated into Natural Resources funding categories 1.2 and 1.6 of the Proposed Revenue and Financing Policy and publicly notified using the special consultative procedure in conjunction with the statement of proposal to adopt the Long Term Council Community Plan 2006-16.

CARRIED

7. ADOPTION OF THE DRAFT LTCCP 2006/16

Wayne Thomas and Neil Pilbrow (Portfolio Manager Finance and Corporate Services) introduced this item recommending adoption of the Statement of Proposal to adopt the 2006/16 Long Term Council Community Plan (LTCCP).

A schedule of amendments to Parts A and B of the LTCCP 2006/16 was tabled.

Mr Thomas advised that the Council had received a number of suggested changes to the Draft LTCCP from the Office of the Auditor General and that these changes had been resubmitted to Audit New Zealand for certification. Audit New Zealand was expected to bring an Audit Certificate to the Council meeting.

It was commented that deleting the words "CCTOs" from recommendation (a) was appropriate, as a Council Controlled Trading Organisation was not listed in this

recommendation. To better reflect the current arrangements, the meeting also requested a change to the wording in paragraph number one of the Background Section from “appoints a trustee to the board of the following Trust” to read “Environment Canterbury selects nominees to the boards of the following organisations”.

Moved Cr Budd, seconded Cr Waters

- (a) That the Council exempts the following Council Controlled Organisations as detailed under section 7 of the Local Government Act 2002: Environment Canterbury Limited, Living Streams Limited, Road Safety South Canterbury Charitable Trust, and Varroa Agency Incorporated.
- (b) That the revised Revenue and Financing Policy and Investment Policy 2006 be adopted for consultation.
- (c) That the Council resolves, in accordance with Section 100(2) of the Local Government Act 2002, that it is financially prudent not to balance its operating budget but to utilise reserve funds available to reduce the level of rates that in the absence of the reserve usage would otherwise be required having regard to:
 - (i) The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - (ii) The projected revenue available to fund the estimated expenses associated with maintaining the service capability and integrity of assets throughout their useful life; and
 - (iii) The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.
- (d) That the Resource Management Charges under the Local Government Act 2002 and the Resource Management Act 1991 be adopted for consultation.
- (e) That Council adopt the “Statement of Proposal to Adopt the 2006/16 LTCCP” as a preliminary step to receiving Audit New Zealand’s certification.

Morning tea was taken from 10.30 a.m. to 10.50 a.m.

The following was moved by way of an amendment to be included as an additional recommendation after recommendation (b) in the original (Cr Budd / Cr Waters) motion:

Moved Cr Neill, seconded Cr Oldfield

That the Council refers the Draft LTCCP 2006/2016 to the Finance and Audit Committee with delegated power to review all expenditure and levels of service and in association with Portfolio Chairs and Council staff examine whether there are any areas where cost savings and efficiency gains can be achieved without necessarily a reduction of service delivery.

That this examination shall run in parallel to the community consultation process.

That the Finance and Audit Committee shall report to Council at the Council meeting in May 2006.

There was lengthy robust debate with views expressed both for and against this additional parallel process being introduced at this stage in the LTCCP developmental process.

It was commented that the document was drafted for public consultation and that the next step was to get feedback from the community. It was further stated that the Portfolio Committees worked through the budget envelope in August/September 2005 and that was the opportunity to review expenditure and levels of service.

Another view expressed by some Councillors was that this review of expenditure and levels of service by the Finance and Audit Committee fitted within that Committee's terms of reference and was an appropriate process at this stage to ensure that the Council was treating the issues seriously and was doing everything to minimise rate increases for its communities.

In response to questions about rating increases on both urban and rural properties, Mr Thomas advised that increases varied between districts. A Christchurch city property valued at \$270,000 would incur an approximate \$37 increase per annum, with \$17 being a public passenger transport increase. A Waitaki property with a capital value of \$3.5M would incur an approximate \$834 increase with \$270 being a specific Pests Rate.

