

CANTERBURY REGIONAL COUNCIL  
*Kaunihera Taiao ki Waitaha*

# LONG-TERM **PLAN** 2018-2028

*Adopted on 21 June 2018*







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## Foreword

This document contains the Canterbury Regional Council (Environment Canterbury) Long-Term Plan for 2018 to 2028.

It has been developed by the Council, with input from Ngāi Tahu, stakeholder organisations, funders, Water Zone Committees ('zone committees'), community groups and members of the public. It was made available in draft form for public consultation/submissions in March 2018, and nearly 800 submissions were received. This final version – incorporating the changes applied as a result of the submissions – was adopted by the Council on 21 June 2018 and is operative from 1 July 2018.

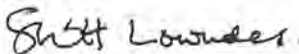
The Long-Term Plan spans ten years but is reviewed every three. This plan replaces the 2015-25 version.

The first year of any Long-Term Plan is also the Annual Plan for that year. In years two and three, an Annual Plan is produced and made available for the public to ensure the community is aware of any changes proposed to that year of the Long-Term Plan, or simply to confirm that the work will progress as agreed with the community during the Long-Term Plan process.

In this document there are a number of supporting policies and strategies that enable and guide the delivery of the activity outlined in the Long-Term Plan.

Members of the community are very welcome to attend the public meetings held by Environment Canterbury and to make contact with us at any time.

On behalf of my fellow Councillors, I thank all those individuals and organisations who made a submission or gave guidance to form this plan, and all those who will help us to deliver it.



Steve Lowndes

Chairman





LONG-TERM PLAN  
**2018-28**



## Long-Term Plan 2018-28

To build this plan, the Council considered the aspirations of the community with regard to the environment, alongside pragmatic economic, social and cultural considerations. Affordability is also key – with the timing and priorities of work programmes and projects being planned to keep any rates increases as manageable as possible for ratepayers, without compromising on the reasonable progress our communities would like to see.

There are many factors that are taken into account when developing the detail of the plan, including existing plans and strategies that the community has already confirmed, national guidelines and policy standards, legislation such as the Resource Management Act 1991 (RMA) and the Local Government Act 2002, local priorities, regional demographics and future population trends.

In this document you will find the work of Environment Canterbury under six portfolios:

- Freshwater Management
- Biodiversity and Biosecurity
- Hazards, Risk and Resilience
- Transport and Urban Development
- Air Quality
- Regional Leadership.

We have previously reported on a seventh portfolio, Planning, Consents and Compliance. In this Long-Term Plan, this work is merged with the Regional Leadership activities so there is a single portfolio to support the way we work across the other portfolios.

For each portfolio in this document there is an overview of the work followed by the levels of service, targets and measures we undertake to achieve. These are reported on in each year's Annual Report.

You will also find our Finance Strategy and our Infrastructure Strategy in this document. These strategies outline the financial information and framework that will enable us to carry out the work outlined in the Long-Term Plan 2018-28.

More information on all the aspects of the work of Environment Canterbury can be found on [www.ecan.govt.nz](http://www.ecan.govt.nz).

***Thank you for your interest in the work of Environment Canterbury and our partners.***



## The work of Environment Canterbury: 2018-28

Environment Canterbury is the regional council for the Canterbury region, which extends from north of Kaikōura to the Waitaki River in the south, and from Banks Peninsula to Aoraki/Mount Cook. Canterbury is New Zealand's largest region, with over 45,000 km<sup>2</sup> of diverse landscapes and ecosystems, including alpine and high-country tussock lands, major lakes and river systems, and some of New Zealand's most productive farmlands. The population of Canterbury is estimated to be 612,000 (Stats NZ), with the majority (approximately 500,100) living in Greater Christchurch (the urban areas of Christchurch City and Waimakariri and Selwyn Districts).

### Our purpose – Tō tātou kaupapa

*Facilitating sustainable development for the Canterbury region: Te huawaere i te kauneke tauwhiro i Waitaha*

The purpose of New Zealand's regional and territorial authorities is determined by legislation and central government policy, and by the priorities and aspirations of the communities we serve.

Here in Canterbury, we work closely with local community groups, mana whenua, businesses, industry sectors, schools, health boards and other organisations and people who – if we work together – can help the region achieve the outcomes we all want.

The outcomes that our work contributes to are aspirational, and we cannot achieve them alone. We undertake our work so that, as Cantabrians:

- we can breathe clear air, play and swim in the rivers, gather mahinga kai, benefit from the productive use of our land, and enjoy Canterbury's unique biodiversity taonga and landscapes
- we can live, travel, and move goods with ease, within and to/from the region, facilitating work, leisure and tourism
- we have access to the information we need to be resilient in the face of short-term hazards and well-prepared for longer-term change to our region's natural environment
- we can all help shape the future of Canterbury, leaving a legacy for generations to come.

### Balancing community needs

In Canterbury we have the advantage of a strong, largely agricultural economy. This comes at a price – and a key part of the role of Environment Canterbury, primary industry agencies, and the rural community, is to retain the benefits of this sector while addressing the pressing needs of our freshwaterways and biodiversity.

We've come a long way from the days when urban and rural industry could discharge waste directly into our rivers and oceans, but we still have work to do.

The Councillors, in forming this plan, have put the community's and the environment's need for freshwater management front and centre of all our activity. The closely related topic of indigenous biodiversity is the second of our strategic focus areas for the Long-Term Plan 2018-28.

## **Our priorities – Tō tātou kaupapa mātua**

### **Freshwater management**

Implementing innovative solutions to manage our freshwater resource to support community use (mahinga kai, drinking water and recreation), achieve ecosystem health and sustainable economic development.

### **Indigenous biodiversity**

Creating a step-change in effort in the regeneration of freshwater, marine and terrestrial biodiversity.

### **What we do – Tō tātou mahi**

The work of Environment Canterbury is reported in six portfolios:

- Freshwater Management
- Biodiversity and Biosecurity
- Hazards, Risk and Resilience
- Transport and Urban Development
- Air Quality
- Regional Leadership.

Within each of these portfolios, work is divided into programmes, with individual projects included in each. There are overlaps in roles and functions across all programmes, and the Regional Leadership work ‘enables’ the other portfolios by supporting strategic relationships, communications, strategy and policy, and providing the functions of planning, consenting and compliance.

While freshwater management and air quality are well known areas of regional council work, areas of activity such as public transport and the Harbourmaster’s Office are perhaps less often associated with the regional council. Other activities include running the three large regional parks, holding the responsibility for Civil Defence when a regional emergency occurs, and undertaking massive region-wide pest management programmes.

### **The statutory framework**

There are many statutory obligations and requirements under formal plans and policies that must be considered when developing our work programmes, for example:

- Resource Management Act 1991
- Local Government Act 2002
- Ngāi Tahu Claims Settlement Act 1998
- Environment Canterbury (Transitional Governance Arrangements) Act 2016
- Greater Christchurch Regeneration Act 2016
- National Policy Statements
- National Environmental Standards
- Canterbury’s Air Plan
- Canterbury’s Land and Water Regional Plan
- Canterbury’s Regional Land Transport Strategy
- Canterbury Water Management Strategy
- Greater Christchurch Urban Development Strategy.

## Statutory roles

Much of our operational work flows from, or is related to, our policy and planning obligations. For example:

- resource consenting
- compliance monitoring
- hazard management and flood protection works
- information and systems for navigation safety
- managing our regional parks
- environmental monitoring and reporting.

We work closely with several agencies and organisations including the district councils and city council within our region, the New Zealand Transport Agency, the district health boards, Canterbury Civil Defence Emergency Management Group, Maritime New Zealand and other government agencies. Our focus on the Canterbury region makes our practical links with other councils an ongoing priority.

Achieving many of the desired results for the sustainability of Canterbury's natural resources is linked to the services delivered by district and city councils (such as roads, potable water supply, and waste collection and treatment). Working closely with others is critical to ensure we have a regional perspective and to align policy and activities for maximum efficiency and consistency.

## This Long-Term Plan

The Long-Term Plan is a requirement under the Local Government Act 2002. It provides a statement of our commitment to the community, and clarity as to what we will deliver and how we will work with and for the region.

The Local Government Act 2002 (section 93(6)) defines the purpose of a council's Long-Term Plan as, to:

- describe the activities of the local authority
- describe the community outcomes of the local authority's district or region
- provide integrated decision-making and co-ordination of the resources of the local authority
- provide a long-term focus for the decisions and activities of the local authority
- provide a basis for accountability of the local authority to the community.

In preparing the Long-Term Plan, Environment Canterbury has:

- taken a long-term perspective
- ensured our planning and decisions around our proposals have occurred in a structured way
- reflected on the needs of the region's communities, and engaged with stakeholders and the community to check these needs have been understood
- exercised prudence in meeting requirements and community needs via sustainable financial management
- continued to improve the effectiveness and efficiency of our service delivery to the community
- met our legal and contractual requirements.

**This plan shows some changes in focus and reprioritisation of resources, but aims largely to capitalise on gains already made and the current momentum we now have in our portfolios of work.**

## **Our relationships**

Key to the process of developing the priorities and services in the Long-Term Plan are the relationships that Councillors and staff have with the many organisations and groups, and our understanding of the views, concerns and priorities of our communities.

The strategic priorities – of freshwater management and indigenous biodiversity - were tested with many of the groups we work with and the community in September and October 2017 to ensure we had heard the community correctly.

### **Working with Ngāi Tahu**

Environment Canterbury has committed with Ngāi Tahu to engage together in a constructive and progressive relationship. This commitment is based on the recognition that the relationship of Ngāi Tahu with their ancestral land within Canterbury is inextricably affected by the powers and functions of Environment Canterbury. Environment Canterbury's relationship with Ngāi Tahu is supported by a joint work programme called Tuia, 'working together shoulder to shoulder'. This programme is reported on in the Regional Leadership portfolio and is reflected in all our work.

### **Working with our communities**

Collaborative relationships include those with Ngāi Tahu, industry organisations and environmental groups, the ten Canterbury territorial authorities, and the health boards. The Canterbury Water Management Strategy, driven by the community-based Water Zone Committees ('zone committees'), is the primary example of how much more can be achieved by working together. We are also committed, through the Canterbury Local Authorities Triennial Agreement, to working alongside the Canterbury territorial authorities for the good governance and success of the districts and cities and the region.

### **Considerations and assumptions**

In developing this Long-Term Plan, we have looked at emerging trends that will influence the region's future. The priorities and activities in this Long-Term Plan reflect our assessment of the implications of such 'drivers of change' over the ten-year timeframe to 2028.

A number of assumptions need to be made as we plan ten years out. This Long-Term Plan has been developed on the basis that no major disaster events impact Canterbury (earthquake, flood, biosecurity incursion, for example). What this means is that, should such an event occur, resources would need to be diverted from other activity outlined in this Long-Term Plan to respond.

Known trends (such as population change, variable weather and climate, technological innovation) are assumed to have increasingly significant impacts. That is, we are not predicting there will be a dramatic change in direction for any of these.

Our Financial Strategy 2018-28 outlines the drivers of change and our assumptions around the impact of these on our portfolios.

We have assumed that national and local government systems will provide consistent legislative and policy frameworks, notwithstanding the change in government, and that the national and regional economies will remain relatively stable.

## Supplementary information:

There are several strategies and policies that support the work in the Long-Term Plan 2018-28. These are all available on our website [www.ecan.govt.nz](http://www.ecan.govt.nz) and in this document:

- the Financial Strategy 2018-28
- the Infrastructure Strategy 2018-48
- the Revenue and Financing Policy
- the Fees and Charges Policy
- Financial Policies (excluding the Revenue and Financing and Fees and Charges Policies)
- the Māori Participation Policy
- the Significance and Engagement Policy.

Please also refer to Council's Strategic Direction document (available on our website [www.ecan.govt.nz](http://www.ecan.govt.nz)).



# OUR **WORK PORTFOLIOS**

*In this section you'll find an outline of our work under six portfolios:*

## ***Our work portfolios***

- *Freshwater Management*
- *Biodiversity and Biosecurity*
- *Hazards, Risk and Resilience*
- *Transport and Urban Development*
- *Air Quality*
- *Regional Leadership*





# FRESHWATER MANAGEMENT

*Implementing innovative solutions to manage our freshwater resource to support community use (mahinga kai, drinking water and recreation), achieve ecosystem health and sustainable economic development.*



# Freshwater Management

*Implementing innovative solutions to manage our freshwater resource to support community use (mahinga kai, drinking water and recreation), achieve ecosystem health and sustainable economic development.*

## Challenges and our strategic focus

Freshwater management is one of the two strategic priorities identified by Council and confirmed by stakeholders and the community.

There are six programmes in this portfolio:

- CWMS (Canterbury Water Management Strategy) Facilitation
- Environmental Monitoring and Progress Reporting
- Resource Management Act Water Framework
- Zone and Regional Delivery
- Regional Water Infrastructure Support
- Te Waihora Restoration.

These programmes reflect the areas of focus in this Long-Term Plan. Within each of the programmes, individual projects have been prioritised and designed to accommodate factors such as the expectations of the community, realistic implementation timeframes, longer-term challenges such as the response to climate change, technological advances and the opportunities that come with those, and how outcomes can be leveraged by strategic partnerships.

There are undoubtedly challenges facing the region in freshwater management, including quality and flow, and it will take a collective effort and some time to reach a point where we can say the region's freshwater resource is fully 'protected'. However, over recent years progress has and continues to be made, and results can be seen. Instrumental to this was the development of the Canterbury Water Management Strategy (CWMS) – which outlines how the region will achieve our aspirations - and the Land and Water Regional Plan, which contains the rules that govern consent conditions.

Rural and urban communities, industry and environmental groups are all contributing to the solutions and the action that is now being taken to address some of the legacy issues in the region. This Long-Term Plan continues the work Environment Canterbury has been doing ourselves and in partnership with others, undertaking a continual shift from planning and strategy to implementing on-the-ground actions.

## Programmes

Below is a summary of the work in each of the six programme areas identified above. For levels of service (LOS), specific targets and measures for each of the first three years of the Long-Term Plan please refer to the following pages.



## CWMS Facilitation

The CWMS Facilitation work enables the collaborative, community-led model through the local zone committees, as well as ensuring progress is reported back to the Mayoral Forum (who developed the CWMS for the region). The zone committees are joint committees with the local district or city council and with representation from across the community. Environment Canterbury supports the committees – and the wider Regional Committee – with data, science, planning support and facilitation/administrative support for the community decision making process. The committees are tasked with considering pragmatic, locally-workable solutions to deliver the region-wide freshwater management aspirations.

In this Long-Term Plan period, the CWMS will be strengthened to ensure it continues to evolve as changes are implemented across the region. The budget for this programme increases for 2018/19 by \$150,000 and by another \$50,000 in 2019/20 to cover costs associated with a collaborative look at the CWMS to ensure it remains fit for the future.

We recognise that water 'quality and quantity' is one of the foremost issues confronting the Canterbury community over the next 10 years. There is acknowledged over-allocation of some aquifers and rivers due to a legacy of water permits granted based on the best available information at the time, but information which has now been demonstrated as incomplete. As sub-regional plans are developed based on the community's desired outcomes for freshwater, water permits will eventually become subject to the conditions of these plans via applications to replace existing consents or via consent reviews. This will better mitigate the environmental and cultural effects of activities, while also enabling the continued economic and social prosperity of the Canterbury community.

**LOS 1: In partnership with the Canterbury region's city and district councils and Ngāi Tahu, facilitate the CWMS zone and regional committees to provide ongoing and improved community input to water management decisions.**

Measure		Target	
1.1	Facilitating opportunities for community engagement to progress delivery towards the ten target areas in all Catchment Zones.	1.1	At least 100 community Zone and Regional opportunities for engagement per year are held and will be reported yearly for each Zone and made available on our website.

## Environmental Monitoring and Progress Reporting

This programme provides long-term 'state of the environment' monitoring and the essential baseline information on the regional water resource. As our organisation, along with our partners and central government, have an increased need for data and real-time reporting to enable effective, responsive decision-making, it has become clear that the programme needs additional/reprioritised resources.

From 2018/19, additional funds will be applied for field costs and, from 2019/20, an additional role will be added to boost the periphyton monitoring programme as part of changes to the National Policy Statement for Freshwater Management.

Resources will be reprioritised to enable the equivalent of one full-time position to monitor river flows connected to irrigation takes. This is important for providing improved flow data to consent holders on water restrictions. The extra resource will enable more frequent visits to record, gauge and measure sites at times of low flow. This in turn will result in better information on our irrigation restrictions website. There will also be a focus on reporting components of mātauranga Māori alongside our state of the environment reporting, and resource will be allocated to data management projects to turn data into information that can be used internally and by our partners and communities.

The overall budget for this programme increases by \$37,500 in 2018/19 to cover field costs and increases in 2019/20 by \$213,500 to cover the periphyton monitoring role and laboratory costs.

**LOS 2: Gather and make available information on water quantity, water quality, ecosystem health, soils, and progress towards the CWMS targets.**

Measure		Target	
2.1	We collect and report on the following relevant detailed data including: rainfall, river flows, river/stream water quality, lake water quality, marine water quality, estuary water quality, ecosystem health, groundwater levels, groundwater quality, land, Mātauranga Māori (joint programme from year 2), recreational swimming, water use.	2.1	Collection and reporting of the data is described in the detailed table below. This table includes: number of sites frequency of measure availability of information.
2.2	A two yearly report is provided on the CWMS target areas. Data and narrative will be included in the report commenting on progress towards these targets.	2.2	A report is produced every two years; next report will be for the year ended 30 June 2019.

Measure	Target		
	Number of sites	Frequency of measurement	Availability of information
Rainfall	82	5 minutes	Hourly data available a minimum of six times a day on website
River flows River water level/flow	149 recorder sites (127 flow, 22 water level or lake level only)	Majority 5 minutes	Hourly data available a minimum of six times a day on website
River/stream water quality	115 46	Monthly Quarterly	Annual summary available on website
Lake water quality	33 (high country) 10 (low land) 3 (lowland)	Monthly over summer Monthly all year Quarterly	Annual summary available on website
Marine water quality	36 13	Quarterly Monthly	Annual summary available on website
Estuary water quality	6	Monthly	Annual summary available on website
Ecosystem health	183	Annual survey	Annual summary available on website
Groundwater levels	356 172	Monthly 15 minutes	Updates on website for monthly measurements as they are measured. Daily measurements extracted from 15 min data and available on website quarterly

Measure	Target		Availability of information
	Number of sites	Frequency of measurement	
Groundwater quality	342 121 4	Annually Quarterly Monthly	Annual report available on website Monthly data update on the website
Land	Soil quality 350 sites Soil quantity 25 paddocks	8-9 years 10 years	Annual summary available on website
Recreational swimming monitoring	52 rivers and lakes 46 beaches	Weekly over summer	Annual report on website by June each year Weekly data on LAWA website in summer months
Water use	All consents over 5l/s	Recorded daily by consent holders	Annual water use report on website by September each year

## Zone and Regional Delivery

The Zone and Regional Delivery programme includes the work of the Zone Teams (who work within each of the areas where a zone committee exists – see CWMS Facilitation) and other regional implementation projects such as water metering and Good Management Practice campaigns.

Delivery (of solutions) and implementation (of planning frameworks) is increasing all the time as the planning frameworks come into force, and they are a high priority for Environment Canterbury, reflecting the maturity of the CWMS and the stage that many of the CWMS zone committees have reached.

This programme has therefore been reshaped to shift resources towards increasing on-the-ground action across the years of the Long-Term Plan and across the zones as the needs arise.

Two new Land Management Advisors, to be initially working in southern and central Canterbury, will focus on increased farmer/landowner support for implementation of the sub-regional plans. Another role will support coordination, auditor liaison and data management of the Farm Environment Plan Audit Programme as that increases in momentum.

Resources have been made available within the zones to enable implementation of significant zone-based projects – with an emphasis on projects that gain strong partnership support and a shared funding approach.

We have enhanced the Cultural Land Management Advisory service through the retention of the pilot role in Selwyn, and the addition of Cultural Land Management Advisors for the southern and northern districts – all through internal reprioritisation of resources.

**LOS 3: In partnership with other parties, implement the recommendations in the zone implementation and regional programmes.**

Measure		Target	
3.1	Work is undertaken according to annual work programmes that have been agreed by Zone and Regional Committees.	3.1	Publish an annual report with the Zone and regional Committees and publish an annual progress report towards the ten CWMS targets, which will be made available on our website.
3.2	Agree joint work programmes in partnership with other parties to implement the recommendations in the zone implementation and regional programmes.	3.2a	An agreed annual work programme is in place with Canterbury District Health Boards, Irrigation New Zealand, the Canterbury dairy industry, Fish & Game (North Canterbury and Central South Island).
		3.2b	Publish two reports per year on the progress towards implementation of the joint work programmes which will be made available on our website.
3.3	Annual report on progress on the implementation of Good Management Practice across primary industries.	3.3	Publish an annual report on the level of adoption of Good Management Practice (including guidelines regarding appropriate nutrient limits), which will be made available on our website.

**Resource Management Act Water Framework**

Work has been done to assess the current needs of this programme with the outcome being a temporary cost reduction of \$250,000 per annum from 2018/19, for three years. These annual savings have been made on the basis that funding is re-established in years 4-6 of the Long-Term Plan to meet the demands for National Planning Standards.

Consent reviews may be considered as a partial alternative or complement to plan change proposals. Council has considered the opportunity to use consent reviews in local catchments, within the context of required plan reviews. The Ashburton River/Hakatere catchment is the most suitable candidate for consent reviews in the short term and will be investigated alongside the zone committee during the implementation of the Long-Term Plan, with an intent to review consents in the Ashburton Catchment if this will demonstrate environmental gains.

