

CHATHAM ISLANDS COUNCIL

Minutes of the Ordinary Monthly Meeting of the Chatham Islands Council, held in the Council Chambers, Tuku Road, Waitangi, on Thursday, 12 November 2009, commencing at 1.30 p.m.

PRESENT: Chairman, Deputy Mayor, A W M Preece, and Councillors J I Clarke, M Croon, N C Ryan, E C Tuck and N J Whaitiri.

IN ATTENDANCE: General Manager, Owen Pickles
Corporate Services Manager, Deborah Goomes
Council Secretary, Lynette Pickles
Secretarial Assistant, Loraine Hambly

APOLOGIES: Apologies were received from His Worship the Mayor, Mr P F Smith and Councillors P R Christiansen and A M Gregory-Hunt.

RESOLVED THAT the apologies from His Worship the Mayor and Councillors Christiansen and Gregory-Hunt be received.

E C Tuck / N J Whaitiri CARRIED

MINUTES: **2.1 Ordinary Meeting, 8 October 2009**

RESOLVED THAT the Minutes of the Ordinary Meeting of the Chatham Islands Council, held on Thursday, 8 October 2009, be confirmed and adopted as a true and correct record.

N C Ryan / M Croon CARRIED

MATTERS ARISING: Page 2, CIET Wind Farm Hearing

Cr Tuck asked how the Hearing for the Resource Consents for the Wind Farm had gone. The General Manager advised that it went extremely well as all the parties involved had negotiated the conditions before the Hearing, meaning it was just a matter of the Hearing Committee being comfortable with those conditions and adopting them.

Page 9, Minutes of Housing Trust Meeting

Cr Tuck advised that while attending the Zone 5 Meeting in Christchurch the previous week, she had spoken with representatives from EECA about the need to hurry things along to get a Chatham Islander accredited to undertake a Warm Homes project on the Chatham Islands.

MINUTES:

2.2 Special Meeting, 14 October 2009

RESOLVED THAT the Minutes of the Special Meeting of the Chatham Islands Council, held on Wednesday, 14 October 2009, be confirmed and adopted as a true and correct record.

J I Clarke / E C Tuck CARRIED

MATTERS ARISING:

Page 22, Adoption of the 2008/09 Annual Report

Cr Croon mentioned that the new Auditor General, Lyn Provost, had spoken at the Zone 5 Meeting. Cr Croon was disappointed to learn that the cost of audits was not going to reduce. Cr Tuck suggested that the Auditor General should be invited to the Islands.

DEMOCRACY:

2.3 Appointment of Acting General Manager

The General Manager reported that he would be on leave from 21 November 2009, returning to work on 6 January 2010. He proposed that Deborah Goomes, Corporate Services Manager, would assume the role of Acting General Manager.

Cr Tuck asked if there would be suitable recompense for the role. The Chairman advised that the General Manager would negotiate remuneration.

RESOLVED THAT Deborah Goomes be appointed Acting General Manager from 21 November 2009 until 5 January 2010 inclusive, during the absence of the General Manager, Owen Pickles.

E C Tuck / M Croon CARRIED

2.4 2010 Schedule of Ordinary Council Meetings

A schedule of Council Meetings for 2010 was presented to Council.

RESOLVED THAT pursuant to Clause 21 (5) (a) of Schedule 7 of the Local Government Act 2002, the meeting schedule for 2010 be adopted.

N C Ryan / J I Clarke CARRIED

FINANCE:

3.1 Rate Arrears, September 2009

The Rate Arrears Report for the period ending 30 September 2009 was presented to Council.

The General Manager advised that the rate arrears were higher than they had been in recent times. Two ratepayers with several properties were responsible for almost half of the arrears. One had been making promises over the last week to pay all arrears, but no money had been forthcoming. The other ratepayer's properties were all mortgaged with a bank and the General Manager would be making a claim on the bank in the next few days.

Cr Croon asked what the 'rates in advance' involved. The General Manager stated that this was where ratepayers, including the Council, had paid the full year's rates at the time of the first instalment.

RESOLVED THAT the Rate Arrears Report for the period ending 30 September 2009 be received.

N C Ryan / N J Whaitiri CARRIED

3.2 Council Dues Report, September 2009

The Council Dues Received Report for the period ending 30 September 2009 was presented to Council.

The General Manager advised that the Council Dues graph looked to be tracking well, but this was commitments reporting, not cash reporting. He stated that very little Dues had been received, with the current balance owing standing at approximately \$100,000.

The Chairman asked if that involved the two shippers and air freight. The General Manager advised that the \$5,000 owing on air freight had just been paid, so the \$100,000 balance was all from the shippers.