The amendment as moved by Cr Neill, seconded Cr Oldfield was then put and CARRIED.

A division was called for and CARRIED by 8 votes to 6, the voting being as follows:

For (8)	Against (6)
Cr Woods	Cr Kirk
Cr McKay	Cr Waters
Cr Wagner	Cr Carroll
Cr Slee	Cr Burke
Cr Little	Cr Cunningham
Cr Oldfield	Cr Budd
Cr Neill	
Cr Johnston	

The amendment (Crs Neill/Oldfield) was incorporated into the original motion (Crs Budd/Waters) and the following recommendations were put:

- (a) *That the Council exempts the following Council Controlled Organisations as detailed under section 7 of the Local Government Act 2002: Environment Canterbury Limited, Living Streams Limited, Road Safety South Canterbury Charitable Trust, and Varroa Agency Incorporated.*
- (b) *That the revised Revenue and Financing Policy and Investment Policy 2006 be adopted for consultation.*

- (c) That the Council refers the Draft LTCCP 2006/2016 to the Finance and Audit Committee with delegated power to review all expenditure and levels of service and in association with Portfolio Chairs and Council staff examine whether there are any areas where cost savings and efficiency gains can be achieved without necessarily a reduction of service delivery.
- (i) That this examination shall run in parallel to the community consultation process.
- (ii) The Finance and Audit Committee shall report to Council at the Council meeting in May 2006.
- (d) That the Council resolves, in accordance with Section 100(2) of the Local Government Act 2002, that it is financially prudent not to balance its operating budget but to utilise reserve funds available to reduce the level of rates that in the absence of the reserve usage would otherwise be required having regard to:
- (i) The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (ii) The projected revenue available to fund the estimated expenses associated with maintaining the service capability and integrity of assets throughout their useful life; and
- (iii) The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.
- (e) That the Resource Management Charges under the Local Government Act 2002 and the Resource Management Act 1991 be adopted for consultation.
- (f) That Council adopts the "Statement of Proposal to Adopt the 2006/16 LTCCP" including the amendments listed on the schedule below as a preliminary step to receiving Audit New Zealand's certification.

PART A: Community Outcomes and levels of service, including the Annual Plan for 2006/07

Page	Item
various	Corrections to page cross references
inside front cover	Amended name of companion document "Project levels of service and funding 2006/07"
Table of contents	Added item: Report to the readers - Audit opinion
2	Addition of explanation of "Stop Press" boxes later in the document.
4	Removal of note regarding Maori translation still to be done.
6	Replacement of paragraph with Maori translation.
18	Figures in assumptions a and b revised to include inflation.

21,80,87,88	<i>Amend valuation of Clean Heat Loans under IFRS.</i>
46	<i>Amend name of Level of Service No 5 by adding "specified" after "from".</i>
56	<i>Renumbered duplicate Level of Service No 6s and reworded the measures on No 6 and 7 to positively reflect the effectiveness of control programmes, rather than negatively measuring the number of properties without a control programme that were required to have one.</i>
76	<i>Add a note regarding the influence that weather has on aquatic stream health.</i>
83	<i>Amend assumption regarding valuations and Clean Heat loans.</i>
85	<i>Add note reference to Financial Assumptions.</i>
87	<i>Disclosed interest and depreciation separately.</i>
92	<i>Correction of dates in table in Level of Service No 2.</i>
98	<i>Updated figures in Key Indicators table to reflect latest available information (i.e. from the 2004/05 Annual Report).</i>
106	<i>Appendix 5 expanded to include additional key ECan documents.</i>

PART B: Funding and Financial Policies 2006

Page	Item
30	<i>Included a note in the Democratic Process group of activities regarding the portion that is funded from the Public Passenger Transport reserve.</i>
62, 63	<i>Expanded table "Part A- Financial overview" to cover all ten years of the LTCCP and added information on loans.</i>

CARRIED

Lunch was taken from 12.45 p.m. to 1.30 p.m.