**LOS 4: Work with the zone committees to lead a community process to collaboratively establish environmental limits for water quality and water quantity in Canterbury.**

Measure		Target	
4.1	A schedule of RMA plans or variations is notified that reflects the community recommendations for environmental limits.	4.1a	Orari-Temuka-Opihi-Pareora - 2018/19.
		4.1b	Hurunui - Waiau - 2018/19.
		4.1c	Waimakariri - 2018/19.
		4.1d	Christchurch-West Melton - National Planning Standards (2022).
		4.1e	Rakaia/Ashburton groundwater - National Planning Standards (2022).
		4.1f	Waitaki (water quantity only) - National Planning Standards (2022).

**LOS 4: Work with the zone committees to lead a community process to collaboratively establish environmental limits for water quality and water quantity in Canterbury.**

Measure		Target	
		4.1g	Kaikōura - 2026/27.
		4.1h	All other areas in the region including areas to which Plan Change 1 (Selwyn-Te Waihora), Plan Change 2 (Hinds/Hekeao Plains) and Plan Change 3 (South Coastal Canterbury) apply - 2025/26.

### Regional Water Infrastructure Support

The Regional Water Infrastructure Support programme will continue to facilitate and support the rural infrastructure sector to ensure projects are integrated into the regional framework, improved water use efficiency and land management practices are seen, and there is a reliable water supply consistent with the CWMS targets.

**LOS 5: Facilitate an integrated approach to development of water infrastructure in Canterbury that delivers on all the CWMS targets.**

Measure		Target	
5.1	An annual work programme that supports the integrated approach to irrigation development in the region, is agreed with the CWMS Regional Committee.	5.1	Publish a quarterly progress report on the regional infrastructure work programme, which will be made available on our website.

### Te Waihora Restoration

There is a co-governance agreement in place between Te Rūnanga o Ngāi Tahu, Environment Canterbury, Selwyn District Council and Christchurch City Council to share responsibility for Te Waihora/Lake Ellesmere and the wider catchment.

A joint programme of work under this co-governance agreement is Whakaora Te Waihora (WTW), which has the vision to restore and rejuvenate the mauri and ecosystem health of Te Waihora in two generations. A significant project under WTW for 2018/19 is Whakaora Te Ahuriri, which commenced in January 2018 and is co-funded via the Government's Freshwater Improvement Fund. This project builds on previous work including research which indicated that constructed wetlands around Te Waihora/Lake Ellesmere are a viable mechanism to reduce nutrient passage, and will make a significant contribution towards achieving improvements in water quality.

**LOS 6: Environment Canterbury will work in partnership to implement a joint programme to progress the vision to restore and rejuvenate the mauri and ecosystem health of Te Waihora (Lake Ellesmere) and its catchment.**

Measure		Target	
6.1	Deliver on joint work programme progress towards restoration actions for Te Waihora and its catchment.	6.1	An annual progress report on the agreed Whakaora Te Waihora annual work programme, which will be made available on our website.
6.2	Deliver the Whakaora Te Ahuriri wetland restoration project.	6.2	An annual progress report on the agreed Whakaora Te Ahuriri work programme, which will be made available on our website.

## **In summary**

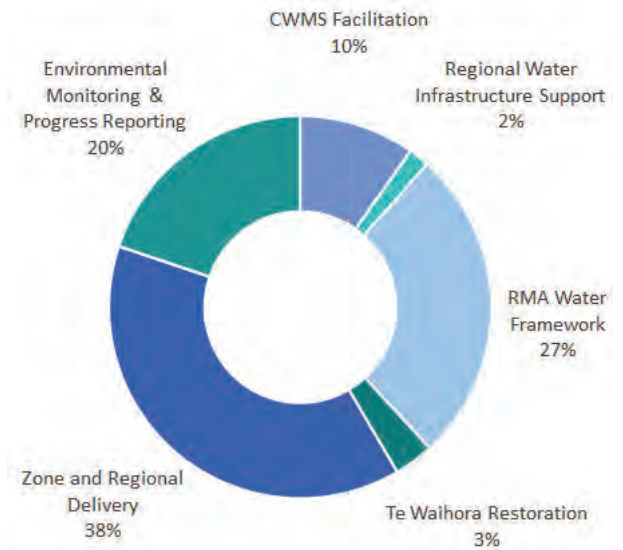
We will continue to work with the Regional Committee, zone committees, Ngāi Tahu, local councils, the health boards, central government, and our communities to deliver the Freshwater Management portfolio programmes.

The strategic direction for the portfolio reflects the current stage of the CWMS and builds on the now well-established social, collaborative and regulatory frameworks and shifts the Freshwater Management focus towards implementation, or action on the ground. The three-year work programmes incorporate the need for increased monitoring and include a collaborative look at the CWMS to ensure it will remain a robust framework into the future.

The overall expenditure in the portfolio increases by \$142,000 in 2018/19, \$597,000 in 2019/20 and \$217,000 in 2020/21. Support for new activities has been achieved through a combination of savings in other areas, the reprioritisation of resources across programmes, and the reallocation of existing budgets.

## Revenue and Expenditure

- The funding for this portfolio has been changed to general rates. Previously it was a functional targeted rate across the region
- The surplus/deficit in Y1-5 represents the use of reserves to smooth the rates demand over the plan period
- Programmes are fully funded in Y5-10



	Annual Plan	Long-Term Plan										(\$000's)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
General Rates	795	27,150	30,203	30,820	32,175	33,649	33,455	33,178	34,019	34,855	35,851	
Targeted Rates	24,620	-	15	6	5	5	5	5	5	5	5	
Grants	400	2,220	332	199	117	115	100	100	100	100	100	
User Pays and Other	13	919	596	718	598	775	788	796	809	823	838	
<b>Revenue</b>	<b>25,828</b>	<b>30,289</b>	<b>31,146</b>	<b>31,744</b>	<b>32,896</b>	<b>34,543</b>	<b>34,349</b>	<b>34,079</b>	<b>34,934</b>	<b>35,783</b>	<b>36,794</b>	
CWMS Facilitation	2,997	2,928	3,044	3,113	2,963	3,043	3,110	3,185	3,270	3,356	3,454	
Regional Water Infrastructure Support	525	527	539	550	561	575	588	602	617	632	649	
RMA Water Framework	7,885	7,692	8,111	7,445	9,233	9,418	9,586	8,773	8,977	9,182	9,418	
Te Waihora Restoration	610	2,354	1,047	952	958	879	719	728	747	767	789	
Zone and Regional Delivery	9,950	11,791	12,136	12,666	12,801	13,160	13,405	13,687	14,040	14,388	14,798	
Environmental Monitoring & Progress Reporting	6,139	6,100	6,381	6,448	6,588	6,769	6,925	7,090	7,268	7,442	7,670	
<b>Expenditure</b>	<b>28,106</b>	<b>31,393</b>	<b>31,258</b>	<b>31,174</b>	<b>33,104</b>	<b>33,845</b>	<b>34,333</b>	<b>34,064</b>	<b>34,918</b>	<b>35,767</b>	<b>36,779</b>	
<b>Surplus/Deficit</b>	<b>(2,278)</b>	<b>(1,104)</b>	<b>(112)</b>	<b>569</b>	<b>(208)</b>	<b>699</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	

Note: These percentages are to give an indication of relative spending over the ten year period.







# BIODIVERSITY AND **BIOSECURITY**

*Creating a step-change in effort in the regeneration of freshwater,  
marine and terrestrial biodiversity.*



## Biodiversity and Biosecurity

*Creating a step-change in effort in the regeneration of freshwater, marine and terrestrial biodiversity.*

### Challenges and our strategic focus

Indigenous biodiversity is one of the two strategic priorities identified by Council and confirmed by stakeholders and the community.

The portfolio also covers the closely related work in biosecurity. There are four programmes in this portfolio:

- Regional Biodiversity
- Braided Rivers
- Wetlands
- Biosecurity.

These programmes reflect the areas of focus in this Long-Term Plan and the Council's desire to place a greater emphasis on biodiversity.

There are many well-established groups and agencies working in biodiversity nationally and in the region. The emphasis for this Long-Term Plan is on working with partners and communities and undertaking increased action on the ground.

The Braided Rivers and Wetlands programmes have been added to provide extra focus and effort on these unique ecosystems.

The two major threats to biodiversity are introduced plant and animal pests and continuing land use change and intensification. Together these are the major contributors to the continuing decline in biodiversity.

Council has indicated the desire to bring about a step-change in effort to halt the decline and restore the natural character of degraded indigenous habitats and ecosystems.

This will require extensive collaboration between all the organisations who are working on biodiversity projects, establishing clarity around roles and responsibilities, providing information and incentives for private landowners to invest in maintaining biodiversity, and leveraging each other's work to optimise results in as short a time frame as possible.

In biosecurity, there is a challenge in funding on-going control of pests once they are established. In this Long-Term Plan, a more proactive approach is being adopted to put greater emphasis on pathway management to address the risks of new pests establishing and spreading in the region. The increasing movement of people and goods, through trade and tourism, brings with it increasing biosecurity risks. This makes the biosecurity driver the protection of both the economy and the environment.

As technology and research advances are made, biodiversity and biosecurity outcomes increase, particularly in potentially ground-breaking bio-technology solutions for pest control.

In the long-term, climate change will increasingly affect the portfolio. Changes in climate affect habitats and the biodiversity that exists within them. Increasing flood intensity may alter river habitats and warmer temperatures allow new pests to establish.

## Programmes

Below is a summary of the work in each of the four programmes identified. For levels and service (LOS), specific targets and measures for each of the first three years of the Long-Term Plan please refer to the following pages.

### Regional Biodiversity

This programme of work covers our regionwide activity (such as the Immediate Steps work), science investigations and monitoring, and smaller on-ground initiatives that do not warrant a stand-alone programme (for example, pest control for Long Tailed Bats, enhancement of fish habitats, pest control in the upper catchments). We will be prioritising actions using nationally developed tools to enhance biodiversity outcomes for our on-the-ground work. This prioritised approach is complemented by an improved monitoring programme, so that we can better monitor the change in the state of biodiversity, and ensure our actions are effective.

**LOS 7: Environment Canterbury works with Ngāi Tahu, communities, territorial authorities, Department of Conservation, willing landowners and other recreational, environmental and industry parties to protect and restore Canterbury's indigenous biodiversity.**

Measure		Target	
7.1	We collect relevant data to support effective decision-making for biodiversity outcomes.	7.1a	A regional prioritisation process is completed by 30 June 2019.
		7.1b	A regional monitoring and reporting programme has been implemented by 30 June 2020.
7.2	Technical or other support is provided to Territorial Authorities to give effect to biodiversity policy and strategies.	7.2	Where Environment Canterbury has provided support to a territorial authority, the quality and relevance of that support is measured and reported through an annual survey of the territorial authorities.
7.3	Work with partners on on-the-ground projects to protect and restore indigenous biodiversity.	7.3	Publish an annual report on the effectiveness of projects contributing to protecting and restoring Canterbury's indigenous biodiversity, which will be available on the website.

### Biosecurity

Changes within the Biosecurity programme reflect the new Regional Pest Management Plan and an increased emphasis on preventing pests from spreading and establishing (pathway management) and reporting the milestones and progress on our website.

You will see in the Revenue and Finance Policy the consolidation of numerous separate targeted rates for pest management into a single targeted rate on all rural land.

Also included in the Revenue and Finance Policy is an expansion of the Banks Peninsula Community Initiative Programme. This previously covered rural properties on parts of the Banks Peninsula for possum control. The expansion includes all properties, covers a greater geographic area and includes a wider range of pests. This is aligned with the long-term vision for a pest-free Banks Peninsula.

Additional funding is required to maintain cleared areas of wilding conifers, this will be funded by targeted rates, central government and general rates.

**LOS 8: Environment Canterbury administers and implements a Regional Pest Management Plan and provides incursion response and pathway management to prevent the establishment and spread of pests in the region to support economic production, biodiversity and mahinga kai.**

Measure		Target	
8.1	Implementation of a Regional Pest Management Plan that meets the requirements of the Biosecurity Act 1993 and the National Policy Direction for Pest Management.	8.1	Publish an annual report on progress towards the objectives in the RPMP, which will be available on the website.
8.2	Development and implementation of pathway management initiatives.	8.2	Work with others to develop and document pathway management initiatives indicating timeframes and milestones and publish annually on the website.
8.3	Maintain effective incursion response capability.	8.3	Response capability as agreed under the National Biosecurity Capability Network will be available.

## Braided Rivers

This new programme will give visibility to the work in this priority area.

The key focus will be to maintain and enhance the natural character of our braided rivers as described in the Canterbury Water Management Strategy. To achieve this we will be working collaboratively with landowners and other partners through water zone committees and the Braided Rivers Action Group (BRAG) on land management in braided river environments. BRAG includes Ngāi Tahu, Fish and Game, Forest and Bird, Federated Farmers, LINZ and DOC.

Ki Uta Ki Tai (from the mountains to the sea) plans will be developed with communities to prioritise actions and outcomes for specific rivers. These actions will be undertaken by a range of stakeholders and cover values such as ecological, cultural, economic, amenity and recreational.

Year one will be focused on developing an action plan on a single river, with on-the-ground actions starting in 2019/20. Additional rivers will be added from year three onwards, once the model is established.

**LOS 9: Environment Canterbury works in partnership with other management agencies, Ngāi Tahu, willing landowners and local communities to maintain the natural character and mahinga kai of Canterbury's braided rivers.**

Measure		Target	
9.1	Develop and implement non-statutory plans for at least nine major braided rivers.	9.1a	Develop a ki uta ki tai plan for one priority river annually, with the first plan being delivered by 30 June 2020 and then one plan for each year afterwards.
		9.1b	Report on progress of implementation of current ki uta ki tai plans annually from 2021.
9.2	Environment Canterbury land is managed in a way that maintains the natural character of braided rivers.	9.2	Lead the Braided River Action Group (BRAG) project to establish the ownership of land within and on the margins of the large alpine-fed braided rivers by 30 June 2019.

## Wetlands

The focus of wetlands work will be public engagement and the development and implementation of wetland action plans to protect and enhance wetlands. The aim is to increase understanding and support for the protection of wetlands, particularly on private land, through a voluntary social engagement process, rather than with regulatory measures.

**LOS 10: Environment Canterbury works in partnership with Ngāi Tahu, willing landowners and local communities to support the maintenance of biodiversity and mahinga kai in Canterbury's wetlands.**

Measure		Target	
10.1	Work with willing landowners on protection and maintenance of natural wetlands.	10.1	At least five new wetland action plans are developed annually with willing landowners.

### In summary

There are many parties with an interest in biodiversity. This is reflected in the signatories to the Canterbury Biodiversity Strategy which includes territorial authorities, Ngāi Tahu, farming and conservation interests, research organisations and Government departments. To achieve the step-change these parties will increasingly need to work together to magnify their individual contributions.

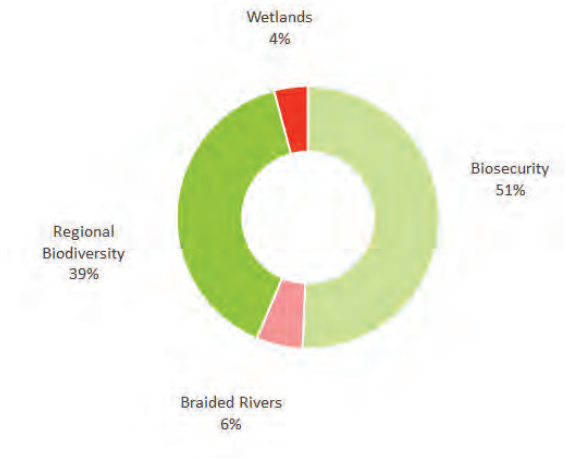
In this Long-Term Plan we have new levels of service for the Braided Rivers and Wetlands programmes, and the measures of success for all the programmes in this portfolio emphasise working with willing landowners and the close relationship between biodiversity and mahinga kai. In Regional Biodiversity, there are new levels of service regarding prioritisation and monitoring.

For Regional Biodiversity, Braided Rivers and Wetlands the total budget for year 1 of the Long-Term Plan is \$5.2 million, an increase of \$1.3 million from 2017/18. This total will increase to \$5.9 million in 2020/21, a total increase of \$0.7 million over the first 3 years of the Long-Term Plan. This increase is primarily for the Braided Rivers and Wetlands programme, with some additional expenditure for state of the environment monitoring. It is proposed that further increases in biodiversity expenditure are included in years 4 to 10 to allow for the continued roll-out of the Braided Rivers and Wetlands programmes across the region.

In Biosecurity, the 2018/19 budget is \$4.8 million. Additional funding of \$100,000 and \$200,000 in years 2 and 3, respectively, provides for stronger activity in pathway management and biodiversity pest control. Provision of \$1 million has been made for wilding conifer maintenance in 2020/21 subject to confirmation of additional funding from the Crown and discussion with landowners.

## Revenue and Expenditure

- Two new programmes - Wetlands and Braided Rivers
- The Te Waihora programme has moved to Freshwater Management
- The surplus/deficit represents reserves from existing pest rating areas being used in Y2-3, with a reserve for new areas established in Y4-7
- Increase in expenditure in Y3 is for Wilding Conifer control



	Annual Plan	Long-Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
General Rates	4,635	7,614	7,909	9,735	10,184	10,472	10,780	11,069	11,117	11,391	11,697
Targeted Rates	2,607	2,077	1,710	1,906	2,228	2,319	2,458	2,562	2,398	2,458	2,527
Grants	-	-	-	-	-	-	-	-	-	-	-
User Pays and Other	106	73	72	38	40	39	39	39	39	39	39
<b>Revenue</b>	<b>7,348</b>	<b>9,763</b>	<b>9,691</b>	<b>11,678</b>	<b>12,452</b>	<b>12,830</b>	<b>13,276</b>	<b>13,670</b>	<b>13,554</b>	<b>13,888</b>	<b>14,263</b>
Biosecurity	4,673	4,579	4,619	6,251	6,375	6,530	6,674	6,830	7,001	7,174	7,369
Braided Rivers	72	754	852	643	655	671	686	701	719	736	756
Regional Biodiversity	3,784	4,137	4,578	4,720	4,789	4,910	5,007	5,115	5,243	5,372	5,517
Wetlands	-	272	406	524	534	547	558	571	585	600	616
<b>Expenditure</b>	<b>8,529</b>	<b>9,742</b>	<b>10,454</b>	<b>12,138</b>	<b>12,352</b>	<b>12,658</b>	<b>12,925</b>	<b>13,218</b>	<b>13,549</b>	<b>13,883</b>	<b>14,258</b>
<b>Surplus/Deficit</b>	<b>(1,181)</b>	<b>21</b>	<b>(763)</b>	<b>(460)</b>	<b>100</b>	<b>172</b>	<b>352</b>	<b>452</b>	<b>5</b>	<b>5</b>	<b>5</b>

Note: These percentages are to give an indication of relative spending over the ten year period.



# HAZARDS, **RISK AND RESILIENCE**

*Ensuring our communities have an improved understanding of, and resilience to, natural hazard risk including climate change.*



# Hazards, Risk and Resilience

*Ensuring our communities have an improved understanding of, and resilience to, natural hazard risk including climate change.*

## Challenges and our strategic focus

The Hazards, Risk and Resilience portfolio covers a number of diverse programmes of work and now includes a new programme dedicated to integrating Environment Canterbury's climate change work.

The seven portfolio programmes are:

- Natural Hazards
- Navigation and Recreational Boating Safety
- Flood Protection and Control Works
- Coastal Environment and Hazards
- Emergency Management
- Contaminated Land, Hazardous Substances and Waste
- Climate Change Integration.

Although this portfolio covers a broad range of activities, the common threads are risk management and building resilience. A key focus is on supporting our communities to become more 'risk literate', to better understand the risks and implications to make informed decisions.

The priority focus areas for this Long-Term Plan are flood protection and control infrastructure to protect billions of dollars of assets and human lives from the risk of flooding; working with partner organisations and communities to better identify and manage the risk to life and property; taking steps to eliminate or reduce the impact of the risk; and embedding the climate change integration work to bring a consistent approach to consideration and sharing of climate change information within and outside the organisation.

There are a range of regulatory tools, ministerial reviews, and technical advisory groups working on issues that impact this portfolio, including natural hazards, sea level rise, planning standards and climate change adaptation. We feed into this work as appropriate through submissions and liaising with central government.

The budget for this portfolio is lower than 2017/18 by \$1.5M mainly as an Earthquake Waste Compliance project has been completed. In subsequent years expenditure is increasing, mostly on Flood Protection and Control works, as outlined in the programme information below.

## Programmes

Below is a summary of the work in each of the seven programme areas identified above. For levels of service (LOS), specific targets and measures for each of the first three years of the Long-Term Plan please refer to the following pages.

### Natural Hazards

In this programme we carry out geological investigations and risk investigations and provide hazard advice. The work includes river and floodplain investigations, flood alerts and flood management.



Data is collected on faults, liquefaction potential, paleo-tsunami, distant-source tsunami risk, lake tsunami, land stability, land elevation, river flows, rainfall flood events and ground water levels.

We work closely with the district councils to support their planning process through the provision of data and hazard risk reports. Taking a regional approach to managing natural hazard risk requires engagement and coordination between stakeholders through the Canterbury Natural Hazard Risk Reduction Group and direct engagement and activities.

