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Credit card advice ignored?

by Lee Scanlon

The West Coast Regional Council is refusing to explain why it apparently ignored Audit New Zealand's advice last year to tighten up on credit card transactions.

The News revealed last week that council had been paying some credit card bills without original receipts to back them up.

The News has now discovered Audit New Zealand found similar problems in 2009 and told council to fix them.

"We recommend that tax invoices be obtained for all credit card transactions to enable the council to recover the GST inputs portion of the charge," Audit NZ said.

Its audit report said council credit card spending was being authorised in accordance with council's policy.

"However, there were two instances where the tax invoices were not obtained, eftpos dockets were attached instead.

"The tax invoices are needed so the council can recover the GST inputs portion of the charge."

Audit tests only a sample of credit card spending.

Asked today why council had continued breaching the rules since the audit, corporate services manager Robert Mallinson refused to comment.

Nor would he say how council had addressed Audit NZ's concerns, or how and when it might tighten its credit card policy.

"I am sure that these matters will be considered as part of council review of matters relating to credit card use," he said.

Audit NZ guidelines say good controls and good judgement should enable credit card spending to withstand public and Parliamentary scrutiny. However, the regional council is now refusing to provide The News with further credit card invoices. It has cited privacy grounds.

The News has appealed to the Ombudsmen.

Council chairman Ross Scarlett has notched up over \$4000 on his credit card since October 2007,

mostly for food, drinks and taxis. Council could supply just three full GST invoices recently when The News sought original documentation for 21 of his bills.

Most were accompanied only by eftpos receipts. Council had no documentation at all for seven of the charges.

Most of the apparent breaches occurred in the 2009/2010 financial year.

Westport accountant Peter Campbell told The News last week the council had used "bad" accounting practice. He said that without detailed invoices council could not be sure whether spending was legitimate, and could not claim GST on bills over \$50.

Mr Scarlett told The News last week all his spending was legitimate. He said he had mislaid some receipts. He acknowledged lack of original documentation was a problem and said council would tighten up.

He had saved ratepayers hundreds of dollars by using his own flat when he was on council business in Christchurch, he said.

Audit NZ's reports and communications group manager Lynley Roberts said the regional council had addressed the issues Audit raised last year to the Auditor-General's satisfaction. But she would not reveal how, saying any comment was up to the council.

She said it was likely Audit NZ would look at council's sensitive expenditure, including credit card spending, during future annual audits.

The Auditor-General had wide powers to investigate and report, and would act accordingly if any issues arose.

Audit NZ did not examine every transaction or look at every invoice or receipt, Ms Roberts said. Rather, it looked at a sample of transactions and documents to ensure management controls were working properly.

This included considering whether a transaction had been properly authorised and was supported by original documentation.



Kai: From left Saffron Edgerton, 4, Sam Pahl, 4, and Gustavo Jacundino, 4 with the kai menu at Westport's Early Learning Centre today. The children have been learning Maori names for food for Maori Language Week. (Photo - Chloe Vaughan).

HDL allowed to drill

by Lee Scanlon

Hydro Developments Limited (HDL) has received permission from the Environment Court to begin a \$1 million geotechnical drilling programme at Stockton for its proposed hydropower scheme.

The privately owned local company has already received consent for its scheme, but Solid Energy appealed against it. HDL director John Easter said the court ruling that HDL could begin drilling allowed the project to proceed in the meantime.

"It's a useful step moving forward...if there hadn't been an appeal, the project would be progressing. The project is already about six months late and the appeal is not going to be held until January/February 2011, so you can say it's 12 months late."

Geotechnical drilling would allow HDL to proceed to final designs for its scheme, Mr Easter said.

HDL already had a concession from the Department of Conservation to allow drilling on conservation land. It would now seek permission from the Stockton Alliance to drive through Stockton mine to reach the drill sites. The Alliance had indicated it would grant permission, he said.

He hoped preparatory on-site work would begin within about six weeks. HDL partner Geotech would carry out the drilling, which would probably require one drill rig and about six people. They would take about 12 months to drill around 25 holes.

The Stockton site already had thousands of drill holes, but most were to test the coal resource, he said. HDL would have to drill up to 100m lower than that, into the basement granite where it planned to drive its tunnels and on which it planned to found its dams.

"We need to confirm that the basement granite is as consistent as the few holes that have been drilled through the basement granite say it is."

The deepest drill holes would go to 390 metres.

If the Solid Energy appeal succeeded, HDL's \$1m spending on drilling would be wasted money, Mr Easter said.

The HDL scheme is expected to cost about \$200m and produce 240 gigawatt hours of energy a year.

Earlier this month Solid Energy was refused consent for its own hydropower scheme at Stockton, which would have used the same water HDL plans to use.

BEL may invest more

by Amelia Langford

Buller Electricity Limited (BEL) has no concerns about its \$1.2 million investment in Buller's newest power retailer and may invest another \$155,000, says its chairman Frank Dooley.

Pulse Energy is attempting to raise up to \$5m, through convertible notes, to generate capital. The notes, a type of bond, can be converted into cash or shares, at a price of 60 cents per share, after 18 months.

Mr Dooley said BEL was considering investing another \$155,000 to maintain its shareholding at 10 percent - a limit set by regulation.

Pulse had previously told BEL it planned to raise more capital, he said.

Pulse had also attracted funding from some wealthy individuals, which would be a big help in transforming the company into a successful energy business.

The BEL board remained very supportive of the Pulse concept and the benefits of smart metering.