8. DRAFT CANTERBURY REGIONAL PASSENGER TRANSPORT PLAN 2006

Nick Bryan (Transport Policy Analyst) introduced this item for Council to adopt a Draft Canterbury Regional Passenger Transport Plan for consultation and spoke to a PowerPoint presentation. He advised that under the requirements of the Land Transport Management Act 2003, the Canterbury Regional Passenger Transport Plan, which was adopted in February 2002, needed to be renewed.

Moved Cr Wagner, seconded Cr Waters.

That the Council adopts the Draft Canterbury Regional Passenger Transport Plan 2006 for public submissions.

CARRIED

Item 17 was taken at this time.

17. ELECTED MEMBERS REMUNERATION

Jude Pani (Manager Secretariat) presented this item. She advised that the Council needed to consider and recommend its remuneration for the 2006/2007 year to the Remuneration Authority for approval and that if Council wished to set aside a payment to Councillors appointed as members of the Hearing Committees, that payment would be made by way of an allowance from 1 July 2006. The Council also needed to recommend any changes to Councillors' reimbursements to the Remuneration Authority.

Moved Cr McKay, seconded Cr Waters.

- (a) *That the Council recommends to the Remuneration Authority that the Councillors' Remuneration increase of \$31,033 for 2006/2007 be set aside for payment to Councillors appointed as members of the Hearing Committees for Variation 1 and 2 of the NRRP Chapters 4–8.*
- (b) *That the Council re-confirms Councillors' reimbursements and recommends an increase in Conferences/Training Courses/Seminars funding to \$28,000 for 2006/2007 to the Remuneration Authority.*

CARRIED

Crs Johnston, Oldfield, Little and Woods requested that their abstention from voting on recommendation (a) be recorded

Crs Neill and Oldfield requested that their votes against recommendation (b) be recorded.

9. HEARING ARRANGEMENTS FOR VARIATION 1 NRRP CHAPTERS 4 – 8

John Talbot (Director Policy and Planning) introduced this item seeking Council resolution about the Councillor composition of the hearing committees for Variation 1 and 2 of the NRRP Chapters 4–8.

Crs Carroll, Johnston, Kirk, Little, Oldfield and Woods indicated their availability as a member of the Hearing Committees for Variation 1 and 2 of the NRRP Chapters 4–8.

The Chairman called for declarations from each of the Councillors. Prior to receiving declarations from the Councillors Jude Pani reminded Councillors of the points relating to non-pecuniary conflicts of interest and predetermination and read the relevant extracts from *A Guide to the Local Authorities (Members' Interests) Act 1968 and Non-Pecuniary Conflicts of Interest*. Cr Burke then provided comments from the *Local Government Law in New Zealand* giving an example of when personal interest could create suspicion of bias if a Councillor is or was an office-bearer or member of an organisation that made a submission to the application being heard.

Cr Little advised that to ensure the Council was not put at risk because of any perception of a conflict of interest in relation to his previous roles with Federated Farmers, he wished to step back from the process and not be considered as a member of a Hearing Panel. Crs Carroll, Johnston, Kirk, Oldfield and Woods declared that there was no conflict that would preclude them from being considered as a member of the Hearing Panel for Variation 1 and 2 of the NRRP Chapters 4 – 8.

There was further discussion on conflict of interest matters. The Chairman raised concerns about reported comments of Cr Oldfield voicing support for different

mechanisms for water allocation and local decision making for Canterbury. Cr Oldfield clarified the context within which the comments were made and confirmed his commitment to the Regional Council and his role as a Regional Councillor representing his constituents.

Afternoon tea was taken from 3.10pm to 3.25pm.

Moved Cr Wagner, seconded Cr Burke.

That the Council resolves for hearings into submissions on Variation 1 and 2 of the Proposed NRRP Chapters 4-8 to appoint Councillors Carroll, Johnston, Kirk, Oldfield and Woods to the hearings committees and that the matter be further discussed when Council is clear about the composition of the Chapters and timing of the hearings.