**LOS 11: Delivering information and advice to communities and decision makers about natural hazards.**

Measure		Target	
11.1	To provide transparency, all peer-reviewed technical reports will be available on Environment Canterbury's website.	11.1	Peer-reviewed technical reports and advice tabled at Council meetings are available on our website three days before the meeting date.

**LOS 12: Providing flood alerts and warnings when agreed trigger levels are exceeded.**

Measure		Target	
12.1	Agreed trigger levels determine when flood alerts and warnings are required.	12.1	All flood warning events that exceed trigger levels are published on Environment Canterbury's website when notified.
12.2	Flood warning procedures will be reviewed after each significant flood event to continuously improve responses.	12.2	Procedural review undertaken within six months of each significant flood event.

**Navigation and Recreational Boating Safety**

The programme enables safe navigation for ships and other commercial vessels and recreational vessel users. In Canterbury we have two large commercial ports and several harbours, including the recently re-opened Kaikōura harbour and Akaroa harbour. We also have thousands of kilometres of freshwater rivers and many beautiful lakes that are enjoyed by recreational boaties and other users year-round.

The Harbourmaster's Office undertakes educational campaigns on boat safety and provides commercial port safety and navigational expertise.

Swing moorings throughout the region are managed under this programme.

### LOS 13: Enabling safe navigation for ships and other commercial vessels in ports, harbours and coastal areas.

Measure		Target	
13.1	Risk assessment regime and Safety Management System consistent with the New Zealand Port and Harbour Marine Safety Code.	13.1	External review of the Safety Management System is undertaken when required by the Port & Harbour Marine Safety Code working group.
13.2	Level of customer focus, quality management and continual improvement in the safety management system, compliant with ISO 9001: 2015 certification.	13.2	ISO 9001:2015 certification is maintained.
13.3	Availability of operational and emergency response function, and qualified, experienced and independent harbourmaster.	13.3	Advice and information from a harbourmaster is available to shipping operators, port companies and emergency response organisations during working hours weekdays, and on-call 24 hours / 365 days per year.

### LOS 14: Enabling safe navigation for recreational vessel users of the coast, harbours and inland waterways.

Measure		Target	
14.1	Communities, user groups and organisations receive guidance on the safe navigation of vessels within the region.	14.1	A Navigation Safety Officer is available to provide advice and information to the community during working hours weekdays, and on-call 24 hours / 365 days per year for complaints and emergency issues.

## Flood Protection and Control Works

Our river engineers manage, monitor and maintain 59 river and drainage schemes across Canterbury with the aim of protecting people and property from flooding. The total value of our infrastructure assets is \$508 million (2017). The annual cost of maintaining this infrastructure is approximately \$12 million. The 30-year Infrastructure Strategy in this Long-Term Plan details the flood protection infrastructure – a vast network of stopbanks and other mechanisms protecting people’s lives and billions of dollars of assets from flood.

Within this programme Environment Canterbury’s river engineers provide an advisory service to territorial authorities and other stakeholders, monitor river levels and naturally occurring dams, review river schemes and issue gravel extraction permissions.

Three magnificent regional parks are owned and managed by Environment Canterbury: Ashley Rakahuri Regional Park, Lake Tekapo Regional Park, and the Waimakariri River Regional Park. We also own and manage forest land for flood mitigation and recreational use.

During this Long-Term Plan work will continue to finish the upgrading of the flood protection on the Waimakariri River with secondary stopbanks.

Noted in this Long-Term Plan is a review of the Flood Protection and Drainage Bylaw 2013. This requires additional funding which, coupled with the increasing cost of maintaining the infrastructure, requires an increase in expenditure of \$229,000 in the first year of the Long-Term Plan. The ongoing maintenance costs require a further increase of \$10,000 in the second year and \$210,000 in 2020/21.

We are jointly investigating the feasibility of transferring the delivery of land drainage schemes in Selwyn from Selwyn District Council to Environment Canterbury.

**LOS 15: Flood protection and drainage infrastructure is maintained to agreed levels of service defined in Asset Management Plans and in consultation with rating district committees.**

Measure		Target	
15.1	Construction and maintenance of flood and drainage infrastructure will be completed in accordance with Asset Management Plans.	15.1	Consult annually with rating district committees to agree budgets and capital expenditure programmes that will be recommended to Council.
15.2	Mana whenua values are recognised in annual work programmes.	15.2	Environment Canterbury's annual work programmes for flood protection and drainage infrastructure are informed by annual engagement with mana whenua.

**LOS 16: Environment Canterbury's 30-year Infrastructure Strategy outlines a schedule of river and drainage schemes to be reviewed in order to deliver community outcomes.**

Measure		Target	
16.1	Scheme reviews are carried out in the priority order set out in the 30 year Infrastructure Strategy.	16.1	All scheme reviews undertaken as per table.
16.2	All completed scheme reviews resulting in 'small' works commence within two years after review, 'medium' two-to-four years after review, and 'large' two-to-ten years after review.	16.2	100% of the time.

**LOS 17: The extraction of the fluvial gravel resource is sustainably managed for flood and erosion control purposes while protecting and where possible enhancing cultural and environmental values.**

Measure		Target	
17.1	Percentage of permissions for gravel extraction assessed for availability of gravel at the time of application.	17.1	100% of the applications.

**LOS 18: Maintain and continue to develop Regional Parks and 3,000 hectares of pine forest, to deliver a mix of services including biodiversity, recreation, protection of rating district assets and revenue.**

Measure		Target	
18.1	Maintain and develop regional parks in accordance with Park Management Plans.	18.1a	2018/19 Commence development and open the Willows section of the Waimakariri River Regional Park.
		18.1b	2019/20 Undertake a strategic review of parks and reserve land management.
		18.1c	2020/21 Undertake development and enhancement of Environment Canterbury land and opportunities identified through the strategic review.

**LOS 18: Maintain and continue to develop Regional Parks and 3,000 hectares of pine forest, to deliver a mix of services including biodiversity, recreation, protection of rating district assets and revenue.**

Measure		Target	
		18.1d	2022/23 Complete Willows Development for the Thompsons Road area of the Waimakariri River Regional Park.

## Coastal Environment and Hazards

This programme looks after our work in the coastal environment. Coastal water quality initiatives are run through this programme, as well as coastal hazard investigations and marine pollution response and enforcement.

The team provides science advice on coastal processes, beach profiles, the potential impact of climate change including sea level rise, and rising groundwater, to decision makers within and outside the organisation.

In this programme we provide the Ranger Service for Northern Pegasus Bay with Waimakariri and Hurunui District Councils, which works to protect the foreshore habitat, dune system, manages recreational and leisure access and upholds Ngāi Tūāhuriri values.

There has been a reduction of \$427,000 in the budget for the first year of the Long-Term Plan due to delaying the Regional Coastal Environment Plan review. In the second year we will initiate coastal science work requiring an additional \$193,000, leading into a review of the Regional Coastal Environment Plan, with drafting and consultation in Year 3 requiring a further \$250,000.

**LOS 19: Provide information on coastal hazards so our communities and partners can make informed decisions.**

Measure		Target	
19.1	Work in partnership with NIWA to collect coastal data.	19.1	Produce an annual survey of coastal profile monitoring sites, and collect and report on wave and sea level data on our website.

**LOS 20: Monitor coastal water quality and ecosystem health.**

Measure		Target	
20.1	Collect data and report on recreational swimming monitoring sites and ecosystem health.	20.1	Produce a report on recreational swimming monitoring sites during summer months, and on ecosystem health annually.
20.2	Maintain a regional marine oil spill response capability.	20.2	Response plan and capability, as approved by Maritime NZ, will be available 24 hours / 365 days a year.

## Emergency Management

Environment Canterbury is home to the region's Civil Defence Emergency Management (CDEM) Group and provides the ongoing training of response teams across all functions (welfare, communications, logistics, for example), as well as the controllers in the event of emergency.

When a regional emergency occurs – such as the North Canterbury earthquakes in 2016 – the Regional Group will take charge of the response. When a local emergency is declared – for example the Port Hills fires affecting Selwyn and Christchurch Districts, the Group will provide people and resources to assist.

In November 2017, the CDEM team moved into the new Justice and Emergency Service Precinct – Emergency Operations Centre in Christchurch.

Ongoing work includes scenario planning and preparedness for a large Alpine fault rupture, tsunami or other regional or localised incidents.

In June 2017, the then Minister for Civil Defence and Emergency Management initiated a Ministerial Review into *Better Responses to Natural Disasters and Other Emergencies in New Zealand*. This review will provide advice to the Minister on the most appropriate operational and legislative mechanisms to support effective responses to natural disasters and other emergencies in New Zealand.

The outcome of this review may significantly impact the central government direction on how we work with partners to meet our civil defence responsibilities, and any change in direction for Environment Canterbury may need to be incorporated in future years of the Long-Term Plan.

In the first year of the Long-Term Plan rates will increase by \$60,000 to rebuild reserves and begin the review of the CDEM Group Plan. Plan review work and the biennial survey on preparedness and public perception on response will require an additional \$20,000 in 2019/20, dropping back by \$34,000 in 2020/21 once the review work is finished.

**LOS 21: Active partnership of the Canterbury Civil Defence Emergency Management Group and provide for the support, information, and administration needs of the group office and Emergency Coordination Centre.**

Measure		Target	
21.1	Compliance with meeting the Service Level Agreement between the CDEM Group and Environment Canterbury.	21.1	Full compliance with agreement, including providing 55 suitably trained staff.

**Contaminated Land, Hazardous Substances and Waste**

This programme covers consents advice and compliance support for hazardous waste issues such as asbestos, tyre dumping, or chemical disposal, as well as identification of potentially contaminated land, for example where previous land use may have involved chemicals that may still be present in the land.

The team works closely with territorial authorities across the region regarding contaminated sites and hazardous waste management.

Ongoing work includes the Rural Waste Minimisation Project and the Waste Data Report, as well as investigations and monitoring of potentially hazardous areas.

Work will continue district-by-district during this Long-Term Plan to identify and classify potentially contaminated land. Timaru district will be assessed 2018/19.

To identify potentially contaminated land we research historic records such as council files, trade directories and aerial photographs to identify land and record it on the Listed Land Use Register (LLUR). The register is a publicly available database of land with a history of hazardous activities and industries that has been maintained since the 1990s.

Other information that helps us find affected properties comes from environmental site investigation reports and resource consent applications.

The Ministry for the Environment keeps the nationwide definitive Hazardous Activities and Industries List (HAIL) which we use in this identification process.

<b>LOS 22: Identify and monitor contaminated land.</b>			
<b>Measure</b>		<b>Target</b>	
22.1	Annual project to identify potentially high risk contaminated sites in a Canterbury district, in partnership with the Territorial Authority and local Rūnanga.	22.1a	Year one: Completion of one district.
		22.1b	Year two: Completion of one district.
		22.1c	Year three: Completion of one district.

### **Climate Change Integration**

Climate change adaptation is a key driver of change for our council and region, which requires an appropriately strong and collaborative response.

The majority of Environment Canterbury’s programmes have climate change adaptation considerations embedded in them, but feedback during development of the Long-Term Plan showed that it is not clear to our community. It also showed that we are not actively and visibly sharing the data and knowledge that we use internally.

We are therefore establishing this new programme to increase visibility, improve integration, and share our data and knowledge. We will work with our partners to develop and deliver a holistic approach to managing climate change adaptation issues for Canterbury. This includes taking a strategic approach to responding to any change in expectations from central government. We will respond to the reality of climate change impacts and implications, the government’s legislative programme, our communities’ expectations and needs, and the activities of our partners.

The programme focuses on ‘adaptation’ to the effects of climate change, not ‘mitigation’ of greenhouse gases. This responds to direction in current national legislation that prohibits local authorities from considering the effects of greenhouse gas discharges into the air.

We are however examining our own organisational greenhouse gas emissions and considering our options to reduce and offset these emissions.

Introduction of this programme requires \$550,000 per annum, which will come from reallocation of funding from other programmes.

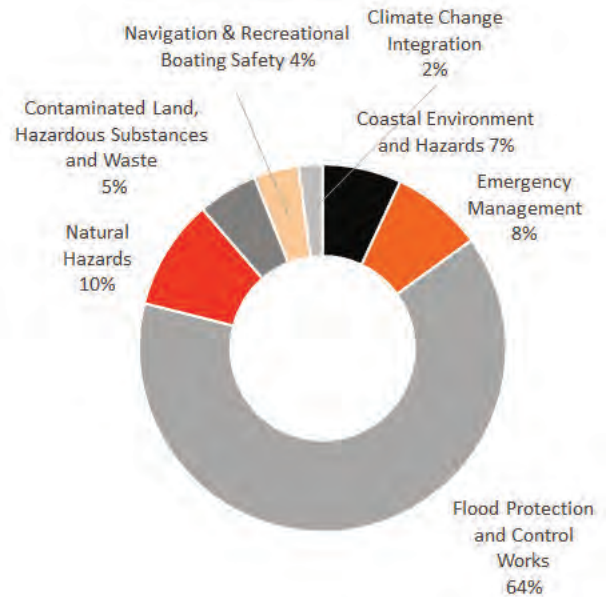
<b>LOS 23: Support our communities to become more risk literate and resilient to climate change.</b>			
<b>Measure</b>		<b>Target</b>	
23.1	Number of climate change-related information and education activities delivered by, or contributed to by, Environment Canterbury each year.	23.1	Year 1: Promote activities via website; report total number; and set targets for years 2 and 3.

**LOS 23: Support our communities to become more risk literate and resilient to climate change.**

<b>Measure</b>		<b>Target</b>	
23.2	Develop a process to ensure that climate change is robustly factored in to relevant Council decisions across portfolios.	23.2	Year 1: Process is documented and put into place.

## Revenue and Expenditure

- Expenditure varies each year as different flood protection schemes are undertaken
- User-pays revenue is primarily from leased land, the surplus this creates is used to fund flood protection capital works



	Annual Plan		Long-Term Plan								(\$'000's)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
General Rates	7,588	7,939	8,536	9,044	9,304	9,377	9,664	9,915	10,188	10,462	10,778
Targeted Rates	11,793	10,736	11,990	13,048	13,722	12,892	13,484	13,781	14,202	14,574	15,060
Grants	2,995	786	354	362	372	381	391	400	410	421	433
User Pays and Other	6,886	7,551	7,164	7,278	7,449	7,635	7,767	7,897	8,031	8,169	8,311
<b>Revenue</b>	<b>29,262</b>	<b>27,013</b>	<b>28,045</b>	<b>29,732</b>	<b>30,846</b>	<b>30,285</b>	<b>31,305</b>	<b>31,993</b>	<b>32,832</b>	<b>33,627</b>	<b>34,583</b>
Coastal Environment and Hazards	1,797	1,393	1,758	1,958	1,994	2,042	2,086	2,134	2,188	2,242	2,303
Emergency Management	1,951	2,118	2,186	2,191	2,256	2,283	2,364	2,390	2,469	2,495	2,592
Flood Protection and Control Works	15,451	16,223	16,567	17,236	17,692	18,013	18,808	19,292	19,950	20,253	20,815
Natural Hazards	2,320	2,527	2,590	2,642	2,698	2,771	2,836	2,910	2,985	3,058	3,147
Contaminated Land, Hazardous Substances and Waste	3,969	1,790	1,370	1,398	1,423	1,459	1,491	1,527	1,564	1,602	1,647
Navigation & Recreational Boating Safety	1,208	1,067	1,084	1,096	1,108	1,133	1,151	1,172	1,187	1,216	1,250
Climate Change Integration	-	550	560	571	582	596	610	624	640	656	674
<b>Expenditure</b>	<b>26,696</b>	<b>25,669</b>	<b>26,114</b>	<b>27,092</b>	<b>27,753</b>	<b>28,297</b>	<b>29,346</b>	<b>30,049</b>	<b>30,982</b>	<b>31,523</b>	<b>32,429</b>
<b>Surplus/Deficit</b>	<b>2,567</b>	<b>1,344</b>	<b>1,930</b>	<b>2,640</b>	<b>3,093</b>	<b>1,988</b>	<b>1,959</b>	<b>1,944</b>	<b>1,850</b>	<b>2,105</b>	<b>2,155</b>

Note: These percentages are to give an indication of relative spending over the ten year period.





# TRANSPORT AND **URBAN DEVELOPMENT**

*Enabling a resilient, multi-modal transport system for the efficient movement of people and freight into, out of, and within the Canterbury region.*



# Transport and Urban Development

*Enabling a resilient, multi-modal transport system for the efficient movement of people and freight into, out of, and within the Canterbury region.*

## Challenges and our strategic focus

There are three strongly inter-related programmes in the Transport and Urban Development portfolio:

- Regional Transport
- Urban Development
- Public Transport.

The world is changing around us. Global drivers of change such as technology, tourism and climate change, are already influencing how we plan for and invest in urban development and transport infrastructure and services. Technological innovations in particular have the potential to change the way people travel. We are already seeing the impact of electric and autonomous vehicles, and the advent of transport as a service through smart technology, and these trends will only accelerate in the future.

These changes highlight the need for flexible, integrated and adaptive land use and transport planning, particularly as investment decisions have lasting implications. We need to be responsive to the National Policy Statement on Urban Development Capacity 2016, the Greater Christchurch Regeneration Act 2016, the Government Policy Statement on Land Transport 2018 and other possible amendments to legislation.

Forecast changes to the economy and demographic make-up of the region will also impact significantly on this portfolio, including population growth and distribution, an aging population, and freight growth.

The shift from post-earthquake rebuild to business as usual for Greater Christchurch will also be an important part of the work in this portfolio.

## Programmes

Below is a summary of the work in each of the three programme areas identified above. For levels of service (LOS), specific targets and measures for each of the first three years of the Long-Term Plan, please refer to the following pages.

### Regional Transport

Our regional transport system is a key enabler of economic growth and social cohesion, connecting businesses, providing access to and between communities, and ensuring that we can import and export goods. The Regional Transport Programme co-ordinates regional transport planning across the region to enable a resilient, multi-modal transport system for the safe efficient and effective movement of people and goods around the region. Environment Canterbury convenes, chairs, and provides secretariat support for the Regional Transport Committee and its associated sub-groups. By statute, the Committee is responsible for the preparation, review and implementation of the Regional Land Transport Plan.

A new Regional Land Transport Plan must be developed every 6 years and the plan reviewed after 3 years of operation. A new Plan must be prepared by 30 June 2021 for the period 2021-2031.

Looking ahead, we will support the Regional Transport Committee to implement the current Regional Land Transport Plan 2015-2025 (which was revised in 2018), and prepare the 2021-31 Plan in accordance with the Land Transport Management Act 2003.

In addition to work on the Regional Land Transport Plan, the following new priority initiatives have been agreed by the Committee:

- research to understand the opportunity for mode optimisation; and a transport system resilience stocktake. Both of these work programme items are intended to inform future investment decisions and advocacy;
- increased advocacy, alongside the South Island Regional Transport Committee Chairs Group, on central government transport policy;
- improving quality of and access to data;
- development and implementation of measures to track the Regional Transport Committee’s progress toward strategic outcomes.

These initiatives support the implementation of the Transport Workstream of the Mayoral Forum’s Canterbury Regional Economic Development Strategy, and will enable more integrated multi-modal transport planning and investment decisions. The Regional Land Transport Plan must also include a description of how monitoring will be undertaken to assess the implementation of the Regional Land Transport Plan.

An increase in expenditure of \$300,000 is required for each year of the Long-Term Plan to support this work. It is expected that the cost of this increase will be met partly by the NZ Transport Agency (NZTA) through the National Land Transport Fund (NLTF) with the remainder being funded through general rates.

When a land transport activity undertaken by a council or other approved organisation qualifies for funding from the NLTF, the Funding Assistance Rate (FAR) determines the proportion of the approved costs of that activity that will be paid from the NLTF. The FAR for Environment Canterbury under the 2015–18 National Land Transport Programme (NLTP) is 51%. FARs for the 2018-2021 NLTP will be confirmed in 2018.

**LOS 24: Facilitate and support prioritised investment in Canterbury’s transport network by local and central government.**

Measure		Target	
24.1	The Canterbury Regional Land Transport Plan 2021-2031 is prepared and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the New Zealand Transport Agency.	24.1	Regional Land Transport Plan is submitted to the New Zealand Transport Agency by 30 June 2021.
24.2	The Regional Land Transport Plan 2018-2028 is monitored to allow the Regional Transport Committee to assess implementation of the plan.	24.2	Quarterly reporting to Regional Transport Committee to track progress against the regional transport indicators set out in the Regional Land Transport Plan 2018-28.
24.3	The opportunities for, and barriers to, freight mode shift optimisation are identified so they can be used to inform future regional transport planning and investment decisions.	24.3	A report which outlines the opportunity for shifting road freight to rail or coastal shipping, is submitted to Regional Transport Committee prior to finalising the Regional Land Transport Plan 2021-2031.

## Urban Development

In this Long-Term Plan, Environment Canterbury through our involvement in the Greater Christchurch Partnership will contribute to the review and implementation of the Greater Christchurch Urban Development Strategy, as well as support regeneration planning in the Greater Christchurch area.

The Greater Christchurch Partnership comprises councils, Ngāi Tahu and relevant government agencies who provide visible and collaborative local leadership, and plan for future growth and regeneration in the Greater Christchurch area. The Partnership is governed and led by the Greater Christchurch Partnership Committee, a joint committee under the Local Government Act 2002.

There will also be an increased focus on giving effect to the National Policy Statement on Urban Development Capacity during this Long-Term Plan.