"BEL's initial investment is providing the rewards to the consumers originally envisaged and there is no reason why the partnership between Pulse and the Buller community cannot be further advanced," said Mr Dooley.

MP's behaviour 'inexcusable'

by Lee Scanlon

The behaviour of shamed Labour MP Chris Carter is "inexcusable", says Labour List MP Damien O'Connor.

Labour MPs voted unanimously to boot Mr Carter out of caucus yesterday after he admitted to sending anonymous letters to the Parliamentary press gallery criticising Labour leader Phil Goff.

Sending the letters was "inexcusable", Mr O'Connor said. "Whatever political party you're a member of, there are processes and ways of raising issues and this is clearly not one of them..."

"It's a very sad and sorry situation. No one's won out of this. I can't possibly explain why he's done it, other than he's been in a bad space for a while."

Caucus did not support Mr Carter's view that party leader Phil Goff should go, Mr O'Connor said. "Clearly we would like to be in government, we would like to be top of the polls, but that's the challenge we have ahead of us. We all need to work together on that."

He did not believe the controversy had damaged Labour and said he did not know whether Mr Carter had any support within the party.

Mr O'Connor said Mr Goff had his full support. "Phil's the best person to lead the party at the moment, right through to the next election and beyond."

Whether Mr Carter was expelled from Labour would be up to the party council, which meets on August 7. MPs did not get a vote, Mr O'Connor said.

Mr Carter's letter claimed union-aligned MPs would challenge Mr Goff on his position on allowing the fourth week of annual leave to be exchanged for cash.

Mr Carter also claimed finance spokesman David Cunliffe would challenge Mr Goff before the next election and a union-backed candidate would challenge Manurewa MP George Hawkins.

"The issue has brought to a head the growing discontent in the caucus with both Goff's leadership and his poor polling," the letter said.

Mr Cunliffe and the unions have denied the claims.

Green MP Kevin Hague and West Coast-Tasman National MP Chris Auchinvole both declined to comment on Mr Carter's performance, saying it was a matter for Labour to deal with.

Water health risk no different?

by Lee Scanlon

The health risk from Westport's water over the next three weeks is likely to be little different to normal, says Community and Public Health (CPH).

The Buller District Council is advising consumers to boil all water used for food preparation, drinking and brushing their teeth while it upgrades filters at the water treatment plant over the next three weeks.

Council will chlorinate water to remove bacteria, but said consumers should still boil water to remove protozoa - single celled organisms which cause diseases such as giardiasis.

CPH health protection officer Christopher Bergin said protozoa could be present in the Westport supply even when the treatment plant was operating normally. The council did not know because it did no tests to check.

"We've said to council for years that they need to address the protozoa risk. It (the plant) has the potential to remove parasitic protozoa, but they haven't demonstrated that potential..."

"It's a bit like saying 'I've got safety glass' but you haven't got a safety glass sticker on it."

He said council's boil water notices were "a very precautionary approach".

"It isn't a bad thing, but I think it overstates the nature of the risk sometimes..."

"In essence, nothing's really changed."

There was no reason for food businesses to panic about how they would cope, Mr Bergin said.

"There are many, many supplies on the Coast that have chlorine only and they survive."

The biggest risk could be that some Westport consumers might not receive disinfected water. Council would be putting chlorine into the pipeline, rather than a water reservoir. Chlorine usually took about 30 minutes to destroy bacteria. If water reached consumers before that time, the bacteria might not have been killed, he said.

CPH had suggested council test daily instead of weekly for e.coli bacteria, and bump up its chlorine monitoring to at least twice a day.

Consumers with water filters which filtered down to one micron would remove any protozoa, he added.

Council's operations manager Steve Griffin said finding protozoa was like looking for a needle in a haystack, so it was better for council to assume protozoa were present and act accordingly.

"But as Christopher points out they may not be, because we do not have tests that show their presence."

When the Westport plant was designed and built it was deemed suitable to remove protozoa. Ministry of Health water standards now required ultraviolet disinfection, and council would be moving towards it.

Chlorination over the next three weeks would provide a "barrier" and the boil water notice was an additional safeguard.

Thirty minutes elapsed before the water entered the town reticulation.

"Some residents who draw water off the trunk mains may not have the 30 minute contact time, however boiling water overcomes this issue," Mr Griffin said.

Auchinvole again tops spending

by Lee Scanlon

The three MPs serving the West Coast were neck-and-neck for the highest accommodation and travel bills for the three months to June 30.

Electorate MP, National's Chris Auchinvole, again topped the poll with \$26,690. He notched up \$11,451 in surface travel, \$7990 in air travel, \$5200 on Wellington accommodation and \$2049 on accommodation out of Wellington.

Mr Auchinvole was the National Party's second highest spending MP after Christchurch Central MP Nicky Wagner.

Coast-based Green List MP Kevin Hague clocked



Chris Auchinvole

up \$26,569 making him the highest spender in his party. Co-leader Meteria Turei came next with \$22,070.

Mr Hague spent \$14,041 on airfares, \$6324 on surface travel, \$4739 on Wellington accommodation and \$1465 on accommodation out of Wellington.

Labour List MP Damien O'Connor spent \$25,834. He notched up \$11,176 in airfares, \$8833 in surface travel and \$5825 in Wellington accommodation. He spent nothing on accommodation out of Wellington.

The three MPs each spent more than in the previous three months, when Mr Auchinvole spent \$25,034, Mr O'Connor spent \$23,388 and Mr Hague spent \$19,437.