CARRIED

10. REPORT OF THE REGIONAL PLANNING COMMITTEE

Cr Budd as Chairman of the Regional Planning Committee presented the report of 8 February 2006 meeting. There was lengthy discussion, which included discussion on the impacts of this variation on current matters before the Environment Court.

Moved Cr Budd, seconded Cr Burke.

(a) That the boundary between Zone 1 and Zone 2 be located where the natural barriers to contamination comprising a layer of surface fine sediment more than 3 metres deep, and an upwards groundwater pressure, are both present.

LOST

(b) *That a new zone – to be called Zone 3 – be added to the Christchurch Groundwater Recharge Zone to cover the area between Zone 2 and the coastline.*

CARRIED

(c) That the areas of Zone 1 that have an operative planning zone, which provides for urban development, be managed as subzones of Zone 1.

LOST

A division was then called for on recommendation (c).

LOST on division by 8 votes to 6, the voting being as follows:

For (6)

Cr Carroll
Cr Waters
Cr Kirk
Cr Budd
Cr Cunningham
Cr Burke

Against (8)

Cr Wagner
Cr Neill
Cr Oldfield
Cr Little
Cr Slee
Cr McKay
Cr Woods
Cr Johnston

11. MINUTES OF THE CIVIL DEFENCE AND EMERGENCY MANAGEMENT GROUP JOINT COMMITTEE

Moved Cr McKay, seconded Cr Burke.

That the minutes of the Civil Defence and Emergency Management Group Joint Committee be received.

CARRIED

12. MINUTES OF THE CHRISTCHURCH CITY COUNCIL / ENVIRONMENT CANTERBURY JOINT COMMITTEE

Moved Cr Wagner, seconded Cr Waters.

That the minutes of the Christchurch City Council / Environment Canterbury Joint Committee be received.

CARRIED

13. MEMBERSHIP OF CANTERBURY WASTE JOINT COMMITTEE

Mike Freeman (Director Regulation) and Darren Patterson (Hazardous Substances and Waste Management Officer) introduced this item for Council to discuss the invitation by the Canterbury territorial authorities to join the Canterbury Waste Joint Committee. Dr Freeman commented on the importance of working with the territorial authorities in Canterbury, he also advised of suggested changes to what was circulated in the agenda as recommendation (a).

Moved Cr Johnston, seconded Cr McKay.

(a) *That the Council accepts the invitation to become a member of the Canterbury Waste Joint Committee, accepts the proposed Constituting Agreement for the Canterbury Waste Joint Committee, and authorises the Chief Executive to:*

- (i) *Negotiate any technical or financial issues, and*
- (ii) *Sign on behalf of Environment Canterbury.*

(b) *That the Council appoints Councillors Little and Waters to represent Environment Canterbury on the Canterbury Waste Joint Committee.*

CARRIED

14. CONSULTATION PROCESS FOR PROPOSED CLEAN HEAT PROJECTS IN TIMARU AND KAIAPOI/RANGIORA

Linda Kirk (Portfolio Manager Air) introduced this item for Council to consider and approve the wording of two consultation documents, and consultation process, concerning the proposed introduction of Clean Heat projects for Timaru, and for Kaiapoi/Rangiora. Ms Kirk spoke to a PowerPoint presentation.

Moved Cr Budd, seconded Cr Neill.

That the consultation documents (Proposal to Introduce a Clean Heat Project for Kaiapoi and Rangiora, and Proposal to Introduce a Clean Heat Project for Timaru) and consultation process set out in the Council report, be approved as the basis for consultation on a proposed Clean Heat project for Timaru, and for Kaiapoi and Rangiora.

CARRIED

EXTENSION OF TIME BEYOND THE SIX-HOUR LIMIT

Moved Cr Waters, seconded Cr Little.

That the Council suspend clause 3.3.7 of the Standing Orders to allow the meeting to continue beyond the six-hour limit.

CARRIED

15. FINANCIAL REPORTS ON COUNCIL PORTFOLIO ACTIVITIES

Wayne Thomas presented the Financial Reports for the seven months ending 31 January 2006.