The National Policy Statement on Urban Development Capacity requires the Greater Christchurch Partnership to undertake a 3-yearly urban development capacity assessment to inform spatial planning decisions. The first assessment was undertaken by the Partnership in 2017. During 2018, the settlement pattern for Greater Christchurch will be reviewed to ensure any extra capacity required to meet the projected growth identified by the capacity assessment is appropriately planned for. Any resulting changes will need to be incorporated into the Canterbury Regional Policy Statement, including minimum targets for housing development capacity by the end of 2018.

Another capacity assessment will be required by December 2020, which may instigate further changes to the Canterbury Regional Policy Statement.

Environment Canterbury's contribution to the Greater Christchurch Partnership for the three years from 2018-19 will be reduced by \$97,000 compared with the 2017-18 financial year.

Working in partnership with Regenerate Christchurch will continue through to 2021. The Ōtākaro Avon River Corridor Regeneration Plan is due for completion in late 2018. Other regeneration plans or strategies for Southshore/South New Brighton, Brooklands and the Port Hills will also be developed in the next few years, and will require input and response from Environment Canterbury.

LOS 25: Integrate land use, transport and hazards planning into the identification of land to provide for residential and business growth.			
Measure		Target	
25.1	Monitoring required by the National Policy Statement on Urban Development Capacity provides information on urban development indicators for Greater Christchurch.	25.1	Quarterly indicator reports are produced and published on the Greater Christchurch Partnership website each quarter, beginning September 2018.
25.2	The Canterbury Regional Policy Statement responds to the requirements of the National Policy Statement on Urban Development Capacity, including setting minimum targets for development capacity in Greater Christchurch.	25.2a	The Canterbury Regional Policy Statement is amended to include targets by December 2018, informed by an urban development capacity assessment that is undertaken in accordance with the National Policy Statement on Urban Development Capacity.
		25.2b	The Canterbury Regional Policy Statement is amended, if required, every three years thereafter to respond to further assessments required by the National Policy Statement on Urban Development Capacity.

**LOS 26: Assist strategic partners in the development, amendment or implementation of regeneration plans in line with the Greater Christchurch Regeneration Act 2016.**

Measure		Target	
26.1	Regeneration plans meet the requirements of the Canterbury Regional Policy Statement and other relevant regional plans, including avoiding or mitigating natural and other hazards.	26.1	Environment Canterbury provides submission of views to proponents on whether proposals meet the requirements of the Canterbury Regional Policy Statement and other relevant regional plans.
26.2	The Canterbury Regional Policy Statement and other relevant regional plans are amended, as required, to enable a regeneration plan.	26.2	The Canterbury Regional Policy Statement and other relevant regional plans are changed to align with ministerial direction(s).

## In summary for Regional Transport and Urban Development

The Regional Transport and Urban Development programmes deliver on important statutory and non-statutory regional outcomes, despite their relatively small budgets.

In these programmes, there are many agencies involved in the development and implementation of plans, strategies and work programmes. The key relationships for Regional Transport and Urban Development are with members of the Regional Transport Committee and Greater Christchurch Partnership. Given the nature of the work in these programmes, direct stakeholder engagement on key issues and projects is undertaken, particularly with Canterbury’s local councils, but also with other South Island regional councils, Ngāi Tahu, the Ministry of Transport, NZTA, the private sector, and communities.

Any significant review, such as a review of the Regional Land Transport Plan or Greater Christchurch Urban Development Strategy, will require public consultation.

There are several pieces of legislation that impact these programmes, including the Land Transport Management Act 2003, the Local Government Act 2002, the Resource Management Act 1991, the Greater Christchurch Regeneration Act 2016, and the National Policy Statement on Urban Development Capacity 2016.

Strategies and plans of relevance include the Canterbury Regional Policy Statement, Regional Land Transport Plan, Greater Christchurch Urban Development Strategy and the Greater Christchurch Transport Statement.

## Public Transport

Public Transport is the third programme in the Transport and Urban Development portfolio. It is the largest programme in financial terms.

The programme covers the operation of the buses and ferries, as well as the Total Mobility scheme.

Public Transport faces a number of unique challenges. Patronage numbers have not yet returned to pre-earthquake levels in Greater Christchurch. The slower-than-first-anticipated rebuild of the city has resulted in people finding alternative modes of travel, and the building works themselves have contributed to unreliable network schedules. The service has been operating with a shortfall of around \$4million in recent years, supported by reserve funds and additional NZTA grants. These reserves have now been used up. Without the services making a positive contribution, there are no funds to invest in new technologies, routes and transport systems.

The Greater Christchurch Public Transport Joint Committee - consisting of Environment Canterbury and the Christchurch City Council, Waimakariri and Selwyn District Councils, the Canterbury District Health Board and NZTA have spent considerable time looking at possible solutions. Many people rely on the network for social and work travel, and 97% of those who use the service are satisfied or more than satisfied. Canterbury has a higher than New Zealand average car ownership, the economy is strong and parking in Christchurch is still relatively cheap.

The challenge facing Environment Canterbury for this Long-Term Plan is therefore to find a short-term solution to the financial situation while the Greater Christchurch Public Transport Joint Committee are undertaking a longer-term look at the future of public transport services in the region.

Recognising the significant community interest in and response to the Public Transport component of the draft Long-Term Plan, Environment Canterbury has developed a balanced approach to the Public Transport challenges.

In the draft plan, a number of routes were proposed to be discontinued to address the financial position. A revised package of interventions has been developed which see a level of service retained to the majority of areas where services were proposed to be removed while also achieving a level of financial savings.

Key messages or themes from submissions on the draft proposal articulated the following:

- Consider changing frequency and route operating hours
- Consider changing route destination to improve attractiveness
- Consider increased rating to support retention of a level of service
- Consider using smaller vehicles
- Consider lower fares to attract more users

Environment Canterbury Council considered a combination of social, network, future and funding aspects and derived the following package:

- Fare revenue has been increased by 2.5% per year
- Targeted rates (i.e. those in the areas where there is direct benefit for the services provided) have been increased
- The maximum Total Mobility fare subsidy remains unchanged at \$35
- A revised service retained as much as possible in the areas covered by the original six routes proposed to be discontinued, noted below:

<b>Route Package</b>	
<b>107</b>	Retained but reduced in frequency at all times from half hourly to hourly. The 107 will also have shortened operating hours with later start and earlier finish.
<b>108</b>	Mostly absorbed into an extended 28 Service. The 28 will operate at a slightly reduced frequency on weekdays between 9am and 3pm to allow this change to occur. The frequency in the area currently covered by route 108 will be the same or better than current. It will also provide a direct service from Casebrook and Northwood to the central city.
<b>135</b>	Absorbed into a new combined route that replaces the 135 and 150 services. This route will have a lower frequency (60 mins at all times) and a shorter span of operating hours than the current 135 service. This service will terminate at Taiora, the new QEII Sports Centre that opens late 2018, providing a new destination on this route. The new service will no longer serve New Brighton.

<b>145</b>	The Westmorland to Barrington Mall section of the service will be retained and extended into the CBD. The service will have a half-hourly frequency during peak times and less frequent services off-peak. The section of the current 145 between St Martins and Eastgate will be discontinued. Demand Responsive service options may be trialled on the removed section of route.
<b>150</b>	Mostly absorbed into a new combined route that replaces the 135 and 150 services. This route will have a higher frequency and a longer span of operating hours than the current 150 service, providing a better service for Prestons residents. The section of the route to Spencerville will be removed, however a school service will be retained for students travelling from Spencerville to Avonside Girls' and Shirley Boys High schools.
<b>535</b>	Partly absorbed into an extended 28 service. The new 28 will operate an additional peak service between Rapaki and the CBD (via Lyttelton) on weekdays. This service will include 3 trips from Rapaki to the CBD in the morning and 3 trips from CBD to Rapaki in the afternoon. There will no longer be a direct connection from Rapaki to Ferrymead or Eastgate.

More information about specific routes can be found on [www.metroinfo.co.nz](http://www.metroinfo.co.nz).

The network review process under the revised Regional Public Transport Plan is planned to take place during 2018/19.

**LOS 27: Deliver a quality, cost effective public transport service that meets the needs of the community and results in increased patronage.**

Measure		Target	
27.1	Provide quality public transport services for customers.	27.1	95% of passengers are satisfied or better with the overall service.
27.2	The number of passenger boardings per year in greater Christchurch and Timaru.	27.2	20 million trips by 2020 and 35 million trips by 2030.
27.3	Proportion of total trips made by public transport in greater Christchurch.	27.3	3% of total trips by 2020 and 5% of total trips by 2030 as measured by the Ministry of Transport latest household travel survey.
27.4	Proportion of costs covered by passenger fares is an appropriate balance between community and passengers.	27.4	On track for 50% cost recovery from passengers in Canterbury by 2020.
27.5	Provide Total Mobility scheme for transport disadvantaged people.	27.5	95% of registered customers are satisfied or better with the service they receive when they engage with a Total Mobility provider.
27.6	Number of communities who receive support from Environment Canterbury to establish Community Vehicle Trusts where conventional public transport services are not feasible.	27.6	100% of all communities that approach Environment Canterbury regarding vehicle trusts (and meet relevant criteria) are offered support.

## **In summary for Public Transport**

To continue to offer community-based public transport services via bus, ferry, Total Mobility and vehicle trusts, we need to return the programme to financial viability.

The services are supported by grants from New Zealand Transport Agency (NZTA), rates and user-pays (fares) with some routes being funded at less than 10% from fares, others at over 70% from fares. The delivery of the services requires many agencies, for example, in Christchurch there are three independent bus operators and one ferry operator contracted to deliver the services, the Christchurch City Council operates the bus priority measures and the bus stops, Ōtākaro Ltd manages the Bus Interchange, Environment Canterbury runs the bus network and the Metro call centre services, NZTA funding enables the level of service provided.

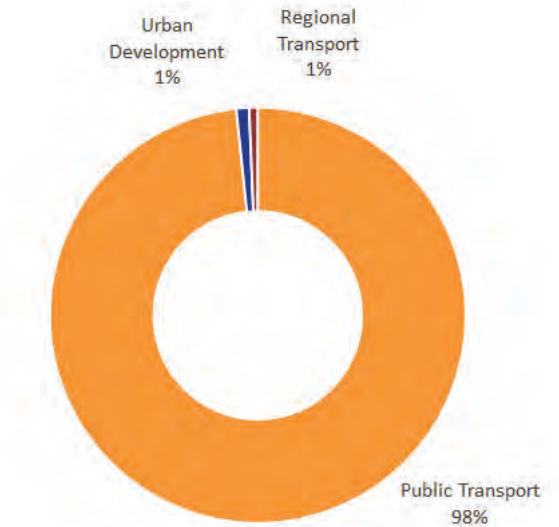
A Public Transport Advisory Group, made up of representatives from the wider public transport community, provides input to the Joint Committee. The Advisory Group is itself supported by two groups: the Disability Reference Group and the Youth Reference Group.

The currently under review (2018-19) Regional Public Transport Plan (RPTP) will articulate the future vision, strategy and tactical short-term actions for Public Transport within a 30-, 10- and 3-year horizon. The RPTP sets the high-level network structure, delivery mechanisms and construct for planned re-tendering of the entire service in 2019. For the public transport system to operate well, land-use, policy, infrastructure, service delivery and the travel behaviour of our customers must all align.



## Revenue and Expenditure

- This portfolio is funded mainly from NZTA grants, targeted rates and user-pays (bus fares)
- The surplus in Y1-Y4 is due to grants for capital projects
- Y4-10 are showing a deficit as the capital projects depreciate



	Annual Plan		Long-Term Plan								(\$000s)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
General Rates	806	781	800	817	834	854	873	894	916	938	964
Targeted Rates	21,580	23,204	23,787	24,090	23,782	24,808	25,196	25,597	26,002	26,356	26,613
Grants	31,130	31,006	30,456	33,896	32,058	31,118	31,546	32,124	32,702	33,290	33,775
User Pays and Other	18,464	19,541	20,422	21,328	22,287	23,292	24,337	25,430	26,572	27,766	29,015
<b>Revenue</b>	<b>71,980</b>	<b>74,531</b>	<b>75,464</b>	<b>80,130</b>	<b>78,961</b>	<b>80,072</b>	<b>81,952</b>	<b>84,045</b>	<b>86,192</b>	<b>88,351</b>	<b>90,366</b>
Public Transport	71,786	72,419	74,181	75,005	76,326	79,561	81,405	83,465	85,577	87,701	89,511
Regional Transport	493	834	813	830	846	867	886	907	931	954	980
Urban Development	710	420	429	438	447	458	468	479	491	503	517
<b>Expenditure</b>	<b>72,990</b>	<b>73,674</b>	<b>75,423</b>	<b>76,273</b>	<b>77,619</b>	<b>80,886</b>	<b>82,759</b>	<b>84,851</b>	<b>86,999</b>	<b>89,157</b>	<b>91,007</b>
<b>Surplus/Deficit</b>	<b>(1,009)</b>	<b>858</b>	<b>41</b>	<b>3,857</b>	<b>1,342</b>	<b>(813)</b>	<b>(807)</b>	<b>(807)</b>	<b>(807)</b>	<b>(807)</b>	<b>(641)</b>

Note: These percentages are to give an indication of relative spending over the ten year period.





# AIR QUALITY

*Ensuring the air we breathe supports health and wellbeing.*



# Air Quality

*Ensuring the air we breathe supports health and wellbeing.*

## Challenges and our strategic focus

There are three programmes in this portfolio:

- Environmental Monitoring and Progress Reporting
- Cleaner Home Heating
- Non-Domestic Emissions.

The work that is undertaken in the Air Quality portfolio continues to have a positive impact on the quality of the air we breathe in Canterbury. Home heating continues to be the main contributor to less than optimal levels of airborne pollutants in some parts of the region, and in these areas we still fall short of the national standards.

The focus for this Long-Term Plan is a steady approach to the activity currently undertaken, with emphasis on providing support to enable the community to make the necessary changes to home heating methods, in particular to continue the progress towards cleaner air.

Industrial emissions are managed through the consents process and monitoring and enforcement action will continue. The Incident Response line, as the first response for members of the public concerned about air quality issues, will continue to operate.

Innovation will be key to bringing about further change, in the form of technological innovation in the development of contemporary home-heating wood burners and other sources of heat, as well as innovative ways to assist members of the community to make the necessary changes.

The Revenue and Finance Policy outlines a new initiative called 'Healthier Homes Canterbury' that enables ratepayers to borrow the funding required to put in new technology or insulation to reduce emissions while staying warm and dry.

Key to development of the home heating work is the aging Canterbury population, with older residents not only more susceptible to respiratory issues and cold, but potentially less able to pay for expensive one-off costs to change to lower emission technology.

## Programmes

Below is a summary of the work in each of the three programme areas identified above. For levels of service (LOS), specific targets and measures for each of the first three years of the Long-Term Plan please refer to the following pages.

### Environmental Monitoring and Progress Reporting

This programme covers our scientific monitoring and reporting on progress towards the National Environmental Standards for Air Quality. We report back data, including real time data, to the community in different locations where monitoring takes place (airsheds) as well as across the region. We also undertake investigations including spatial monitoring and scenario modelling to provide us with further information on our region's air quality. The Canterbury Air Plan 2015 outlines the targets for the region.

**LOS 28: Our airshed monitoring and investigations inform our work programmes.**

Measure		Target	
28.1	Air quality is monitored in gazetted airsheds and reported regularly.	28.1	Airshed monitoring and reporting is completed to the National Environmental Standard for Air Quality requirements.
28.2	Air quality investigations are undertaken to provide further information on air quality.	28.2	Environment Canterbury has the information it needs to inform work programmes.

**Cleaner Home Heating**

The aim of this programme is to reduce emissions from home heating. It is very important that this is not at the expense of individuals’ health and wellbeing over winter. We work with the health boards and local councils as well as directly with householders to provide information on how to burn wood cleanly, alternative sources of heating, and access to funding to help cover the cost of upgrading to a warmer healthier home. We also work closely with industry (including manufacturers, suppliers and laboratories) to encourage the development and availability of cleaner-burning technology.

In this Long-Term Plan a 'Healthier Homes Canterbury' voluntary loan scheme has been introduced. Full details for those interested in borrowing funds to pay for home heating and insulation are on our website [www.ecan.govt.nz](http://www.ecan.govt.nz). The scheme allows for up to \$3 million per year to be lent to ratepayers (maximum \$6,000 each) to pay for home heating and insulation. The loan can be repaid with your rates bill over a maximum of nine years. Up to \$20 million will be borrowed by Environment Canterbury and lent to ratepayers under this scheme. The scheme will be fully cost recoverable from the borrower so will not impact other rate payers.

**LOS 29: In Clean Air Zones, where home heating is the biggest contributor to winter air pollution, we work with groups, agencies, homeowners and the wood burner industry to reduce PM10 emissions from home heating.**

Measure		Target	
29.1	Better burning information is made available and accessed.	29.1	Website visit numbers are included in our annual report. Smoky chimney intervention material includes better burning information.
29.2	Assistance is available for households to upgrade their home heating.	29.2	Numbers of households receiving assistance is included in the annual report (subsidies are only years 1, 2 & 3, but Healthier Homes Canterbury Loan Scheme will run over 10 years).
29.3	The wood burner manufacturing/supply industry is encouraged to continue to develop cleaner burning technology and relevant information is accessible to the public.	29.3	Environment Canterbury's wood burner authorisation process is clear, up-to-date, and available on the website. Details of authorised burners are published on the website for our customers and local authorities to view.

**Non-Domestic Emissions**

Incident response relating to non-domestic discharge to air emissions is covered by funds from the Plans, Consenting and Compliance programme in the Regional Leadership portfolio. Air pollution incident response makes up nearly 10% of our consent monitoring work.

While the majority of our work in air quality is visible over winter, the summer programme of work focuses much more on non-domestic emissions including those from outdoor burning, crop residue burning, dust, and odours. Buffer zones around some residential areas will be enforced for outdoor burning.

LOS 30: Our consenting process and compliance programmes give effect to the Canterbury Air Regional Plan.			
Measure		Target	
30.1	Compliance monitoring work programmes are implemented to deliver on national, regional and zone priorities.	30.1	(Refer to target 36.2 in Regional Leadership).

### In summary

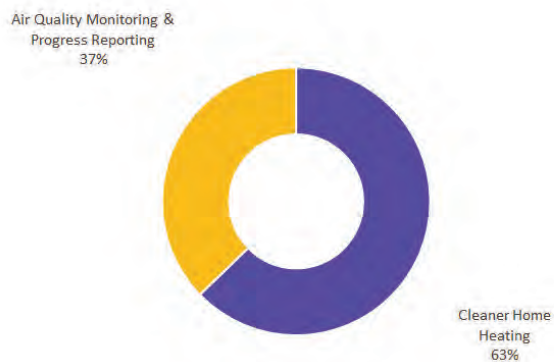
Key to success in this portfolio is our relationship with the Canterbury District Health Board and the South Canterbury District Health Board, and the joint work programmes we have with them. We also meet regularly with support industries (such as retailers of wood burners, innovators and laboratories) as well as the rural sector and businesses with consents to discharge to the air.

We work closely with territorial authorities and the Ministry for the Environment to promote the necessary change in community actions to achieve our results, and the Ministry in particular to maintain and enhance the authorisation process for new technologies for domestic wood burners.

Overall no increase in budget from 2017/18 has been allocated to this portfolio for the Long-Term Plan. Expenditure sits at around \$4 million per annum, plus a portion of the funds allocated for consenting and compliance through the Regional Leadership portfolio.

## Revenue and Expenditure

- This portfolio is funded from a combination of targeted and general rates
- The deficit in Y1-3 represents reserves being used
- The portfolio is fully funded in Y4-10



	Annual Plan	Long-Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
General Rates	1,295	1,318	1,309	1,363	1,353	1,381	1,408	1,440	1,477	1,513	1,559
Targeted Rates	2,170	2,057	2,179	2,268	2,041	2,094	2,146	2,210	2,278	2,342	2,428
Grants	-	-	-	-	-	-	-	-	-	-	-
User Pays and Other	251	100	79	60	55	55	55	56	56	56	57
<b>Revenue</b>	<b>3,717</b>	<b>3,475</b>	<b>3,567</b>	<b>3,691</b>	<b>3,449</b>	<b>3,530</b>	<b>3,609</b>	<b>3,707</b>	<b>3,812</b>	<b>3,911</b>	<b>4,044</b>
Cleaner Home Heating	2,679	2,645	2,658	2,637	2,051	2,118	2,172	2,233	2,302	2,371	2,450
Air Quality Monitoring & Progress Reporting	4,007	3,954	3,990	3,981	3,404	3,487	3,566	3,660	3,765	3,868	3,997
<b>Expenditure</b>	<b>4,007</b>	<b>3,954</b>	<b>3,990</b>	<b>3,981</b>	<b>3,404</b>	<b>3,487</b>	<b>3,566</b>	<b>3,660</b>	<b>3,765</b>	<b>3,868</b>	<b>3,997</b>
<b>Surplus/Deficit</b>	<b>(291)</b>	<b>(479)</b>	<b>(423)</b>	<b>(290)</b>	<b>45</b>	<b>43</b>	<b>43</b>	<b>46</b>	<b>46</b>	<b>43</b>	<b>46</b>

Note: These percentages are to give an indication of relative spending over the ten year period.