Cr Ryan asked if there had been any promises for payment. The General Manager stated that he had received promises for some time, without any sign of money. He wanted Council to be aware of the situation.

The Chairman stated that there would be a lot of freight coming in before Christmas, and was concerned that the balance of Dues owing could 'blow out'. The General Manager stated that the comfort for Council was that, under the Chatham Islands Council Act 2005, Council had the right to call on the principals of the companies to pay any Dues outstanding.

RESOLVED THAT the Council Dues Received Report for the period ending 30 September 2009 be received.

J I Clarke / N J Whaitiri CARRIED

3.3 Term Investment Schedule

The Term Investment Schedule as at 30 September 2009 was presented to Council.

The General Manager advised that the report showed where Council was placed as at 30 September. As at Monday, 16 November, apart from the Resource Management Document Fund, most of Council's investments would disappear. This was due to payments for the Owenga Wharf coming due on the 14th of each month and the payment of the subsidy for the Wharf not being paid to Council until the 30th of the month.

Cr Croon asked if it was necessary to keep the Resource Management Document Fund. The General Manager stated that while it was hoped that the costs for the review of the Document were going to be considerably less than first thought, Council still needed to have the contingency. The total cost of the new Document would depend on the demands made by the community when it was reviewed.

RESOLVED THAT the Term Investment Schedule as at 30 September 2009 be received.

E C Tuck / J I Clarke CARRIED

3.4 Debtor Report to 30 September 2009

The Debtor Report for the period ending 30 September 2009 was presented to Council.

Cr Croon queried why the cost of compliance assistance was listed under the debtors. The General Manager explained that the Government support funding was now being paid quarterly so it was necessary to issue invoices for it. The invoice was paid in early October.

RESOLVED THAT the Debtor Report as at 30 September 2009 be received.

N C Ryan / J I Clarke CARRIED

3.5 Financial Statements

The Statement of Financial Position and Statement of Financial Performance, as at 30 September 2009, were presented to Council.

The General Manager advised that he was reasonably happy with Council's position at the current moment. He noted that the financial reporting could sometimes be

misleading as some major projects expected to happen at a certain time might be delayed.

RESOLVED THAT the Financial Statements up to 30 September 2009 be received.

N J Whaitiri / J I Clarke CARRIED

WORKS & SERVICES: 4.1 Downer EDi Works Report, September 2009

RESOLVED THAT the Downer EDi Works Report for September 2009 be received.

N C Ryan / M Croon CARRIED

Cr Ryan asked that some maintenance metal be laid on the Owenga Road due to its slippery condition. When the road was wet it became very greasy, caused by the clay coming through the metal.

Cr Clarke stated that good metal would also be required on the road to the Owenga Wharf once the wharf construction was finished.

The Chairman advised that Downer EDi Works were aware of the clay problem. The General Manager stated that the real issue was the availability of good quality metal. The nearest metal for Owenga Road was obtained from the Preece Quarry and had a lot of clay in it.

4.2 Downer EDi Works Report, October 2009

RESOLVED THAT the Downer EDi Works Report for October 2009 be received.

N J Whaitiri / E C Tuck CARRIED

Cr Clarke remarked on the very good condition of the Port Hutt Road since the installation of the Whangatete Culvert. He understood that a Surveyor would be visiting the Island shortly to ascertain how high to build the road up.

4.3 Engineer's September 2009 Report

RESOLVED THAT the Engineer's Report for September 2009 be received.

N C Ryan / E C Tuck CARRIED

The Chairman advised that when he and the General Manager had attended a Conservation Board Meeting the

previous week, there had been much discussion from the Pitt Island Members of the Board about having cattle stops installed on Pitt Island. The General Manager stated that a delegation from the Council would be visiting Pitt Island in the New Year when all of these types of issues would be discussed.

Cr Whitiri noted that the reference to 'Lake Taia' had not been changed to read 'Lake Rangitai.'

4.4 Owenga Wharf Salvageables

The General Manager presented a report on what Council should do with the salvageable materials from the old Owenga Wharf. He had received several enquiries, including a letter from Chatham Islands Ports Limited and an email from the Pitt Island community.

Chatham Islands Ports Limited proposed to use suitable material for the repair of the Fishermen's Wharf at Waitangi, and the Pitt Island community had requested material for use in the construction of stock yards near the Wharf at Flower Pot. The General Manager considered that both projects were for the community good and should take precedence over any other enquiries.