Moved Cr Burke, seconded Cr Cunningham.

That the information on the financial reports for the period ending 31 January 2006 be received.

CARRIED

16. RESOURCE MANAGEMENT ACT ACCREDITATION

Jude Pani introduced this report for approval for Councillors to undertake Resource Management Act decision-making training and advised Council that costs would come from Ratepayer Services budget, as there was no other budget area to draw these Councillor training costs. She further commented that by approving these costs there would be no further funds available for conferences/training course/seminars in the current financial year. She also advised that all associated conference attendance costs are charges against this code (including attendance at Zone 5 meetings).

Moved Cr Wagner, seconded Cr Budd.

That the Council approves Councillors Cunningham and Oldfield to attend the Ministry for the Environment sponsored training programme "The Training Assessment and Certification Programme for RMA Decision-makers".

CARRIED

18. CHIEF EXECUTIVE'S ITEMS

Moved Cr Johnston, seconded Cr Burke.

That the information on documents sealed be received.

CARRIED

19. COUNCILLOR REPORTS EXTERNAL APPOINTMENTS/ CONFERENCES/ SEMINARS

Moved Cr Burke, seconded Cr Budd.

That leave of absence be granted for Cr Neill, 10 March to 17 March 2006 inclusive.

CARRIED

- Cr Budd briefed the meeting on his attendance at the Urban Development Strategy Forum. He advised that the Forum had adopted the Charter at its last meeting.
- Cr McKay advised that Lake Pukaki levels were worse than the 1992 situation.
- Cr Johnston briefed the meeting on the discussion and recommendations from the Pest Management Liaison Committee Chairs (PMLC) meeting held on 15 February 2006. He advised that the meeting discussed issues relating to both the National Pest Management Strategy for Bovine Tb, and Target Pest Enterprises Limited (including maintaining capability). The Committee wanted to recommend to Council that membership by the one Councillor of both the Pest and Biosecurity Portfolio Committee and Target Pest Enterprises Limited Board (TPE) had the perception of a conflict of interest and different councillor appointments should fill the positions. They also recommended that there was a perception of a conflict in the one person carrying out the role of TPE Board member and Chair of the PMLC. The PMLC also received an update on rabbit levels and effectiveness of RHD, the level of coordination needed for rabbit control in a user pays environment, programmes for uniform targeted rate funded projects in 2006/07 and the use of technology, including cameras and GPS, in regulation processes.
- Cr Cunningham briefed the meeting on her recent attendance at the Avon/Heathcote Ihutai Trust meeting. She advised that the Christchurch City Council, Environment Canterbury and Ihutai Trust are jointly planning to develop a long term monitoring programme to monitor water quality of the Avon and Heathcote Rivers and the Estuary. It appears that a lot of data collected by the different groups is not written up or shared. The plan should be finished in June.

20. NOTICE OF MOTION

Nil.

21. QUESTIONS

Nil.

22. EXTRAORDINARY AND URGENT BUSINESS

Nil.

The meeting moved into public excluded from 5.05 p.m. until 5.12 p.m.

23. MEETING WITH PUBLIC EXCLUDED

Moved Cr Burke, Seconded Cr Waters

That the public be excluded from the following part of the proceedings of this meeting, namely:

- 23.1 *Report of the Finance and Audit Committee*
- 23.2 *Commissioner Appointments for Hearings for Variation 1 NRRP Chapters 4 – 8*

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<i>General subject of each matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
23.1 <i>Report of the Finance and Audit Committee</i>	<i>That good reason exists for not discussing the matter with the public present and is not outweighed by the public interest.</i>	Section 48(1)(a)
23.2 <i>Commissioner Appointments for Hearings for Variation 1 NRRP Chapters 4 – 8</i>	<i>That good reason exists for not discussing the matter with the public present and is not outweighed by the public interest.</i>	Section 48(1)(a)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 7 of that Act which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

- 23.1 *Protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a).*

Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii).

Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities - Section 7(2)(h).

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); – Section 7(2)(i).

- 23.2 *Protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a).*

CARRIED

IN OPEN MEETING

Moved Cr Burke, Seconded Cr Johnston

That the meeting move into Open Meeting.

CARRIED

The meeting adjourned at 5.15 p.m. The Council decided to reconvene at 9.30 a.m., Wednesday 8 March 2006 to complete discussion on the item 7 – Adoption of the Long Term Council Community Plan 2006/16 – following receipt of the Audit Certification from Audit New Zealand.

Unconfirmed

MINUTES OF THE RECONVENED MEETING HELD IN THE COUNCIL CHAMBER, FIRST FLOOR, PEGASUS BUILDING, ENVIRONMENT CANTERBURY, 58 KILMORE STREET, CHRISTCHURCH RECONVENED ON WEDNESDAY 8 MARCH 2006 AT 9.30 A.M.

PRESENT

Councillors T K Burke (Chairman), R A Budd, A S Carroll, E H Cunningham, R H M Johnston, R M Kirk, R I R Little, A R McKay, A G Neill, M E Oldfield, J F Slee, N J Wagner, J M Waters and W E Woods.

MANAGEMENT AND OFFICERS PRESENT

B R Jenkins (Chief Executive), W M Falconer (Director External Relations), M C Freeman (Director Regulation), G A Griffiths (Director Investigations and Monitoring), K G Lawn (Director Operations), J D Talbot (Director Policy and Planning), I W Thomas (Director Finance and Corporate Services), N C Pilbrow (Portfolio Manager Finance and Corporate Services), H Sellwood (Finance Manager) and L M McDonald (Administration Officer).

Cr Burke welcomed Mr Julian Tan of Audit New Zealand to the meeting.

Cr Oldfield sought, and was granted leave, to make a personal statement under Standing Order 3.8.12 and explained that the nature of the statement related to his address to the meeting of 2 March. [Cr Oldfield at that meeting expressed his disappointment at the LTCCP Portfolio process and commented of hearing negative references being made about the Chief Executive. Cr Oldfield apologised later in the meeting for any offence his comments caused the staff.]

Cr Oldfield said that in seconding an amendment to a motion, he had made statements that were offensive to the Chief Executive and staff. While he had apologised on that day to staff there was inadequate acknowledgement that the apology was to the Chief Executive. Cr Oldfield said he wished to personally, publicly apologise to the Chief Executive for any offence his statements caused. He regretted his statements and requested that his apology be recorded.

7.1 ADOPTION OF THE DRAFT LTCCP 2006/16

Wayne Thomas introduced this item and explained that the consideration of item 7 had been adjourned on 2 March 2006 to allow for changes to the valuation of the Clean Heat Loan Scheme to be audited and finalised, and for the completion of the review by Audit New Zealand.

A report was tabled with a schedule attached describing the update to the funding impact section for the Clean Heat Loan Scheme and some additional clarification as requested by Audit.

Helen Sellwood explained that the adjustment was a valuation issue for the Clean Heat Loan Scheme and would result in a deficit in the Clean Heat Reserve. While the figures are significant, no additional funding was being sought.

Mr Thomas advised that the recommendation (b) in the tabled report was a reconfirmation of the resolution earlier in this meeting arising from the changes to

Clean Heat values, and (c) was a recommendation relating to a proposed amendment to resource management charges.

Cr Neill, referring to Appendix 7 – Fees and Charges (page 116 of the draft LTCCP document) proposed a procedural motion to consider a proposal to alter the resource management charges (as resolved earlier in this meeting), as new information was now available.

Moved Cr Neill seconded Cr McKay.

That pursuant to Standing Order 3.9.17 information be received regarding a proposed alteration to the previously adopted Resource Management Charges adopted for consultation under the Local Government Act 2002 and the Resource Management Act 1991.