# REGIONAL LEADERSHIP

*Maintaining effective relationships; providing evidence-based policy; supporting well-informed decision makers and community; and providing a robust, adaptive, and cost-effective regulatory process that underpins the sustainable management of Canterbury's natural resources.*



## Regional Leadership

*Maintaining effective relationships; providing evidence-based policy; supporting well-informed decision makers and community; and providing a robust, adaptive, and cost-effective regulatory process that underpins the sustainable management of Canterbury's natural resources.*

### Challenges and our strategic focus

Much of the work of Environment Canterbury is only possible in partnership or with the support of other organisations and individuals. The Regional Leadership portfolio is about how the organisation maintains strong relationships, provides the planning, consents, compliance monitoring and enforcement framework, and makes available information and ways for the stakeholders and the wider community to engage in decision making.

We collect, maintain and share quality assured data and information to inform policy development and implementation, regionally and nationally. In recent years a key focus has been the development of the planning and regulatory framework that enables the enforcement of rules and actions to deliver the environmental, social, cultural and economic outcomes the community wants.

This portfolio is about the collaboration and cooperation between many parties required to deliver community outcomes. A fundamental part of this work is the relationship with the ten Canterbury Papatipu Rūnanga and Te Rūnanga o Ngāi Tahu (known as our Tuia relationship, 'working together shoulder to shoulder'). The strength of this relationship has seen values of importance to Ngāi Tahu better recognised in our work. In this Long-Term Plan we will develop processes for reporting mātauranga Māori (indigenous knowledge) alongside state of the environment reporting.

Environment Canterbury has a leadership role in management and protection of the environment but we are not alone in the delivery of the actions necessary to make this happen. The Regional Leadership portfolio is about empowering others through information, education and opportunity to be part of the necessary change in the region. The portfolio is led by the Chair of Environment Canterbury's Council.

There are six programmes in this portfolio:

- Governance and Engagement
- Strategy and Direction
- Ngāi Tahu and Regional Relationships
- Long-Term Community Planning
- Plans, Consenting and Compliance
- Our Information and Advice.

### Programmes

Below is a summary of the work in each of the six programme areas identified above. For levels and service (LOS), specific targets and measures for each of the first three years of the Long-Term Plan please refer to the following pages.

## Governance and Engagement

This programme covers the work to support the elected councillors and running of council meetings and the democratic process. It also covers our communications, community and stakeholder engagement and youth engagement activities. The purpose of the programme is to provide the information and mechanisms for members of the community to understand the work of Environment Canterbury and to enable those who wish to play a part shaping the future of the region to engage with us.

This Long-Term Plan work will continue to provide a variety of ways for members of the community to easily connect with Environment Canterbury's work. This will include enabling direct engagement between youth and Council, broadening the reach to all ages and interests, and the completion of a representation review before the transition to full democracy in the 2019 elections.

LOS 31: Our citizens are engaged and enabled to play an active part in shaping our region's future.			
Measure		Target	
31.1	Community understanding of the work of Environment Canterbury as well as related regional issues is increased.	31.1a	Conduct a benchmarking exercise to gauge the level of community understanding and report back to Council (2018/19).
		31.1b	Where gaps in understanding are identified, targeted measures are put in place to address priority areas (2019/20 onwards).
31.2	A wide cross-section of the community's views will be heard by Council.	31.2a	Analyse demographic data and identify which sectors of the community are not well represented in engagement with Council (2018/19).
		31.2b	Lift participation rates of sectors that are identified as being less engaged, including youth (2019/20 onwards).

## Strategy and Direction

This programme provides strategic leadership for the organisation, including the management of our programmes, and monitoring and reporting on progress. We develop the capability of our workforce to provide the best outcomes for the community through a culture of high performance based on the values of:

- manaakitanga/people first
- whanaungatanga/collaboration
- kaitiakitanga/stewardship
- ponongo/integrity, and
- maiatanga/can do.

LOS 32: Environment Canterbury has clearly articulated a strategic direction and priorities for the organisation.			
Measure		Target	
32.1	The organisational strategic direction will be reviewed and refreshed every three years.	32.1	Strategic direction agreed by Council in the first quarter of the 2020/21 financial year to inform the development of the LTP for 2021-31.

**LOS 32: Environment Canterbury has clearly articulated a strategic direction and priorities for the organisation.**

Measure		Target	
32.2	Percentage of Levels of Service targets achieved across all portfolios.	32.2	At least 95% or more of the Levels of Service targets which apply within each year of the 2018-28 LTP, are achieved each year.

**Ngāi Tahu and Regional Relationships**

Our relationships provide a strong basis from which to work and we recognise that we are strongest and most effective when we work together with others.

This programme holds the Tuia relationship with Ngāi Tahu which includes engagement arrangements with the ten Canterbury Papatipu Rūnanga and Te Rūnanga o Ngāi Tahu, as well as work programmes to support staff capability and rūnanga capacity. We will also continue to ensure that rūnanga advisory services and/or other arrangements are providing advice. This will support and improve Environment Canterbury's planning, policy, decision-making and work delivery, and support Papatipu Rūnanga to fulfil their roles and responsibilities as kaitiaki (stewards).

One of the significant pieces of work in this programme is supporting the formal co-governance arrangement for the management of Te Waihora (Lake Ellesmere) and its catchment.

During this Long-Term Plan, we will also maintain and/or develop a programme of relationship and engagement agreements with councils, government agencies, key industry groups, non-government organisations, and community groups. We will continue to support the Regional Forums (Mayoral Forum, Chief Executives Forum, and Policy, Corporate, and Operations Forums) and technical working groups, working with district and city councils and other regional partners.

**LOS 33: Environment Canterbury's work and regional leadership is grounded in enduring relationships and collaborative agreements.**

Measure		Target	
33.1	Environment Canterbury - Ngāi Tahu governance and working group forums are held regularly to advance an agreed Tuia work programme.	33.1	Governance meetings are held quarterly, and working group forums are held every two-months. Work plans are in place and reviewed annually.
33.2	Protocols, including Te Waihora co-governance protocols, are established.	33.2	Two Tuia Operational Protocols are in place (2018/19), with others in development.
33.3	Relationships with key stakeholders are managed and maintained to achieve strategic objectives/community outcomes.	33.3a	Systems for stakeholder relationship management are reviewed and key relationships mapped (2018/19).
		33.3b	By the end of December 2019, an independent assessment will be undertaken to establish levels of trust and confidence, and stakeholder relationship plans will be developed and implemented for all relationships where a need is identified.
		33.3c	Annually thereafter, stakeholder relationship plans will be reviewed and revised as required.
33.4	Regional forums are supported by Environment Canterbury and enabled to achieve their agreed objectives.	33.4	Environment Canterbury provides secretariat support for the five regional forums.

## Long-term Community Planning

We have statutory requirements around our Long-Term Plan, Annual Plans and ongoing reporting to the community. We also want to keep individuals and stakeholders informed about our work and about the opportunities to influence the future of the region. One way that we do this is through engagement and consultation processes for our plans. A large part of all our plans is the financial implications of the activity in them. Ensuring value for money for the community relies on Council making sound financial decisions and the community having input into what activities should be undertaken and how they should be funded. This programme of work enables this to happen.

LOS 34: Our Long-Term Plan, Annual Plans and Annual Reports provide evidence of sound business planning			
Measure		Target	
34.1	Our Long-Term Plan, Annual Plans and Annual Reports are completed within statutory time frames.	34.1a	All Local Government Act statutory planning requirements and financial reporting standards are met.
		34.1b	Unmodified independent audit report for Long-Term Plan and Annual Report.

## Plans, Consenting & Compliance

We achieve our community outcomes through a mix of regulatory tools (plans and the associated rules and enforcement) and non-regulatory tools (advice, education and support to make necessary changes). When developing plans, consideration is given to how they can be implemented, and the combination of regulatory and non-regulatory tools that will be required.

This programme of work includes the Regional Policy Statement and its implementation. In this Long-Term Plan we will begin the process to undertake a review of the effectiveness of the Regional Policy Statement and continue working with the local councils on their district plan reviews and plan changes.

This programme also covers the processing of consents needed for any activities not permitted by a regional plan, such as our Land and Water Regional Plan, the Air Regional Plan, or the Regional Coastal Environment Plan. A key part of supporting plan implementation is monitoring compliance and undertaking enforcement where required to achieve long term outcomes. Our staff monitor both consented and permitted activities under plans and also enforce compliance where required. It is not possible to monitor every consent every year so the Council identifies priorities aligned with this Long-Term plan that guide these activities. We recover a large part of monitoring costs from relevant consent holders in accordance with our Fees and Charges Policy, and we also seek to recover costs we incur when responding to incidents.

We have found regional campaigns that provide a balance of tools, from education to enforcement, to be most effective in achieving lasting voluntary compliance. The Council also has a number of enforcement options to achieve compliance including formal written warnings through to prosecution. Snapshot reports summarising our compliance activities are available on our website.

As monitoring technology improves, such as telemetry for water use data, we are able to monitor more with the resources we have available. We are also working to improve data systems to support the compliance monitoring work.

**LOS 35: Environment Canterbury works collaboratively with the region's district and city councils in the review of their district plans.**

Measure		Target	
35.1	District and City plans are supported by Environment Canterbury so that these plans give effect to regional policies.	35.1	Planning support is provided by Environment Canterbury for each of the ten Canterbury Territorial Authorities every year.

**LOS 36: Environment Canterbury delivers customer-centric regulatory services to our community.**

Measure		Target	
36.1	Pre-application advice results in improved quality of resource consent applications lodged, thereby reducing the need to return applications as incomplete under s88 of the RMA.	36.1	For each year, for similar types of application, the proportion which require more information under s88 of the RMA is lower, where pre-application advice has been provided.
36.2	Compliance monitoring work programmes are implemented to deliver on national, regional and zone priorities.	36.2	Publish an annual report of compliance monitoring, incident response and enforcement activity on our website.

## Our Information & Advice

We will ensure the Council has a strategic long-term focus, is well informed through provision of our data, information and advice, and that our communities' aspirations are well represented in the outcomes we set.

Data and information are central to good policy and decision making. This programme's focus is on how we use science, data, mātauranga Māori, and citizen science to support the work we do.

From data and information comes a wide range of knowledge to inform people in our communities about where to swim, the health of our rivers, lakes and streams, the air we breathe, our land and biodiversity, our coastal environment; to inform communities and decision makers deliberating on regional plans, policies or consent applications; and, to assist central government to set appropriate national environmental standards.

We are committed to providing open source data that can be used by all to inform decision making and empower people to innovate for the betterment of all communities. Environment Canterbury operates a continuous data improvement programme. Our focus is to ensure we collect the right data from the right sources and apply good governance and accurate definitions to that data, to ensure consistency and integrity is maintained for those using it – to enable easy customer/community access to the data and information we hold.

A new focus for this programme over the next three years will be the presentation of mātauranga Māori information alongside our environmental reporting.

Ongoing work includes our [environmental reporting](#) on Canterbury's water management zones, and the provision of our state of the environment monitoring data to [Land Air Water Aotearoa](#) (LAWA).

**LOS 37: Communities and decision-makers have easy access to relevant, timely, and accurate data and information.**

Measure		Target	
37.1	State of the Environment reporting information is updated and published throughout the year on four environmental domains: air, coastal, biodiversity/ecosystem health, and water.	37.1a	Data and information which report on the state of Canterbury's environment is accessible through the Environment Canterbury website.
		37.1b	State of the Environment reporting is published in accordance with Ministry for the Environment frameworks.
37.2	Council has established a process for reporting mātauranga Māori alongside state of the environment reporting.	37.2a	Agree tools and methodology with Papatipu Rūnanga and conduct pilot monitoring (2018/19);
		37.2b	Mātauranga Māori is reported alongside our state of the environment information (2019/20 onwards).

**LOS 38: The Environment Canterbury Customer Services team provide access to data, information and advice.**

Measure		Target	
38.1	Customer Service interactions provide the right information, first time to our customers.	38.1	95% or more of sampled customer service interactions, on average over each year, meet our service standards.

**In summary**

This portfolio is all about enabling the work of Environment Canterbury and our partners.

We provide the secretariat support for the Regional Forums and through this role and our day-to-day work, effective relationships with the district and city councils in the region are strengthened and the community can trust that considered, joined-up decisions are being made.

The work that has been undertaken in forming relationships over the last few years now means partnerships are a fundamental part of how we work. The Regional Leadership portfolio will continue to support our direct relationships with Ngāi Tahu, the ten district and city councils of the region, the district health boards, key environmental and industry organisations such as Fish & Game, Forest & Bird, Federated Farmers, Irrigation NZ, and government agencies such as Land Information New Zealand and the Department of Conservation.

To enable active participation and increase community understanding of the work of Environment Canterbury, mechanisms are being further developed to enable the community to continue to be involved depending on individual interest.

In plans, consenting and compliance, work is already underway to make consent holders' interactions with Environment Canterbury seamless and efficient, with data and information flows key to providing responsive customer service.

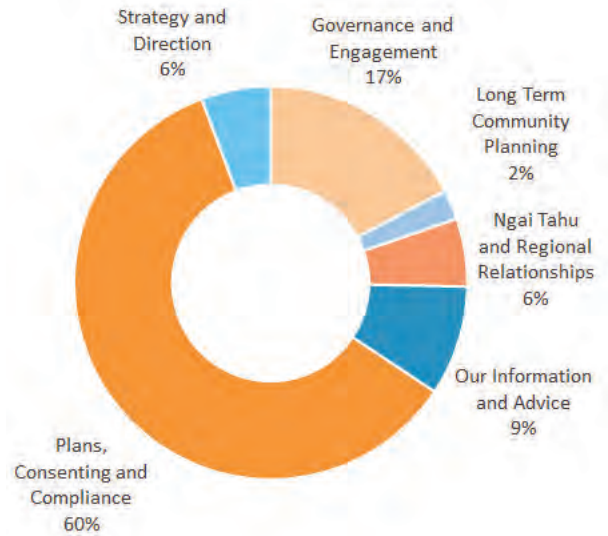
For this portfolio the Local Electoral Act and the Ngāi Tahu Claims Settlement Act are particularly important. Alongside these and the Resource Management Act, Local Government Act and the Environment Canterbury (Transitional Governance Arrangement) Act 2016, there are many cross-organisational strategies and relationship agreements that outline how we will work.

There is no increase in budget required for the Regional Leadership portfolio, with a total budget of \$27.7 million per annum. Around \$17 million of this expenditure is for the Plans, Consenting & Compliance programme of work. The majority (approximately 89%) of this is associated with the consenting and compliance monitoring activities and, of that funding, around 48% is user-pays.



## Revenue and Expenditure

- This portfolio is mainly funded by general rates and user-pays (consent fees)
- The deficit in Y1-4 represents reserve use, this has been done in order to smooth the rates increase over the plan period
- In Y5-10 the reserve is replenished



	Annual Plan		Long-Term Plan								(\$'000s)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
General Rates	17,236	16,917	16,483	17,668	19,787	21,374	22,497	24,243	25,413	26,449	27,409
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Grants	575	417	73	73	73	73	73	73	73	73	73
User Pays and Other	7,588	8,391	8,055	8,331	8,353	8,563	8,643	8,755	8,969	9,182	9,431
<b>Revenue</b>	<b>25,399</b>	<b>25,725</b>	<b>24,611</b>	<b>26,072</b>	<b>28,213</b>	<b>30,010</b>	<b>31,213</b>	<b>33,071</b>	<b>34,455</b>	<b>32,598</b>	<b>34,058</b>
Governance and Engagement	4,128	4,542	4,994	4,677	4,782	5,290	5,005	5,120	5,637	5,374	5,519
Long - Term Community Planning	728	632	640	653	766	682	697	814	732	750	871
Ngai Tahu and Regional Relationships	2,129	1,672	1,635	1,671	1,699	1,741	1,778	1,819	1,865	1,912	1,966
Our Information and Advice	2,508	2,501	2,515	2,524	2,604	2,676	2,732	2,795	2,867	2,938	3,015
Plans, Consenting and Compliance	15,845	16,835	16,455	17,108	17,091	17,578	17,782	18,053	18,513	18,972	19,516
Strategy and Direction	1,889	1,720	1,730	1,764	1,798	1,843	1,884	1,930	1,979	2,029	2,086
<b>Expenditure</b>	<b>27,227</b>	<b>27,902</b>	<b>27,968</b>	<b>28,397</b>	<b>28,739</b>	<b>29,809</b>	<b>29,877</b>	<b>30,531</b>	<b>31,593</b>	<b>31,976</b>	<b>32,972</b>
<b>Surplus/Deficit</b>	<b>(1,828)</b>	<b>(2,177)</b>	<b>(3,357)</b>	<b>(2,325)</b>	<b>(526)</b>	<b>201</b>	<b>1,336</b>	<b>2,540</b>	<b>2,862</b>	<b>623</b>	<b>1,086</b>

Note: These percentages are to give an indication of relative spending over the ten year period.





CIVIL DEFENCE  
**EMERGENCY MANAGEMENT**



# Civil Defence Emergency Management Group

## What we will deliver

### Civil Defence Emergency Management Group

The Canterbury region is exposed to many natural and man-made hazards. The Canterbury Civil Defence Emergency Management Group is responsible for the co-ordination of hazard reduction, readiness, response and recovery for emergency events, in partnership with councils, emergency response organisations and other stakeholders (Civil Defence Emergency Management Act 2002).

#### Hazard risk

Canterbury's dynamic physical environment and developed economy mean that the region is vulnerable to a wide range of hazards, such as the recent Canterbury earthquakes and emergencies such as flooding and storms. The greatest risk arises from being in close proximity to the Alpine Fault. In recent years a human disease pandemic has also been recognised as a potential hazard that needs to be considered.

#### Co-ordination

Many different organisations are involved in risk reduction, readiness, response and recovery from emergency events. The Canterbury Civil Defence Emergency Management Group's job is to provide co-ordination to achieve resilience to the impact of emergency events. The Civil Defence Emergency Management Group Joint Committee provides member councils with local political input into emergency management across the region, and is supported by the Co-ordinating Executive Group, which includes the emergency services and other Civil Defence Emergency Management stakeholders. Environment Canterbury is the administering authority for the Civil Defence Emergency Management Group and is further contracted to provide the Civil Defence Emergency Management Group's Emergency Management Office and Emergency Co-ordination Centre, both of which are located in the Justice and Emergency Services Precinct in Christchurch.

#### Personal self-sufficiency

During the first few days following a major emergency, such as a large tsunami or catastrophic earthquake, emergency services will be in high demand and there is an expectation that people will need to look after themselves and each other. Individuals and communities are the first line of civil defence and people need to be prepared to look after themselves for at least three days. There have been several national campaigns about being prepared and having plans to be self-sufficient. Accessing this advice and being prepared will contribute to overall community resilience.

The Canterbury Regional Policy Statement, district plans, the Civil Defence Emergency Management Group Plan, and specific reports provide a solid basis of knowledge of the risks throughout the region. For more information on our hazard risk management and mitigation work, see the programs listed under the Hazards, Risk and Resilience portfolio in this Long-Term Plan.

## What we are planning to do – Civil Defence Emergency Management

Under our Civil Defence Emergency Management responsibilities, we contribute to:

- enhancing understandings of the consequences of all hazards facing the community
- enhancing community resilience/capacity
- assessing the effectiveness and efficiency of Civil Defence Emergency Management plans

- consulting on hazards and associated risks providing regional and local warning to the public through the national Emergency Mobile Alert system
- further developing response agency partnerships to ensure systems are in place to enable the community to respond to emergency events
- co-ordinating the planning, preparedness, response and recovery capability of emergency response agencies in Canterbury responding to emergency events
- maintaining the Group Emergency Co-ordination Centre in a state of response readiness, including maintaining a pool of trained emergency response personnel (staff and volunteers) to operate the Group Emergency Co-ordination Centre during emergencies
- maintaining the Civil Defence Emergency Management Group's emergency communications network across Canterbury
- educating people about the hazards they face, how to reduce the likelihood and consequences of these hazards and how people can prepare for emergencies and care for themselves during such events
- providing regional-level public information support during emergency events
- providing public consultation for the Civil Defence Emergency Management Group Plan review.

These responsibilities are all outlined in the 2014 Canterbury CDEM Group Plan. This is accessible from here <http://cdemcanterbury.govt.nz/media/34987/canterbury-cdem-group-plan-2014.pdf>

### **What we will do over the term of this Long-Term Plan**

The National Civil Defence Emergency Management Strategy provides a set of goals and objectives that have direct relevance to Civil Defence Emergency Management work in Canterbury, particularly considering the experience gained during the Canterbury earthquakes from 2010 through to the present.

#### **Increasing community awareness and understanding of, preparedness for and participation in Civil Defence Emergency Management**

- increase the level of community awareness and understanding of risks from hazards improve individual, community and business preparedness
- improve community participation in Civil Defence Emergency Management
- encourage and enable wider community participation in hazard risk management decisions.

#### **Reducing the risks from hazards to New Zealand**

- improve co-ordination, promotion and accessibility of Civil Defence Emergency Management research develop a comprehensive understanding of New Zealand's hazardscape
- encourage all Civil Defence Emergency Management stakeholders to reduce the risks from hazards to acceptable levels
- improve the co-ordination of government policy relevant to Civil Defence Emergency Management.

#### **Enhancing New Zealand's capability to respond to emergencies**

- promote continued and co-ordinated professional development of Civil Defence Emergency Management
- enhance the ability of Civil Defence Emergency Management Groups to prepare for and manage emergencies
- enhance the ability of emergency services to prepare for and manage emergencies
- enhance the ability of lifeline utilities to prepare for and manage emergencies.

## Enhancing New Zealand’s capability to recover from emergencies

- implement effective recovery planning and activities of communities and across the social, economic, natural and built environments
- enhance the capability of agencies to manage the recovery process.