There had been other requests to use the materials for such things as garden borders, fences and the like. The General Manager suggested some options on how Council could deal with those requests, such as an auction sale, requesting price offers for the materials, or donating them to charitable or community good causes. The General Manager's preference was to donate the left over material to a local community group which could then on sell as a fund raiser for its cause.

Cr Ryan thought that all materials that were useable should be donated. He noted that construction was going well, with the deck nearly completed. Cr Clarke commented on how good the wharf was looking.

Cr Croon asked if there had been any teredos worm sighted. Cr Ryan stated that he had not seen any, but they did tend to work from the inside out.

Cr Croon asked if the Weka Walk children could have the left over salvageables after the Ports Company and Barge Society had received what they required. Cr Ryan asked how much material would be left for the community organisations. The General Manager advised that, after

talking with the contractor, the remaining materials would only be suitable to use as retaining walls or for garden borders.

The Chairman stated that all community organisations should be advised before any decision was made. The General Manager advised that he had already received a request for any left over materials from the organisers of the annual fireworks display.

The General Manager tabled another email from the Pitt Island Barge Society with a request to present it to Council. It had been signed off by another member of the community who was on the Barge Society.

Cr Ryan stated that all the materials needed to go as he did not want to see a pile of rubbish left on the site. He suggested that the Barge Society members should advise what they required so that the materials could be put aside.

RESOLVED THAT the disposal of salvaged materials from the old Owenga Wharf be as follows:

1. To meet the needs for repair work at the Waitangi Fishermen's Wharf – donation.
2. To meet the needs for stock yards at Flower Pot – donation.
3. The remainder to go to a community organisation for it to use as a fund raiser.

N C Ryan / N J Whaitiri CARRIED

4.5 Total Span Bus Shelters

The General Manager reported that a second Total Span school bus shelter had been procured by Te One School and the School Board had sought permission to place it by the Waitangi Playground.

Cr Croon, being a member of the Te One School Board of Trustees, declared an interest.

Cr Ryan asked if the bus shelter was donated. He was advised that Total Span had donated all the bus shelters.

Cr Ryan asked where it was likely to be sited. Cr Croon stated that beside the footpath would be the safest place.

RESOLVED THAT permission be granted for the second Total Span school bus shelter to be placed in a safe place near the Waitangi Playground.

N C Ryan / N J Whaitiri CARRIED

COMMUNITY SERVICES:

5.1 Housing Funding Scenarios

The General Manager presented a report on scenarios for funding new housing on the Chatham Islands. The scenarios were based on a total project per house of \$280k, made up of \$250k building and development and \$30k land.

Scenario One involved a commercial bank loan, and would mean the Council would need to find \$26k per house to make the option work. Scenarios Two and Three involved a benevolent provider, with alternative options based on the amount of borrowings.

The General Manager stated that by taking a purely commercial approach to funding the houses would mean Council taking out the maximum mortgage. He had worked on scenarios for the amount of rent tenants would need to pay. He thought that rent of \$226.00 per week based on interest only would be a fair amount, but that to claim back rent of \$442.00 per week, which was full recovery of the mortgage, would be far too onerous for the tenants. He suggested that there was, therefore, a need to increase the local share by finding a funding provider.

The General Manager advised that the Community Trust of Canterbury did have some funds available. He thought that the Chatham Islands Housing Trust might also be able to get involved, especially if more homes than the two Council staff houses were built. Another party had also advised that they may be able to offer something towards building new homes, but had not made a firm commitment.

Cr Croon asked if Council should be making a decision on whether or not the two new houses should remain as staff houses or could be opened up to the general public. The General Manager advised that when the time came, the current tenants would need first option on the new houses. Cr Preece stated that if the houses were not needed by staff, then they could be opened up for short term rental to the general public.

Cr Croon suggested that there be a timeline established to take a proposal to the Community Trust of Canterbury. She would like to see it happen early in the New Year.

Cr Whitiri asked what chance there would be of obtaining an interest free loan from the Community Trust.

The General Manager advised that there was a \$20,000 grant available right now for the Council, from a fund of several million dollars set up by the Trust to assist Councils with community housing projects. So far, only one Council had taken up the offer.

The General Manager stated that there could be a possibility of extra assistance being available to the Council from that fund, but he did not know in what shape or form. It was up to the Council to put a proposal together to present to the Community Trust. He suggested that it would be preferable for the Mayor and himself to present in person to the Trust, rather than just flick off an application for assistance. He noted that Joseph Thomas, formerly from the Chatham Islands, had just been appointed to the Board of the Community Trust.

RESOLVED THAT

1. Council work on the project in co-operation with the Chatham Islands Housing Trust.
2. The project (subject to the Housing Trust) agreement be four houses, three to be built on the two staff house sites, and one on the community flat site.
3. Work on finding a local share of at least \$26k per house be further advanced.