CARRIED

Mike Freeman apologised for the lateness in bringing this matter to the Council and explained that the level of cost recovery in the compliance monitoring section had recently been reviewed. The information showed that, due to a variety of factors including high staff turnover, the objective of 100% cost recovery was not currently being achieved.

Dr Freeman proposed an increase in the hourly rate for compliance monitoring officers from \$85 to \$90. He noted that this would make the rate consistent with rate charged for consents investigating officers.

Cr Neill left at 9.58am

Cr Johnston said that the wider question of the appropriateness of the 100% cost recovery rate should be reconsidered by Council in the future.

Cr Burke then invited Mr Julian Tan of Audit New Zealand to report to the Council on the audit of the draft LTCCP.

Mr Tan explained that the Local Government Act required Audit New Zealand to consider certain matters within the draft LTCCP, and it is not their role to express an opinion of the merits of the policies with the draft Plan.

Mr Tan advised that, in their opinion, Council had complied with the Act in all material aspects including long-term decision-making, and accountability to the community. He confirmed that the underlying information used formed a reasonable basis for the draft Plan, the assumptions set out were based on the best information available to Council, and the forecast was presented generally in accordance with accounting practice and provided an appropriate framework.

Moved Cr Budd, seconded Cr Johnston

- (a) *That the Council resolves to adopt the further amendments to the "Statement of Proposal to Adopt the 2006/16 LTCCP" set out in the attached schedule of amendments prior to receiving final audit certification.*
- (b) *That the Council confirms following the inclusion of the changes to the valuation of the Clean Heat Loan Scheme, in accordance with Section 100(2) of the Local Government Act 2002, that it is financially prudent not to balance its operating budget but to utilise reserve funds available to reduce the level of*

rates that in the absence of the reserve usage would otherwise be required having regard to:

- (i) *The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and*
 - (ii) *The projected revenue available to fund the estimated expenses associated with maintaining the service capability and integrity of assets throughout their useful life; and*
 - (iii) *The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.*
- (c) *That the amendment to the Resource Management Charges, to increase the hourly charge-out rates for Compliance Monitoring Officers from \$85 to \$90, under the Local Government Act 2002 and the Resource Management Act 1991 be adopted for consultation.*
 - (d) *That Council receive the audit certificate for the "Statement of Proposal to Adopt the 2006/16 LTCCP".*
 - (e) *That Council adopt the "Statement of Proposal to Adopt the 2006/16 LTCCP", with audit certification, for consultation with the community.*

CARRIED

The meeting then returned to item 18

18. CHIEF EXECUTIVE'S ITEMS

Dr Jenkins provided updates on the following issues:

LYNTON DIARY LTD - APPEAL

Copies of the Environment Court decision, dated 6 March 2006, imposing costs against the Council in the matter of the Lynton Diary Ltd appeal were circulated. Dr Jenkins advised that advice was being sought on the implications of this decision and a report would be brought back to Council.

REGIONAL PLANNING COMMITTEE – GROUNDWATER RECHARGE ZONE

Dr Jenkins advised that a report had been received from Dr Hugh Thorpe, engaged by residents at Coutts Island, regarding the proposed boundary between zone 1 and zone 2 of the groundwater recharge zone. This would be reported to the Regional Planning Committee.

FINANCE AND AUDIT COMMITTEE – REVIEW OF LTCCP

A proposed schedule of meetings to be held with Portfolio Chairs and Deputy Chairs, with staff was circulated.

Dr Jenkins confirmed that this was the first step of the process to review the LTCCP as resolved earlier at this meeting. Following the Portfolio meetings the discussion

will be brought together at an April Council workshop before being referred to the Finance and Audit Committee.

ADDITIONAL COUNCIL MEETING – 22 JUNE 2006

An additional Council meeting has been tentatively scheduled for 22 June 2006 to adopt the final LTCCP. This meeting is required to allow time for the Auditor to consider changes to the LTCCP arising from submissions before the Council meeting of 29 June 2006.

The meeting closed at 10.30am.

CONFIRMED

DATE _____ CHAIRPERSON

Unconfirmed