LOS 39: Meeting the objectives of the 2014 Canterbury CDEM Group Plan			
Measure		Target	
39.1	The objectives of the current CDEM Group plan are met.	39.1	90% of objectives and met at any one time.

LOS 40: Providing a co-ordinated response capability to enable the community to respond effectively to emergencies			
Measure		Target	
40.1	The CDEM Group is able to respond to emergencies.	40.1	100%

LOS 41: Providing facilities for co-ordinating emergency response and recovery work			
Measure		Target	
41.1	The Group Emergency Co-ordination Centre (ECC), alternate ECC, and emergency communications network are available and maintained.	41.1	100%



# FINANCIAL STRATEGY

## 2018-28



# 2018-28 Financial Strategy

## Purpose

The purpose of this Financial Strategy is to provide information about Environment Canterbury's (Council's) financial management, funding and expenditure in the Long-Term Plan, and to make clear the overall effects of these on our services, debt, investments and your rates.

In short, it is a summary of how we intend to manage the money we receive from you and other sources carefully and sustainably.

## Objective

The objective of the Financial Strategy is to prudently manage the gathering, investment and expenditure of rate-sourced funds, grant-sourced funds and user-pays-sourced funds. The Financial Strategy sets guidelines and limits so that the community has assurance that Environment Canterbury's revenue and expenditure remains within known and agreed limits and provides for the investment in infrastructure and the achievement of goals that the community is aware of and has agreed to. The Strategy sets boundaries and limits that are not dissimilar to those that any individual would set to prudently manage a household or business. Affordability, demand and fairness all play a part in the judgements made.

## Summary of our Financial Strategy

- An operating surplus over the ten years of \$30M
- Core council debt below \$47M
- Capital expenditure of \$100M, significantly lower than the 2015-25 LTP (\$264M) due to previous investment in infrastructure assets
- Rates increase limited to below 6%. The average rate increase in the first three years is 5.2% (almost half of this increase is inflation), moving towards a target of the Local Government Cost Index in Y5-Y10
- Rates will not exceed 70% of total revenue as we explore other sources of funding
- Debt will be below industry benchmarks

## Introduction

Our purpose is: Facilitating sustainable development for the Canterbury region: Te huawaere i te kauneke tauwhiro i Waitaha.

Our strategic direction is that we will do this so:

1. We can breathe clear air, play and swim in the rivers, gather mahinga kai, benefit from the productive use of our land, and enjoy Canterbury's unique biodiversity taonga and landscapes.
2. We can live, travel, and move goods with ease, within and to/from the region, facilitating work, leisure and tourism.
3. We have access to the information we need to be resilient in the face of short-term hazards and well-prepared for longer-term change to our region's natural environment.
4. We can all help shape the future of Canterbury, leaving a legacy for generations to come.



To enable these community outcomes, we must operate a balanced budget for the work we undertake that contributes to them. Each year we aim for the operating expenditure to be covered by sufficient operating revenue unless it is prudent not to do so. We explore all sources for funding and we are constantly looking at how to provide value for money to our ratepayers. We demonstrate value for money through the use of our Procurement Policy, undertaking service reviews, completing bench marking surveys, internal audit and continuous improvement reviews.

‘Levels of service’ have been developed for each portfolio of work, to demonstrate what your funding supports towards operating programmes and implementing policies, plans and strategies that Environment Canterbury has adopted.

Expenditure budgets are set to deliver the levels of service noted above, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.

The Council undertakes a wide range of activities and services. Some of these relate to the entire Canterbury region, while others relate to areas or individuals within the region. As an overarching principle, the Council seeks to fund its activities as much as is practicable from those who benefit from its activities or cause those activities to be undertaken. For those activities where there is a region-wide benefit, a form of ‘general rate’ is used i.e funds collected from everyone. For those activities related to a defined area of the region, a form of ‘targeted rate’ is used. Activities that are directly caused by an individual or confer a benefit on an individual are funded by a form of user-pays charge.

Council:

- sets revenue and funding at a level to cover all our expenses and that is acceptable and affordable to the community
- sets revenue and funding at a level so that ongoing asset renewal and replacement programmes are acceptable and affordable to the community
- considers the needs of current and future ratepayers when setting rates.

## Assumptions

When considering the current and future ratepayers and their needs, Council looks at a number of different indicators and makes assumptions about the likely impact for the region. The key information is summarised below. Some of the indicators are relevant across all our work, such as climate change, and the increased use of technology, others are relevant to a single portfolio. The Long-Term Plan portfolio information also provides more detail.

## Canterbury Regional Economic Development

The Canterbury Regional Economic Development Strategy 2017–19 (CREDS) renews the commitment of the 11 local authorities in Canterbury (Environment Canterbury and the 10 territorial authorities of Christchurch City and the Districts of Ashburton, Hurunui, Kaikōura, Mackenzie, Selwyn, Timaru, Waimakariri, Waimate and Waitaki) to work together on economic and social development.

The guiding vision of CREDS is: A region making the most of its natural advantages to build a strong, innovative economy with resilient, connected communities and a better way of life for all. This vision must be taken into account when any of the local authorities are considering the future of their district or region.

The Mayoral Forum leads this work, mandated by the Canterbury Local Authorities’ Triennial Agreement for 2017–19, and supported by the Chief Executives Forum and other regional forums and working groups.

The Canterbury Mayors have taken a long-term (20-year) view of sustainable regional development that balances economic, social, cultural and environmental outcomes – all of which are pillars of Environment Canterbury’s work.

## Population

On behalf of the Canterbury Policy Forum, the Council hosts regional population information on its website at [www.ecan.govt.nz/population](http://www.ecan.govt.nz/population). This information draws on official statistics collected and published by Stats NZ. Population data informs our infrastructure and financial strategies, as well as our Civil Defence Emergency Management planning, advice to water zone committees, transport planning and so on.

Some key points of note are:

- the population of Canterbury (30 June 2017) was 612,000. Canterbury's population is unevenly distributed across its ten territorial authority areas, with 62% of the population living in Christchurch City
- on its medium projection series, Stats NZ projects average annual population growth in Canterbury of 1.0% during the period 2013–43. This is the same as the projected national rate of population growth. Canterbury's population is projected to continue to increase from 562,900 in 2013, to 623,200 in 2018, to 694,300 in 2028, to 767,300 in 2043. Nearly half of the projected total growth will occur between 2013 and 2023
- within the region, however, only two territorial authorities will meet or exceed the regional and national growth rate: Selwyn District (2.6%) and Waimakariri District (1.6%). In the remaining eight territorial authority areas, average annual population growth rates are expected to range between -0.1% (Kaikōura District) and 0.9% (Ashburton District)
- at June 2013, there were 218,200 households in Canterbury. On Statistics New Zealand's medium projection, we expect 239,400 households by June 2018, 265,900 households by June 2028, and 288,000 households by 2038
- Canterbury has an older population age structure than New Zealand's total population. The median age at 30 June 2017 was 38.4 years, compared to 37.0 years for New Zealand as a whole. This impacts on projected rates of natural increase (births minus deaths), and because many older New Zealanders have fixed incomes, the ageing of the population will increasingly affect rates affordability
- on the medium projection series, the median age in Canterbury is projected to increase from 38.8 years in 2018, to 39.9 years in 2028, to 43.5 years in 2043. Within the region, by 2028 the median age will range between 37.2 years in Selwyn District and 49.5 years in Kaikōura District. By 2043, the median age will range between 40.4 years in Ashburton District and 50.4 years in Timaru District
- Canterbury's population grew by 2% in the year to 30 June 2017. 77% of this growth was due to net migration (more people arriving than departing). There is a high degree of uncertainty about whether this rate of net migration will be sustained long term.

A Representation Review will be conducted in 2018 prior to the 2019 local body elections. The Review will incorporate population changes into the new ward boundaries. The 2019 local body elections will return full democracy to Environment Canterbury with the expiration in 2019 of the Environment Canterbury (Transitional Governance Arrangements) Act 2016.

## Land use Changes

We need to find the right balance between the strong, predominantly agricultural, economy in Canterbury and the environmental impact. Technology will play a key part in understanding and managing environmental outcomes and optimising economic returns. Managing the region's water – and in particular when it comes to Canterbury's land use, for irrigation – is an important part of the role of Environment Canterbury.

Between 2008 and 2012, the Canterbury hinterland agricultural economy's Gross Domestic Product (GDP) increased by 30%, from \$758M to \$983M. Expansion was driven by increased contributions from Ashburton, Selwyn, Hurunui, Timaru and Waimate districts, where dairy growth was strong. Employment growth has also largely come from dairy farming both on-farm and off-farm (dairy processing, particularly in Timaru and Selwyn districts).

The estimated net farm gate contribution of irrigation to Canterbury's GDP increased from \$335M in 2003 to \$1,394M in 2012. This increase was driven by an increase in gross margins per hectare from \$1,167 to \$3,134 as a result of high prices (dairy) and productivity gains associated with access to irrigation.

Estimates by New Zealand Institute of Economic Research (NZIER) of future growth range between 2.1 % growth per year (low-productivity scenario – no new irrigation schemes, marginal efficiencies associated with better soil and water management practices) and 7.6 % growth per year (high-productivity scenario reflecting the Canterbury Water Management Strategy (CWMS) irrigation land area of 850,000ha by 2040). Canterbury's hinterland agricultural GDP would increase by \$0.83B in the low-productivity scenario, and \$2.9B in the high-productivity scenario.

On a conservative estimate, an additional 88,000ha of irrigation will come on-stream in the next ten years.

The economy's reliance on agriculture will see greater innovation and application of technology, to enable the economic benefits within the strict environmental limits now on the sector. The lack of availability of a skilled workforce is a potential brake on development both on-farm and off-farm, e.g. a need for skills in technical, data and systems skills, farm management, irrigation design and installation, trucking and transport, trades support, retail and advisory.

The population statistics noted in the section above are relevant. Given a relatively low rate of projected population growth and an ageing population, particularly in rural Canterbury, a challenge will be to attract and retain an appropriately skilled workforce – both our own population (especially those aged 15–39 years) and migrants.

Intensification of rural land use combined with rising expectations of water quality improvement increases expectations on Environment Canterbury to manage water wisely and well. These expectations require us to:

- monitor and understand surface and groundwater flows, water quality and ecology;
- have comprehensive and effective resource management plans and consents;
- facilitate ways for communities to progress economic, cultural, social and environmental goals.

The Canterbury Water Management Strategy (CWMS) outlines how the region manages our freshwater resources. Environment Canterbury leads the CWMS in partnership with Canterbury's territorial authorities and Ngāi Tahu. The region's ratepayers contribute to the delivery of the CWMS through region-wide rates there are also considerable user-pays charges to industry sectors.

Sustainable development in Canterbury cannot be delivered by Environment Canterbury alone. It depends on effective working relationships and collaborative action between the Council, territorial authorities, Ngāi Tahu and industry sector groups. This is a focus of Environment Canterbury's regional leadership portfolio of work, and the rationale for our investment in regional governance (including regional land transport planning), shared services and the Tuia relationship with Ngāi Tahu.

## **Inflation / Cost indexation**

The CPI (Consumer Price Index) is not used to apply an inflation figure to Environment Canterbury's expenditure. The reason for this is that the CPI is calculated based on household goods, and the items of expenditure for Council are quite different.

This means we need to use an independent assessment of likely cost increases. This assessment is prepared by Business and Economic Research Ltd (Berl). On the basis of this independent assessment, we have applied the following ranges for cost indexation factors:

Type of cost	% per annum	% average over 10 years
Labour	1.6 - 2.0	1.8
Plant, goods and services	2.0 - 2.6	2.3
River control	1.4 - 2.4	2.2
Public transport service contracts per New Zealand Transport Agency indexation	2.5	2.5

## Climate Change

Climate change is already having visible effects in the Canterbury region, and these will continue to become more apparent over time. Temperatures are warming, weather patterns are shifting and the sea level is rising. It is important that the region responds in a timely manner to the resulting threats and opportunities, which include sea level rise and coastal erosion, an increase in extreme rainfall and associated flood risk, an increased likelihood of drought and wildfires, a reduction in the frequency and extent of frosts, and an increased biosecurity risk.

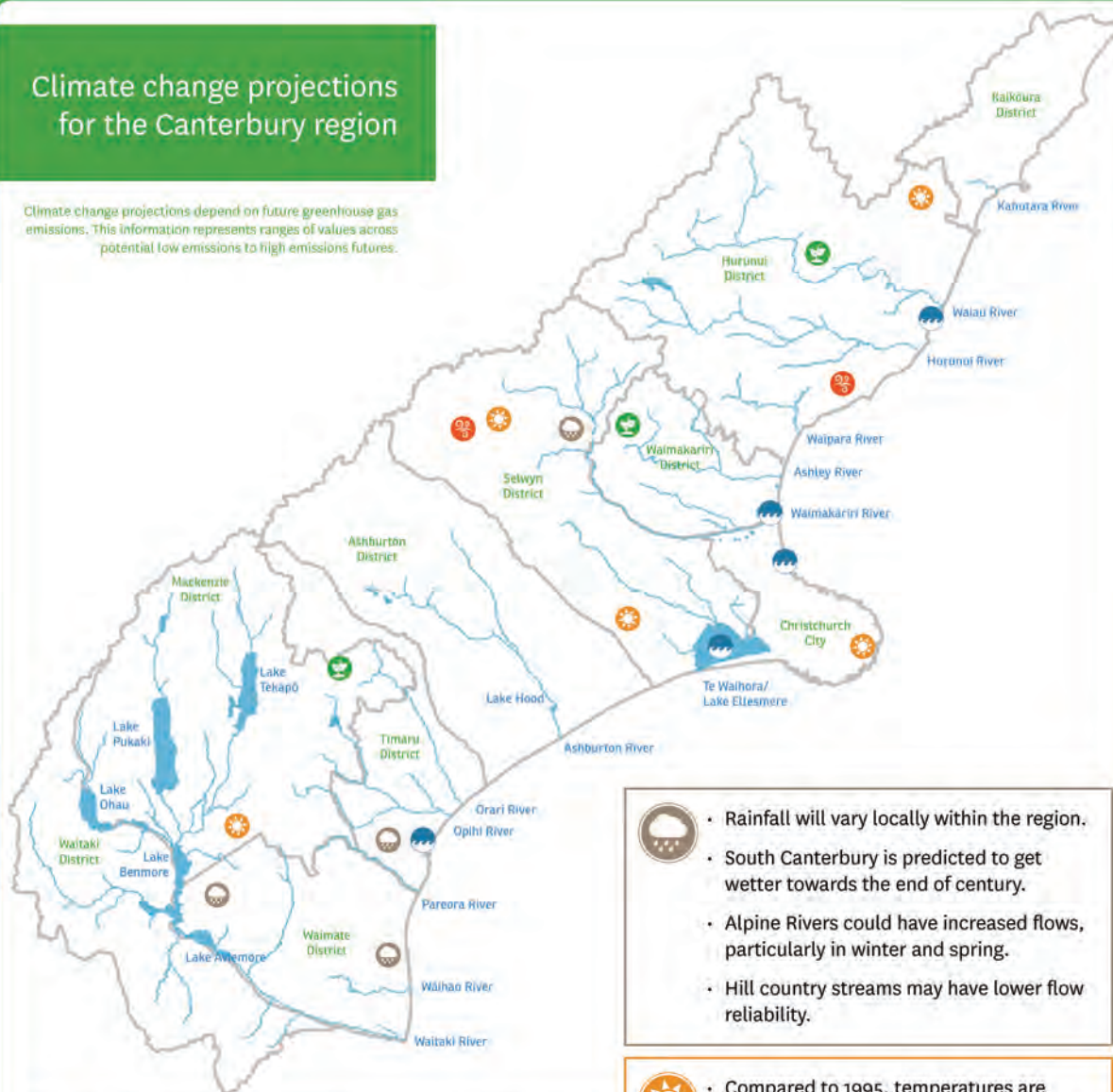
Local government has responsibilities for adaptation to climate change under the RMA and LGA, whereas central government leads policy to mitigate (reduce) greenhouse gas emissions. As such climate change adaptation has long been identified and reflected in Environment Canterbury's work, from flood protection to water management and pest management.

In the Long-Term Plan 2018-28, Council has introduced a new programme under the Hazards, Risk and Resilience portfolio called 'Climate Change Integration', which aims to ensure a consistent approach to climate change across our work and to accelerate work to support Canterbury communities to better understand and respond to climate change. This programme will also support our work with partners to understand and manage financial risks to councils and the community.

We have reviewed the approach to climate change when preparing the Infrastructure Strategy 2018-48. The Infrastructure Strategy notes that the anticipated higher frequency of storms will require increased funding at a later date for maintenance and new infrastructure (approximately mid-way through the 30-year strategy).

## Climate change projections for the Canterbury region

Climate change projections depend on future greenhouse gas emissions. This information represents ranges of values across potential low emissions to high emissions futures.



- Sea-level rise will occur, however the rate and magnitude is uncertain.
- We have already seen 13cm sea-level rise since 1937 at Lyttelton.
- By 2100, global sea level rise will likely range from 0.28 to 0.98m.
- Intermittently closed and open lakes and lagoons (Te Waihora, Wainono, Wairewa) opening regimes could be affected.
- East Christchurch and Washdyke areas may be vulnerable to increased flooding.



- The number of frosts could decrease per year, particularly inland. However, the number of frosts will vary locally within the region.



- Rainfall will vary locally within the region.
- South Canterbury is predicted to get wetter towards the end of century.
- Alpine Rivers could have increased flows, particularly in winter and spring.
- Hill country streams may have lower flow reliability.



- Compared to 1995, temperatures are likely to be 0.7°C to 1.0°C warmer by 2040 and 0.7°C to 3.0°C warmer by 2090.
- The frequency of days where the maximum temperature exceeds 25°C could increase by 6 to 35 days per year.
- Higher evaporation may occur across Canterbury Plains.
- Soil moisture deficits and drought could be more extreme on Plains and Banks Peninsula.



- The frequency of extreme windy days is likely to increase by 2 to 10 percent by 2090.
- An increase in westerly winds may occur, particularly in winter and spring.

## Portfolio Challenges and Uncertainties

There are many portfolio-specific challenges, opportunities and assumptions that have been taken into account for the six portfolios of work. Some points to note are as follows. More information is available in the portfolio sections of the Long-Term Plan 2018-28, and on our website [www.ecan.govt.nz](http://www.ecan.govt.nz).

### Freshwater Management

The community expectations and aspirations for results in freshwater management are increasing and there are many national initiatives with regional implications. Work is being done on the ground in all territorial authority areas through water zone delivery plans. Projects that leverage government and community support to achieve the Canterbury Water Management Strategy outcomes are a key focus.

Joint work with the Ministry for the Environment (MfE) will begin on the Ahuriri Lagoon restoration. Funding for Environment Canterbury's share of this project will come from borrowing rather than ratepayers, to enable intergenerational contribution.

There is a Co-governance Agreement in place between Te Rūnanga o Ngāi Tahu, Environment Canterbury, Selwyn District Council and Christchurch City Council to share responsibility for Te Waihora/Lake Ellesmere and the wider catchment.

There has been a joint Te Waihora/Lake Ellesmere restoration and enhancement programme since 2011. We have been able to leverage funding from various partners but further funding will be required to continue to make progress in the water quality. Te Waihora is the fifth largest lake (by area) in New Zealand. In 2017 the Government's announced funding of more than \$1.2 million for a new wetland and improved habitat to ensure the future of mahinga kai in the Ahuriri Lagoon and downstream Huritini/Halswell River, which is one of the lagoons in the Te Waihora catchment.

### Biodiversity & Biosecurity

Canterbury has indigenous biodiversity that is unique to our region, with many species found nowhere else in the world. Protection is needed before we lose more species.

Council wants to deliver more through joint partnerships with other agencies and community groups to achieve a 'step-change' in the effort being put into biodiversity across the region. By applying funds to bring agencies and people together, we can find out where the gaps are and deliver in a more efficient and effective way across Canterbury.

Council acknowledges that pest control is needed to support biodiversity and we will implement a revised Regional Pest Management Plan (RPMP) at the start of the Long-Term Plan 2018-28. The purpose of the revised RPMP plan is to provide for the efficient and effective management or eradication of specified harmful organisms in Canterbury. This plan will empower Council to exercise the relevant advisory, service delivery, regulatory and funding provisions to deliver the specific objectives identified in the strategy.

Programmes have been introduced around new non-statutory action plans for braided rivers and development support for natural wetlands, to protect these environments for future generations. Mahinga kai (food gathering) is of high importance throughout all our programmes.

### Hazards, Risk & Resilience

Changes expected from Central Government (including a National Policy Statement – Natural Hazards, National Environmental Standard for Marine Aquaculture, National Planning Standards, and district plan reviews), have led Council to postpone the notification of the Regional Coastal Environment Plan to 2022, so the implications of these changes can be addressed.

Hazardous Activities and Industry List (HAIL) identification, to comply with Resource Management Act 1991 (RMA) responsibilities, has now been undertaken in Greater Christchurch, covering 80% of the region's population. This HAIL work will continue around the region with one district per year.

The Infrastructure Strategy has considered climate change and what future infrastructure may be required to maintain the current risk profile and level of service. The strategy has also indicated the priority order for the remaining flood protection scheme reviews to ensure that these schemes are fit for purpose. The effect of climate change has been assumed over years 11-30 of the Infrastructure Strategy and is estimated at \$140m but this will be refined over time as individual scheme reviews occur.