M Croon / E C Tuck CARRIED

REGULATORY:

6.1 Update from Environment Canterbury

The report for October 2009 from Environment Canterbury was presented, covering the progress of the various activities being undertaken on behalf of the Chatham Islands Council.

The Chairman advised Council that he and the General Manager had a very good meeting with the Conservation Board the previous week. The General Manager did a Council presentation and the Chairman thought that the Conservation Board members were quite impressed with what had been achieved by Council so far.

The General Manager stated that Harbour Management people from Environment Canterbury visited the Islands the previous week. They visited many sights around Chatham Island with Council's Harbourmaster, Josh Thomas. They will be writing a report about where Council is presently exposed legally, and how to enhance performance in regard to harbours. That report was expected to be available by January 2010.

Cr Ryan pointed out that Environment Canterbury was going to be changing its Harbour Bylaws to read that any abandoned mooring sites would, in future, be allocated to another boat owner. He suggested that the Chatham Islands Council should be following suit.

RESOLVED THAT the October 2009 report on the various activities undertaken by Environment Canterbury be received.

N C Ryan / J I Clarke CARRIED

6.2 Minutes of District Licensing Agency Meeting

RESOLVED THAT the Minutes of the Chatham Islands District Licensing Agency Meeting, held on Thursday, 8 October 2009, be received.

M Croon / E C Tuck CARRIED

6.3 Subdivision Consent, Owenga Road – Preece/Pirika

An application had been received from Beca Infrastructure, on behalf of Nicholas Preece and Sharon Pirika, to subdivide Lot 1, DP 87844, into two lots. Lot 1, with the existing dwelling, would consist of an area of 1 hectare, with the balance of the land, being Lot 2, to be amalgamated with the existing Lot 2, DP 87844, and to be contained in the same Certificate of Title.

Cr Tuck stated that there was a family urupa on the property and asked if that should be subdivided off. The General Manager advised that the property owners had to make that decision, not Council.

RESOLVED THAT the subdivision be approved, subject to the following conditions:

1. The final Land Transfer Plans submitted for certification are generally consistent with the proposal.
2. The proposed Lot 2, and Lot 2, DP 87844, be held together in the same Certificate of Title.

M Croon / J I Clarke CARRIED

GOVERNMENT:

8.1 Rural Broadband

The General Manager reported that the Ministry of Economic Development had released a discussion document on the provision of broadband services to rural communities. The Chatham Islands were included in Clause 48 – Schools on Offshore Islands.

The Government's key objectives for rural New Zealand were to achieve ultra fast broadband to 97 percent of New Zealand schools (serving 99.7 percent of New Zealand students) and to improve coverage of fast broadband services so that 97 percent of New Zealand households and enterprises were able to access broadband services of 5 megabites per second or better. The priorities were for education and health facilities ahead of the wider community.

Submissions on the proposal closed on 30 October 2009. The General Manager presented a copy of a submission that he had sent off to the Ministry, its purpose essentially being to keep a focus on the Chatham Islands.

The General Manager stated that most of the discussion document talked about fibre optics. Fibre optics situated around the Chatham Islands was also the focus in a previous proposal submitted by the former Chief Executive Officer of the Chatham Islands Enterprise Trust, Don McLaren, however it was considered too expensive for the amount of people living on the Islands.

The General Manager had, therefore, taken a different approach with his submission, focussing on:

1. increasing the speed of the satellite feed;
2. lowering the entry cost to a level that encouraged engagement; and
3. making the basic plans affordable for all people.

Cr Clarke thought that the submission was an excellent one.

RESOLVED THAT the report on rural broadband be received.

J I Clarke / N J Whaitiri CARRIED

8.2 Local Government New Zealand 2010 Calendar

A schedule of Local Government New Zealand 2010 events was presented to Council, along with a list of recommended attendees. Events applicable to the Chatham Islands Council were the Rural Sector Meetings, Zone 5 Meetings and the Annual Conference and Annual General Meeting.

Attendees are to be as follows:

- Rural Sector, 18-19 February in Wellington – Cr Ryan and the General Manager

- Combined Zone 5 and 6, 6-7 May in Dunedin – Mayor and the General Manager
- Rural Sector, 10-11 June in Wellington – Mayor and Cr Christiansen
- Conference and Annual General Meeting, 25-28 July in Auckland – Mayor, Cr Croon and the General Manager
- Zone 5, 4 November in Christchurch – Councillor (to be determined after the elections) and the General Manager
- Rural Sector, 18-19 November in Wellington – Mayor and Councillor (to be determined after the elections)

The General Manager noted that there was now only one stand alone Zone 5 meeting per year, along with one combined meeting with Zone 6. He thought that the Rural Sector Meetings were becoming the more prominent events to attend.