Civil Defence Emergency Management is awaiting changes from the *Ministerial Review into better responses to Natural Disasters and Other Emergencies*. The outcome of this review and Government direction could affect how Environment Canterbury works with partners to meet our Civil Defence responsibilities. The Canterbury Civil Defence Emergency Management (CDEM) Group Joint Committee has included in this plan a range of other regional changes including Environment Canterbury employing a Group Welfare Manager and Recovery Manager.

## **Air Quality**

The National Environment Standard for Air Quality 2004 (NESAQ) has set limits on the level of ambient air quality that is deemed safe for human health. Pre-2017 general election the Government indicated its intention to review this standard and a review is still likely with the introduction of changes to monitoring and reporting. If this occurs then additional costs are likely in this portfolio to respond to the changes.

There are still significant air quality issues in some of our gazetted airsheds; for example, in 2017 Timaru had 17 'exceedances' (days when the air quality measured exceeded the maximum for health), and Rangiora and Kaiapoi had 16. Initiatives to improve air quality include providing financial assistance through targeted rates for burner upgrades (subsidies programme), working with communities on how to burn better and cleaner and enabling new technology development that provides cleaner burning technology, such as ultra-low emission burners.

To assist lower social-economic communities to have warmer and drier homes, financial assistance will be implemented for the Long-Term Plan 2018-28 via an Insulation and Home Heating Loan Scheme. The scheme relies on Energy Efficiency and Conservation Authority (EECA) Healthy Homes to monitor the installation completion and quality.

## **Transport & Urban Development**

Most of the funding in this portfolio is related to the Greater Christchurch Metro service, but the closely related areas of work of regional transport planning, and urban development and regeneration planning, are also an important part of this portfolio.

### ***Regional Transport Planning***

Under the Land Transport Management Act 2003, Environment Canterbury chairs, convenes, and is the secretariat to the Canterbury Regional Transport Committee (RTC), as well as associated sub-groups such as the Transport Officers' Group.

The RTC's vision is for a resilient, multi-modal transport system that enables the efficient movement of people and freight into, out of, and within the Canterbury region; improves social connectedness and wellbeing; supports visitor strategies; and improves road safety. In addition to preparing the Canterbury Regional Land Transport Plan, the RTC is responsible for implementing the transport initiatives in the Mayoral Forum's Canterbury Regional Economic Development Strategy,

and supporting the South Island RTC Chairs Group to achieve shared outcomes across the South Island. As a consequence, there is now a greater focus on improving the quality of and access to data to support planning and investment decisions of Canterbury territorial authorities, as well as exploring how to improve transport resilience and mode share.

The RTC is responsible for implementing the Transport Workstream of the Canterbury Regional Economic Development Strategy (CREDS – see above). A key focus of this strategy is the drive toward more integrated transport planning and investment decisions across all modes. The existing funding approach, policy settings and network infrastructure tend to favour road solutions to transport problems. Ideally, price signals should encourage transport operators to choose the mode that imposes the least costs on society for the required service parameters and quality. Funding models should also support councils to adopt the best solutions to transport issues, whether they be road, air, rail or sea.

### ***Urban Development and Regeneration Planning***

Giving effect to the National Policy Statement on Urban Development Capacity is a new requirement for all local authorities that have part, or all, of either a medium growth or high growth urban area within their district or region. Environment Canterbury is contributing to the work of the Greater Christchurch Partnership to meet these requirements. Changes to the Canterbury Regional Policy Statement are a likely result of this work.

Environment Canterbury also has requirements under the Greater Christchurch Regeneration Act 2016. Council works closely with other agencies to develop regeneration plans and strategies and use the powers in the Act to expedite regeneration.

### ***Public Transport***

In 2016 the Greater Christchurch Public Transport Joint Committee was formed, following a review of Local Government Governance and Delivery arrangements for Public Transport in Greater Christchurch. The Joint Committee brought together the Greater Christchurch local authorities governance and oversight for public transport. The Greater Christchurch Public Transport Joint Committee comprises representatives from Environment Canterbury, Christchurch City Council, Selwyn District Council, Waimakariri District Council and the NZ Transport Agency. The current Local Government Act puts the public transport functions and responsibilities with the Regional Council (in Canterbury's case, with Environment Canterbury).

Since the 2010/11 Christchurch earthquakes, public transport has faced challenges, with significant disruption to residential, employment, education and social activity, changing both land use patterns and travel behaviour. With service reliability severely impacted by extended city-wide road works and the Christchurch CBD, as the primary demand source for public transport still some years away from returning to pre-quake employment and social activity levels, passenger trips have decreased from a high of 17 million to 13.4 million trips. The Greater Christchurch Partnership has set an aspirational target of 20 million trips by 2020 and 35 million trips by 2030. Given the current stage the city regeneration programme is at, this 20 million trip target now seems somewhat ambitious.

With lower passenger numbers, the public transport funding model needs to be addressed. A mix of removing low performing (cost recovery) bus routes, bus asset reallocation to other routes, fare increases and rate increases were considered to ensure a balanced budget. NZTA grant funding is currently set at 51% of bus operating expenditure.

A total mobility service is provided to members of the community who are unable to use the public transport service. Disability community groups and Environment Canterbury assess those who apply for up to the cap per taxi trip concession. This concession service has grown in popularity and the upper limit ('cap') of this concession was proposed to be decreased from \$35 to \$30, to enable funding to support this increased demand. Due to public feedback and the impact of this change to our ratepayers this decrease in the concessions will not be implemented and therefore the status quo will remain at a maximum of \$35 concession per trip.



There are numerous changes in transport expected to occur during the period 2018-28. A million dollar innovation fund has been created to respond to these changes and this fund will be 49% funded by NZTA. These changes include:

- legislation - contractual arrangements for provision of service, e.g the bus companies who provide the buses and drivers, are required to be 9 year agreements
- technology – autonomous/electric vehicles, integrated ticketing, mobile payments and Uber pool, for example, will all impact the traditional delivery model
- customer behaviours – demand response, environmental impact, price point and transport choice
- geo-social - population shift, travel patterns, network purpose, changing landscape and land use
- Environment Canterbury is participating in the national Ticketing Programme, led by the New Zealand Transport Agency (NZTA). This initiative has the objective of delivering an aligned national ticketing solution for public transport across New Zealand enabling a step-change in accessibility, payment mechanisms and improved transport service consumption. Environment Canterbury expects to see any new solution implemented in our region in the 2020-2021 timeframe. A key driver behind this initiative is to make it easier for more people to pay for and use public transport through modern, future-based payment methods.

### Central government funding support from NZTA:

The Financial Assistance Rate related to public transport is assumed as follows:

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
51%	51%	51%	51%	51%	51%	51%	51%	51%	51%

The Financial Assistance Rate related to Total Mobility is assumed as follows.

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
60%	60%	60%	60%	60%	60%	60%	60%	60%	60%

### Bus patronage:

The commerciality ratio, which refers to the amount of funding provided by fare-paying passengers, is assumed to follow the pattern below.

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
38%	38%	40%	40%	41%	42%	42%	43%	44%	45%

### Regional Leadership

This portfolio has considered the significant changes that are occurring in relation to technology and data. Users are making faster, better-informed decisions to address complex problems, there is an increasing demand for information and involvement in decision making and new means of communications arriving on the market. Council wants to connect with our communities and increase engagement, in particular with our young people – future ratepayers who will be supporting and benefiting from the work that is being undertaken now as a legacy for future generations.

Council recognises that our relations with Ngāi Tahu and our communities will strengthen our region and that we are most effective when we work together.

## Net operating surplus/deficit

The net operating surplus/deficit is defined as rates and other revenue, less expenditure including depreciation and interest.

The net operating surplus demonstrates not only the Council's ability to deliver the programmes outlined in our Long-Term Plan, but also our ability to meet future obligations. The net operating surplus represents the surplus available to the Council after having met all operating, financing and replacement capital expenditure obligations. The surplus is therefore available to set aside to meet future contingencies, reduce debt or fund capital expenditure arising from an increased level of service requirements or growth.

The Council's forecast operating surplus margin is as follows (\$M):

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
(1.7)	(2.7)	3.9	3.8	2.3	3.0	4.5	4.6	5.9	6.0

Council has planned for a small use of financial reserves in 2018/19 and 2019/20. This use of reserves reduces the amount required from other revenue sources, while still enabling the Council to undertake its planned work programme.

## Limits

These limits have been discussed by the Councillors and were considered in relation to affordability, demand and fairness for the period of 2018-28.

### 1. Rates increases

The increase in rates collected will be limited to 6 % plus any growth in rating base that occurs subsequent to setting the rating fraction.

### 2. Total rates

Rates will not exceed 70 % of total revenue in any given year.

### 3. Debt (per Debt Policy)

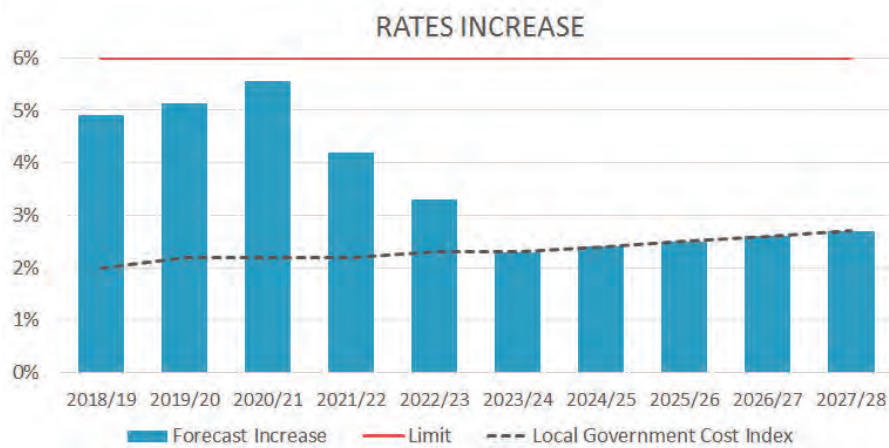
Net debt will not exceed the lower of \$300 per capita or \$660 per ratepayer across the region

Net debt shall not exceed 175% of total annual revenue

Net annual interest expense cannot exceed 25% of total annual revenue.

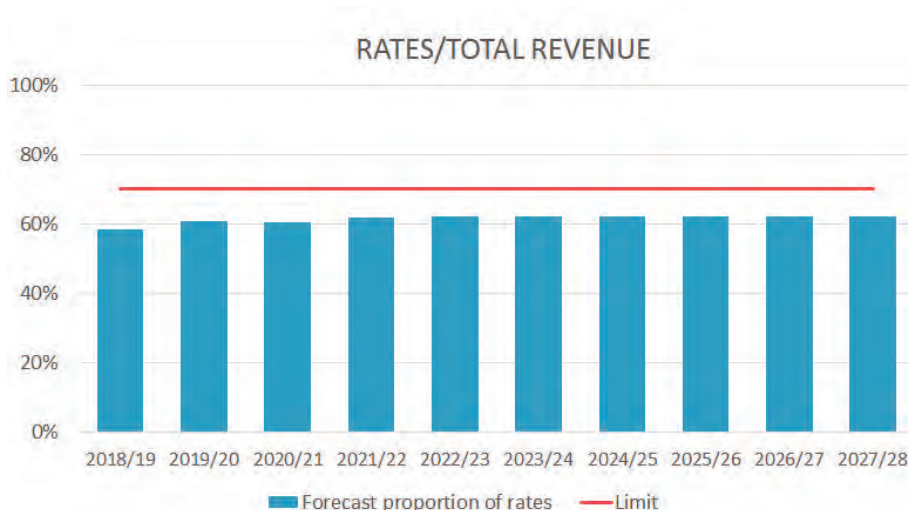
## 1. Rates increases

Environment Canterbury provides a degree of certainty to ratepayers with respect to your rates bills. The overall increase in rates collected (based on the capital value used in setting the rating fraction) for each of the next ten years will not exceed 6% cent per year.



The level of rating ensures that current ratepayers are paying for the services they are using. The Council can achieve this by carefully managing costs, leveraging funding with partners, achieving service levels and balancing debts. The overall level of rates will be capped relative to total revenue. The Council is confident in its ability to provide and maintain existing levels of service and to meet additional demands for services within these limits.

## 2. Total Rates



## 3. Debt

Council retains the ability to use public debt to construct infrastructure assets or to finance investments where the benefits of the expenditure spread over many years. Debt is an important tool for ensuring intergenerational equity and for smoothing the demands made on ratepayers. It is not a revenue-raising tool but a method for spreading the upfront cost of a project over time. Debt spreads the responsibility for funding an activity across both current and future ratepayers, ensuring that all of those who benefit make a contribution to the funding of the project. This is referred to as intergenerational equity and ensures that one generation of ratepayers does not subsidise another generation of ratepayers. The use of public debt matches the costs of the expenditure with the benefits.

We have the capacity to increase debt levels to cover additional expenditure. External debt is predicted at the end of the Long-Term Plan 2018-28 to be \$32 million, with a peak in 2021/22 of \$46.5 million. The term of repayment on long-term infrastructure assets (stopbanks) has been considered and the debt repayment term has been moved out 35 years to match expected benefit.

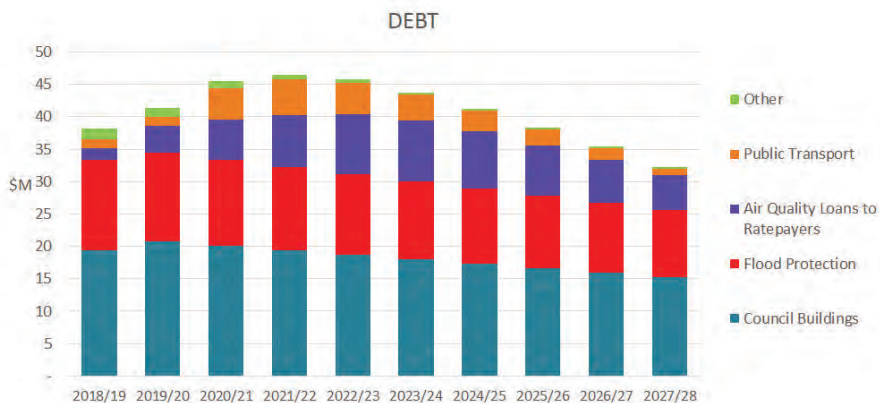
Council joined the NZ Local Government Funding Agency (LGFA) as a Guaranteeing Local Authority in 2016. LGFA allows us access to long-term debt at lower debt rates compared to commercial banks or private lenders. Rates will continue to be used as security for all borrowing and therefore our debt is seen as very safe as we have the ability to increase our revenue via rates in the unlikely event that we were otherwise unable to make debt payments.

Our level of debt in the Long-Term Plan 2018-28 represents an increase over the existing levels and results from a combination of the following:

- \$2 million debt contribution to a new development at the Kainga depot as the facilities are no longer fit for purpose. Other funding for this depot came from surplus land and buildings disposed of in the Kainga area.
- \$20 million to fund loans to ratepayers under the Healthier Homes Canterbury scheme (see Air Quality portfolio)
- \$6.3 million for Public Transport capital projects after NZ Transport Authority 49% contribution

### Total Debt

The Council has considered the timing of the programmes and the associated borrowing required to ensure that this best meets the needs of current and future generations. The total debt levels stated below are set as such to enable the Council to maintain the present levels of service and to meet the increased levels of service in the Long-Term Plan 2018-28.

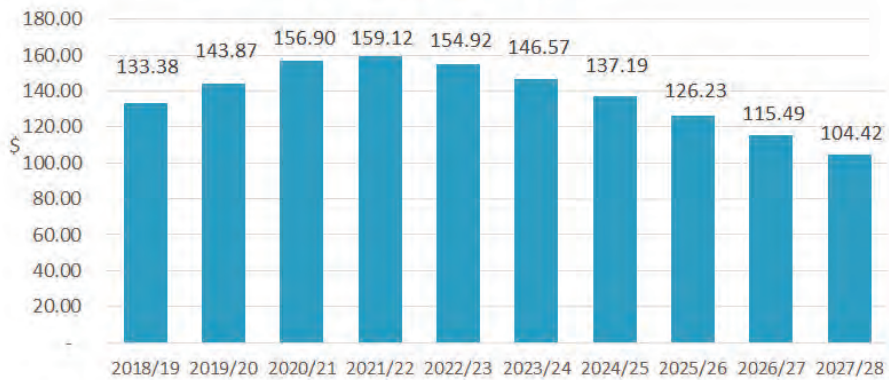


### Debt per ratepayer

Debt per ratepayer, or per capita, is a limit that ensures intergenerational equity is spread evenly over the years of the Long-Term Plan. There is only a small proportion of debt per ratepayer in the current year which is expected to grow during the life of the Long-Term Plan as additional debt is utilised to fund intergeneration assets.

Council policy sets the limit at \$660 per ratepayer.

**DEBT PER RATEPAYER**  
**POLICY LIMIT \$660**



**Debt total revenue**

When determining the sustainability of debt, many measures are used, our Liability Management and Investment Policy has a limit of 175% of annual revenue which means that we could secure in excess of \$300 million of debt.

This provides the ability to increase debt funding in the event of unbudgeted disasters or emergencies and unforeseen events. Preserving the capacity to borrow in exceptional circumstances is part of the long-term strategy to be financially sustainable, and to be able to respond to emergencies and disasters

**DEBT/REVENUE**  
**POLICY LIMIT 175%**



**Interest to annual revenue**

Interest rates over the life of this LTP are assumed as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Investing	3.40%	3.40%	3.40%	3.50%	3.60%	3.90%	4.10%	4.50%	5.10%	5.80%
Borrowing	3.40%	3.40%	3.40%	3.50%	3.60%	3.90%	4.10%	4.50%	5.10%	5.80%

## Capital assets

In terms of assets and investments, the Council's strategy is to maintain, in real terms, the value of the Council's assets. An asset or group of assets is identified as a strategic asset if it is considered that we need to retain ownership or control of it to meet our objectives. With respect to infrastructure assets such as flood protection works, the Council strategy is to maintain the current service potential of these assets in an 'as new' condition and to standards set out in the asset management plans. (Refer to the 30-year Infrastructure Strategy.)

## Buildings

Council owns the Christchurch office building based at 200 Tuam Street (valued at \$50.75 million 30 June 2017).

## Infrastructure

Council's significant infrastructure assets relate to flood protection, river control and drainage schemes. Expenditure on infrastructure projects can arise in three ways:

1. **Renewals** – the replacement or maintenance of existing assets
2. **Level of Service improvements** – where the Council believes the existing assets do not provide an appropriate level of service
3. **Growth** – ensuring the Council has sufficient assets to support economic and population growth within the region.

(Note that there is no capital expenditure specifically driven by population growth within the region)

Council is looking to invest capital of \$9.98 million into long-life stopbank assets over the next ten years:

(\$000)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Maintenance</b>	11,928	12,239	12,762	13,139	13,484	14,059	14,440	14,987	15,180	15,615
<b>Capital Works - replacement</b>	1,735	958	1,171	1,034	1,038	331	250	0	0	75
<b>Capital Works - improve LOS</b>	3,181	5	150	0	0	0	0	0	0	0
<b>Total capital works</b>	4,916	963	1,321	1,034	1,038	331	250	0	0	75
<b>Total expenditure</b>	16,844	13,202	14,083	14,173	14,886	14,390	14,690	14,987	15,180	15,690

## Asset management plans

Asset management plans are the key planning tools for asset maintenance, future renewal and additional assets.

Asset management plans have been prepared for critical assets based on assumptions consistent with this strategy, with the expectation that, within the parameters set for rates, levels of service can be maintained.

This strategy supports the delivery of levels of service for each activity set out in the Long-Term Plan 2018-28. The income and expenditure projections made within the financial estimates relate to the delivery plans for each activity.

The financial implications for current levels of service have been assessed and included in the Long-Term Plan.

## **Other renewals**

Council undertakes regular asset replacements for vehicles and information technology.

## **Investments**

The Council holds treasury, equity and land investments on behalf of the regional community. Council intends to maintain the value of these investments in the long-term. The Council intends to hold these investments for strategic reasons on behalf of the regional community.

It should be noted that we do not rely heavily on investment income from treasury and equity investments as these contribute only a very small percentage of revenue collected by Environment Canterbury

### **1. Cash and fixed revenue investments**

Council has a conservative and risk-averse approach to managing financial investment to ensure the security of public money. Because of this, the financial investment portfolio predominately invests in money market securities and domestic bonds. There is a reserves policy that states minimum reserves levels to be held in forms readily convertible to cash. This prudent approach helps ensure that when unexpected events occur we can continue to provide programmes delivering benefits to the community. Generally the Council's cash management practice is to use any surplus cash to support the financial reserves and minimise external levels of debt where this is consistent with the financial reserves policy. The minimum target rate of return on these investments is the rate determined by reference to the average of the ANZ/NZX 90 Day Bank Bill Index and the ANZ/NZX Corporate 'A' Grade index.

### **2. Civic Assurance**

Council owns shares in Civic Assurance (152,696 at 30 June 2017). They are not expected to return a dividend over the next ten years due to uncertainty within the insurance industry. It is impractical and administratively inefficient to dispose of these shares. The Council sees value in having Civic Assurance in the market because of the broader benefits it will provide by helping maintain competitive tension

### **3. Marlborough Forestry Corporation**

Environment Canterbury inherited a beneficial interest at no cost in the Marlborough Forestry Group as part of the reorganisation of local government in the late 1980s. We are not a shareholder but the beneficial interest is reflected via a deed of trust with Kaikōura District Council. This interest cannot be sold.

Dividends in the last four financial years have totalled \$164k, the proceeds are being used for Kaikōura catchment activities as per the deed of trust

### **4. Borrower Notes in NZ LGFA**

As a condition of borrowing from the Local Government Funding Agency (LGFA) borrower notes, or debt securities, that can be converted to LGFA equity under specific circumstances are required to be held.