RESOLVED THAT the above schedule for Local Government New Zealand 2010 events be approved.
N C Ryan / J I Clarke CARRIED

8.3 Reforms of Local Government Act - TAFM

The General Manager reported that the reforms of the Local Government Act 2002, proposed by the Minister of Local Government, Hon Rodney Hide, were approved by Cabinet on 28 October 2009. The reforms were based on Transparency, Accountability and Financial Management. The implications of the changes for the Chatham Islands Council would, for the most part, be neutral, however the General Manager reported that there would be a large parcel of work at the front end to make the required adjustments to the Long Term Council Community Plan as it became a Long Term Plan.

The General Manager asked Councillors Croon and Tuck if the reforms were aired at the Zone 5 meeting they attended. Cr Croon stated that attendees at the meeting were quite comfortable that the reforms would work. It was reported that the Minister was beginning to see the real picture and was prepared to meet in the middle with Local Government New Zealand.

The Corporate Services Manager noted that the Society of Local Government Managers' Working Group had done a lot of work on the reforms also.

RESOLVED THAT the information on the reforms of the Local Government Act 2002 be received.
N J Whaitiri / J I Clarke CARRIED

CHATHAM ISLANDS: 9.1 CIC/CIET Coming Together

A letter received from Hugh Rennie, advising of his availability for Chairmanship duties for meetings on the coming together of the Chatham Islands Council and the Chatham Islands Enterprise Trust, was presented to Council.

A meeting was held on 27 October 2009 between Ian McFarlane and Toni Gregory-Hunt of the Enterprise Trust and Owen Pickles and Deborah Goomes of the Council to agree on items for an Agenda for the first combined meeting. Two matters were focused on, structure and accommodation.

The General Manager presented a graph and a report on a proposed structure for one organisation for the Islands, as he saw it. He stated that he was concerned that the exercise was becoming one of a transfer of functions, instead of restructuring. At the public meeting convened by Taylor Baines, the public made it quite clear that it was about reducing governance on the Islands. Functions for transfer were being based around comments such as "Owen Pickles knows how to get the funding". He stated that the restructuring was not about himself, but about the Council.

The General Manager took the Council through the graph, explaining the rationale for the various units. He advised that staffing would depend on the volume of work and responsibilities. It would all be driven by the Long Term Council Community Plan, so the community would get a say on it, but there would be an overall significant reduction in governance. It would also give the Islands leadership and focus for working with Central Government.

Cr Croon asked where the ports and airport would be placed in the structure. The General Manager advised that they would become part of the Council's normal activities, run along similar lines to how the roading activity is currently run.

The Chairman asked if Councillors had all received a survey letter from Hugh Rennie. He stated that it was important that everyone completed the survey.

The Chairman commented on a report that he received from the General Manager about the cost of shipping to the outer Islands of Australia, Flinders and King Islands. He noted that they were struggling to sustain a shipping service, even with a subsidy from the Government.

Cr Croon stated that the cost of electricity needed to be looked at.

The Chairman thought that there would be far more success for the Islands under the suggested structure, rather than under the current structure.

Cr Whaitiri asked how the appointment of Company Trustees would work. The General Manager explained that the Council would appoint Trustees based on who they believed were the best people.

Cr Croon stated that the suggested structure was used by most Councils already throughout Mainland New Zealand. She noted this after listening to the 'report back' by other Council attendees at the Zone 5 Meeting.

The General Manager advised that accommodation would be on the Agenda for the meeting to be held later in the month. The need for new accommodation was becoming urgent and needed to be addressed, with both organisations currently working in sub-standard buildings. The Chief Executive Officer of the Enterprise Trust, Ian McFarlane, suggested building a new facility to house two organisations, but the General Manager stated that he only saw a new facility for a one new organisation.

The Chairman stated that both organisations shared a common interest in the future of the Islands, but ideally only one organisation could be sustained. He noted that there had been a clash of views at the first meeting held between the two parties, but there had been a common interest in sharing facilities.

RESOLVED THAT structure and accommodation be the basis for future joint meetings.

N C Ryan / M Croon CARRIED

CLOSURE:

Meeting Closure

After consideration of the In Camera Agenda, and there being no further business, the meeting was declared closed at 3.06 p.m.

CONFIRMED THIS 17th DAY OF DECEMBER 2009

MAYOR