Local and foreign investors in LGFA are supported by joint and several guarantees from participating local authorities, including Environment Canterbury.





# INFRASTRUCTURE **STRATEGY 2018-48**



# 30-year Infrastructure Strategy

## Introduction

The Local Government Act 2002 requires a 30-year strategy to be prepared for the five different infrastructure types managed by territorial authorities and regional councils. Environment Canterbury manages only one of the five infrastructure types: flood protection and control works. This document is Environment Canterbury's Infrastructure Strategy 2018-48.

Flood protection and control works' covers physical structures owned by local authorities and designed to protect urban and rural areas from flooding from rivers, including ancillary works such as channel realignment or gravel removal.

This strategy describes the development and maintenance requirements of all the flood control infrastructure assets that Environment Canterbury manages, including erosion protection and drainage works. These assets are primarily made up of stopbanks, groyne, floodgates, erosion protection (trees and rocks) and drains.

With regard to flood protection and control works most of the required infrastructure is already in place. Therefore the main focus of this strategy is ongoing maintenance required to keep the infrastructure fit for purpose. This is a major part of the projected costs for this activity.

Climate change has also been addressed as part of this strategy. Specifically over the longer term (10-30 years), as flood frequency and sea levels are anticipated to increase with climate change, significant upgrades of infrastructure are expected to be necessary to maintain the current level of security from flooding. Changes to assumptions about the timing of the climate change response are the most significant change since the last infrastructure strategy. The assumption in the last strategy was that climate change within a 30-year period was likely to be small. This strategy now includes greater consideration of climate change projections within a 50-year period. We have assumed that this response will start small and increase during years 11-30.

## Purpose of Infrastructure Strategy and infrastructure covered

The purpose of this strategy is to identify any significant issues around flood protection and control works infrastructure that Environment Canterbury is facing over the next 30 years (2018-2048), and identify a mechanism for managing decisions around those issues, along with the timing for any key decisions required.

This strategy highlights that most of the required infrastructure is already in place, and the level of new infrastructure required over the next 30 years is initially small but is likely to grow towards the end of the 30 year period as climate change effects start to become more significant. A separate issue is the keeping of these existing infrastructure assets in a 'fit-for-purpose' condition. The cost of the maintenance required to do this is more significant.

## Geographic context

Canterbury is New Zealand's largest region, by area, at 45,346km<sup>2</sup>. The geography within the Canterbury region is widely varied, with quite different flood protection challenges:

- the major braided river systems flowing from the Southern Alps with extensive floodplains
- foothills valley systems and flat floodplains
- estuaries/tidal zones and low-lying coastal plains
- Kaikōura district with small, steep alluvial fans.

Canterbury is the second largest region by population. Many of the urban areas are built on active floodplains. The flood risk to the Greater Christchurch area from the Waimakariri River has required extensive flood control protection.

Environment Canterbury manages 58 river and drainage schemes that collectively cover over 1,000km of rivers, many smaller streams and over 760km of drains.

## Infrastructure overview

The activity of flood protection began as an attempt to reduce the risk and create more certainty for settlement and development within the region.

The infrastructure already built by Environment Canterbury and its predecessors has an asset value of \$508M.

The largest of these schemes, the Waimakariri–Eyre–Cust scheme, provides flood protection from the Waimakariri River to the Greater Christchurch area. The (2017) capital value of rateable assets afforded some benefit by the scheme is \$107B. The potential cost of a catastrophic failure of the scheme to protect the Greater Christchurch area from flooding from the Waimakariri River is estimated to be as much as \$11B.

Stopbanked schemes generally provide the greatest cost-benefit ratios and include the most critical assets, however the erosion protection (trees and rockwork) and drainage works are more extensive and provide a service to longer lengths of river than the stopbanks. The lengths of assets include:

- Stopbanks: 652km
- Trees: 1600km
- Drains: 762km

## Stopbanks

The six schemes listed in Table 1 below are particularly significant due to:

- flood risk
- risk to resident populations
- size and value of the floodplain protected.

**Table 1. Main stopbanks**

Scheme	Stopbank length (km)	Areas of direct benefit	Capital value of rated area	Major communities
Kaikōura rivers and drainage	34	65km <sup>2</sup>	\$1.0B	Kaikōura
Ashley River/Rakahuri	35	126km <sup>2</sup>	\$5.7B	Rangiora, Woodend, Pegasus, Kaiapoi
Waimakariri–Eyre–Cust	135	895km <sup>2</sup>	\$107B	Christchurch, Kaiapoi
Ashburton Rivers/Hakatere	77	270km <sup>2</sup>	\$4.3B	Ashburton
Orari–Waihi–Temuka	119	243km <sup>2</sup>	\$2.9B	Geraldine, Temuka
Opihi catchment control	80	180km <sup>2</sup>	\$2.4B	Pleasant Point

The replacement value of the stopbanks on these six schemes is about \$130m. Ancillary works on these schemes have a value of \$240m.

A further 17 medium-sized and small stopbank schemes, with a total of 160km of stopbanks, offer a level of flood protection to various smaller communities. These are of a small scale, serve rural areas and/or focus primarily on erosion control or drainage. Both the asset value (about \$77m) and the risk addressed by these medium/small scheme assets are modest compared to the major schemes.

The highest risk stopbanked areas outside the six schemes listed in Table 1 include:

- Selwyn River/Waikirikiri left bank adjacent to the Selwyn Huts
- Lower Hinds River left bank
- Rangitata South Branch
- Washdyke Creek.

## Strategic assets

Our Asset Management Plan classifies stopbanks into three assessment categories, those which are Category 1 are considered strategic assets.

Stopbank assessment categories	Category 1 - critical banks - moderate to high vulnerability and moderate to high consequences of failure - annual inspection and assessment	Category 2 - standard stopbank - moderate risk - typical of most comprehensive schemes	Category 3 - low risk banks - e.g. banks less than 1.5m high
Importance (see separate risk matrix in section 5.2)	"Very important" and "Extremely important" banks	"Important" and "fairly important" banks	"Moderately important" and "Less important" banks
Frequency of recorded inspection	Annual + following approx 5yr floods	2 yearly + following approx 10 year floods	3 yearly + as required
Who undertakes the inspection	Asset Management Engineer or Principal River Engineer at least once every 3 years, Area Engineer other years	Asset Management Engineer, Principal River Engineer 6 yearly, Area Engineer, Engineering Officer, Depot Supervisor or Overseer 2 yearly	Asset Management Engineer, Principal River Engineer or Area Engineer 6 yearly, Engineering Officer Depot Supervisor or Overseer 3 yearly
<b>Rating district area</b>			
Northern	Kowhai River left bank Floodgate Creek to 3km	Waimangarara, Lukes Creek, Lyell Creek, Floodgate Creek (left bank only)	Hanmer West (banks not yet formally adopted)
	Ashley River / Rakahuri right bank u/s Toppings Rd	Kowhai River except left bank d/s Floodgate Creek	Waiau Spotswood

Stopbank assessment categories	Category 1 - critical banks - moderate to high vulnerability and moderate to high consequences of failure - annual inspection and assessment	Category 2 - standard stopbank - moderate risk - typical of most comprehensive schemes	Category 3 - low risk banks - e.g. banks less than 1.5m high
		Ashley / Rakahuri left bank and right bank d/s Toppings Rd	Lyndon
		Kowai River	Sefton Ashley
	20km approx	47km approx	7km
Waimakariri Eyre Cust	Kaiapoi River	Eyre diversion, Cam, Cust, Saltwater Creek, Waimakariri u/s Eyre	
	Waimakariri left bank Eyre diversion to Coast	Waimakariri secondary bank, Coutts Island bank	
	Waimakariri right bank		
	80km approx	40km approx + secondary bank	
Central	North Ashburton / Hakatere and Ashburton town bank (d/s Jessops Bend)	Selwyn / Waikirikiri	Double Hill
		Ashburton / Hakatere rural banks and Valetta bank	
		Lower and Upper Hinds	
	5km approx	114km approx	3.4km
Southern	Rangitata South Branch bank	Waihi + Temuka right bank (except Geraldine)	Saltwater Creek
	Orari right bank for 1km below SH79	Orari (except by SH79)	Lower Hook
	Waihi right bank by Geraldine	Te Ana a Wai (Tengawai) u/s Pleasant Point	Lower Waimate
	Waihi and Temuka left bank	Opihi u/s Pleasant Point	Sinclairs Creek
	Opihi d/s Pleasant Point incl Te Ana a Wai (Tengawai) at Pleasant Point	Seadown Drainage (coastal banks)	Morven Drain
		Washdyke Creek	Penticotico
		Pareora	Twizel
		Waihao	Omarama
	56km approx	176km approx	40km approx

Stopbank assessment categories	Category 1 - critical banks - moderate to high vulnerability and moderate to high consequences of failure - annual inspection and assessment	Category 2 - standard stopbank - moderate risk - typical of most comprehensive schemes	Category 3 - low risk banks - e.g. banks less than 1.5m high
Total 584km	161km	377km	50km

## Structures

Integral to the functioning of stopbanks are a number of culverts and floodgates. At a value of \$11m, (being the only element of the assets that are depreciated), renewal and replacement costs are very small compared to the annual maintenance costs of stopbanks and ancillary works.

## Other types of flood protection infrastructure

As well as stopbanks, some areas are serviced by other types of erosion protection works or drainage infrastructure:

- Halswell/ Hurutini drainage
- Te Waihora/Lake Ellesmere
- Rangitata River
- Lower Rakaia River
- Ashburton/ Hakatere–Hinds/ Hekeao drainage
- Lower Waitaki River
- a number of smaller erosion protection and drainage schemes, which are maintained to reduce risks to localised communities.

The 2017 value of all flood protection and control assets is \$508m.

## Relationship to Territorial Authority infrastructure

Every territorial authority in Canterbury (Christchurch City Council and the District Councils of Ashburton, Hurunui, Kaikōura, Mackenzie, Selwyn, Timaru, Waimakariri, Waimate and Waitaki) manages urban stormwater and road drainage in their respective areas, and many also manage their own land drainage and flood protection schemes, most notably:

- Christchurch City Council manages flood protection on the Avon, Heathcote and Styx rivers and all drainage within urban areas. They manage the level of Lake Forsyth/Te Wairewa. They have a comprehensive Land Drainage Recovery Programme following the 2010/11 earthquakes and comprehensive Stormwater Management Plans that help to mitigate the effects of urbanisation on flooding and improve water quality. Combined, these programmes are projected to spend over \$460m over 10 years (2015-25). Due to the provisions of the Christchurch District Drainage Act 1951, Environment Canterbury is unlikely to become involved in building new river infrastructure within the city
- Waimakariri District Council project expenditure of about \$90m over 10 years including \$16m in capital flood protection projects related to urban stormwater and rural land drainage, including extension of both rural and urban drainage schemes
- Selwyn District Council manages several land drainage schemes. Their combined stormwater, land drainage and water race spend is projected to be \$40m over 10 years. Selwyn District Council want to explore the management of the land drainage assets with Environment Canterbury with a view to potentially transferring them. (Their transfer is not included in the financial projections for this strategy).

It is assumed these various local schemes are complementary to those managed by Environment Canterbury and will continue to be managed by the relevant territorial authority.

## Direction set in the Long-Term Plan 2018–28

The priority areas identified in the Long-Term Plan are:

- **Freshwater management:** Implementing innovative solutions to manage our freshwater resource to support community use (mahinga kai, drinking water and recreation), achieve ecosystem health and support sustainable economic development
- **Indigenous biodiversity:** Creating a step-change in effort in the regeneration of freshwater, marine and terrestrial biodiversity.

The Canterbury Water Management Strategy (CWMS) tends to support the continuation of existing flood protection infrastructure, but does not support further restriction of braided rivers. The CWMS targets most relevant to the provision of flood protection infrastructure are the goals to:

- maintain the extent of active braided floodplains and allow the dynamic nature of braided rivers to be exhibited
- apply integrated management – ii uta ki tai – mountains-to-sea approach
- improve quality of life and support economic prosperity.

Under the CWMS, the Regional and Zone Implementation Programmes also include goals to implement catchment-based approaches and management practices that support flood protection capacity and environmental outcomes.

Looking back, the Long-Term Plan 2015–25 had as its three main priority areas:

- Canterbury Water Management Strategy
- Christchurch earthquake impacts and recovery
- Tuia work programme – strengthening the relationship with Ngāi Tahu.

Recovery of the Environment Canterbury flood protection infrastructure following the 2010/11 Darfield and Christchurch earthquakes is complete. Modest repair works around Kaikōura and Waiiau have been undertaken following the November 2016 earthquake and are continuing, anticipated to be completed in 2018. Environment Canterbury is continuing to support Christchurch City Council in its earthquake recovery.

The Tuia work programme focuses on partnership relationship with Ngāi Tahu. Principles of kaitiakitanga, protection of wāhi tapu, wāhi taonga, mauri and mahinga kai values need to be considered in any proposals for flood protection. The potential for negative impacts of flood management works on native biodiversity and mahinga kai values is of concern for rūnanga. For example, the use of willow and poplar for erosion protection rather than native vegetation, disturbance to bird nesting and fish habitat, and access to walkways and significant sites are of interest. The potential to improve drain management to support mahinga kai is identified as a significant opportunity. This work is ongoing.

## Floodplain management

Flood protection and control works are long-term assets. They are built to reduce the risk to human life and to assets, including land, buildings and other developments.

Effective floodplain management planning reduces the need for new flood protection infrastructure by locating new developments in less hazardous areas or where there is already adequate flood protection infrastructure.

Environment Canterbury prepares floodplain management plans, gradually covering the major floodplains of the region. These plans focus on avoiding risk for new development and protecting existing development. They consider the following issues:

- new development – provisions in the Regional Policy Statement require new building development to avoid high hazard areas and be located above the 0.5 % Annual Exceedance Probability (AEP) level. (An AEP of 0.5 % for a given flood level means that there is a 0.5 % chance of having a flood exceed that level in any one year.) This has largely removed the need for new large-scale flood protection schemes
- protecting existing development – we are presently increasing the level of flood protection for urban Christchurch City and Kaiapoi by building secondary stopbanks and upgrading primary banks for the Waimakariri River. There is also ongoing work for the Ashley River/Rakahuri, but for other rivers, the identified capital works have now been completed. Realignment of some of the most vulnerable stopbanks to improve resilience and re-examining the level of service (including sensitivity to climate change) is likely to be considered as part of programmed scheme reviews.

## Flood protection priorities

In developing this strategy, Environment Canterbury has determined that the strategic priorities for the flood protection activity include:

- focusing on the ‘significant’ infrastructure requirements while not losing sight of the specific communities and their needs
- maintaining an equitable and sustainable approach to funding flood protection at regional and local levels
- providing agreed levels of flood protection
- improving and updating information for each major scheme systematically through a programme of river scheme reviews and ongoing asset management planning
- ensuring that the infrastructure remains aligned with and supportive of economic growth and/or changes to population and land use and keeps pace with changes in climate.

These priorities will influence Environment Canterbury's strategic approach and decision-making for flood protection infrastructure.

## Climate change

Climate change is currently being factored into the design of schemes through both scheme reviews and design decisions. For example, when the Washdyke Creek stopbanks were designed in 2010, sensitivity to sea level rise was included in the assumptions about the Washdyke Lagoon/Waitarakao level at the time a flood peak arrives, and the decisions about the appropriate level of freeboard of the stopbanks took into account this sensitivity. However, most schemes have not had recent reviews so do not yet allow for significant increases in flow or sea level rise.

The actual costs related to climate change will be subject to decisions made by individual communities when considering their appetite for risk, the costs of mitigation of those risks, and the timing of interventions as the risks increase gradually over time.

For the purposes of this strategy, indicative costs are shown, broadly using the following inputs:

- medium scenarios from the guidance for local government series put out by the Ministry for the Environment, including (2016) *Climate Change Projections for New Zealand: Atmospheric Projections Based on Simulations from the IPCC Fifth Assessment*
- understanding the sensitivity of water level to flow in different parts of each river through the modelling results from a small number of rivers



- applying professional judgement to extrapolate these sensitivities to other unmodeled rivers – related primarily to changing river widths (the closer together the stopbanks are on a river, the more sensitive the water levels are to increases in flow)
- broad estimation of earthworks quantities and application of a representative unit rate of earthworks to translate rises in water level into cost.

The costs are factored to be spread out over years 11-30, increasing from 10% in years 11-15 to 40% in years 26-30 of the strategy.

These estimates will be refined through individual scheme reviews as these assessments are undertaken.

## Giving effect to the priorities

### Community input and decision-making

Setting and charging of targeted rates rely on accurate identification of who benefits from any improvements, and assessment of the degree of benefit. Recommendations regarding river scheme targeted rates and financial expenditure are made by elected community committees.

There is a public meeting every three years in the main river rating districts to elect river rating district liaison committees (RDLCs). The committees then meet every year to make decisions around the flood protection required within the community and its funding, bearing in mind the cost that would have to be met through targeted rating within that community.

These elected RDLCs will continue to play an important role in decision-making for flood protection infrastructure. That approach centres on the committees deciding local needs and subsequent funding within Environment Canterbury's broader policy and planning framework. This broader Council framework includes the Revenue and Financing Policy, which influences who pays and how, and strategic decisions and commitments on important infrastructure.

The RDLC's annual decisions on the levels of flood protection identify who benefits and to what extent within their communities. Specific funding arrangements can then be formalised, with targeted rating of property owners being an important mechanism. Committees preserve a relatively fair balance of rating, and generally operate with maintenance of the status quo as their normal state.

Recommendations from the RDLCs are conveyed to Environment Canterbury for adoption; Environment Canterbury remains the ultimate decision-maker.

### Service levels, expenditure and funding

**Existing flood protection infrastructure** – such as stopbanks – is fully maintained in a fit-for-purpose condition to meet service needs. It may incur damage in a flood or other hazard event and does need ongoing maintenance, but generally does not need replacement. There are some minor exceptions identified as replacements in Table 4, mainly as a result of coastal erosion or localised stopbank realignment. As such, Environment Canterbury does not depreciate this infrastructure and funds maintenance mainly through rates funding. However, income from endowed or vested land that Environment Canterbury manages also provides some funding. Each scheme has financial reserves and these are used to smooth financial impacts of floods or other hazards.

Table 5 sets out the infrastructure anticipated to be required in years 11-30 of this strategy, much of which is related to upgrading existing stopbanks to accommodate a greater flow capacity. This is needed to maintain the current level of risk to the areas they protect over the longer term, including some allowance for increased flows beyond the 30-year horizon of this strategy. The precise scale and timing of the need for these upgrades has not been determined and will be subject to agreement with individual communities and their willingness to pay.

Environment Canterbury is currently consulting with Selwyn District Council regarding a transfer of management for their land drainage assets in the Te Waihora/Lake Ellesmere catchment. For the purpose of this infrastructure strategy, it has been assumed that management will remain with Selwyn District Council.

**New flood protection infrastructure** – such as the Waimakariri Flood Protection Project (WFPP) – that significantly increases current levels of service is typically debt funded. As Canterbury now has most of the flood control infrastructure it requires, there is limited need for new infrastructure. In the short term, the main exception to this is completion of the \$40M ten-year programme of work making up the WFPP and construction of the secondary stopbank system protecting large areas of Christchurch City, Waimakariri District and Selwyn District in the event of overtopping or breaching of the primary system. Other new infrastructure still required is listed in Tables 4, 5 and 6.

## Knowledge and planning

Environment Canterbury is seeking to improve its understanding of Canterbury's major rivers – the relationship between flood management and natural systems and associated values. River modelling is an essential approach that utilises information to assist decision-making associated with river management. Environment Canterbury requires better information to improve the quality of decisions based on those models. To reduce uncertainty and risk, we will continue with a programme of river scheme reviews to update what we know about each river and how we manage them.

The river scheme reviews will consider:

- history of the scheme and any resultant legacy issues
- asset condition and management, including review of the maintenance work programme
- improved understanding of flood hydrology in terms of flood frequency, flood levels and sensitivity to climate change impacts (in particular intensity and frequency of storms that could change normal patterns, sea level rise)
- improved understanding of the relationship between flood management and natural systems and associated values
- flood capacity reviews, including setting target bed levels and effect of gravel extraction on capacity
- economic and social consequences – ensuring flood protection aligns with changing population levels, land use and the value of assets protected.

## Schedule of river scheme reviews

The order of priority for river scheme reviews is determined by the following:

- it is necessary to complete reviews of the 14 key rivers (refer to Table 2 below)
- these rivers will all have at least one full river scheme review in each 30-year period
- other priority criteria in selecting rivers for river scheme review are:
  - population numbers and property value that could be threatened by the river
  - time since last major review of the river
  - degree of uncertainty as to whether flood works are presently adequate or the likelihood that the river may need improvements to infrastructure. This includes:

- understanding of flood hydrology, which changes as more data on floods becomes available
- aggradation affecting flow capacity
- susceptibility to more extreme weather events and conditions arising from climate change
- adequacy of freeboard allowance
- structural integrity, including foundation conditions, adequacy of original design, physical condition, erosion protection
- community understanding and acceptance of risk.

## Future change – economic, population and land use

Changing land use from urbanisation or increased irrigation, increases asset value and economic potential of assets protected. This is already a major factor in the decision-making process when RDLCs (rating district liaison committees – see previous pages. ) meet. Committees consider what flood protection will be needed for the level of economic activity expected within the community and whether options proposed are affordable. Population and land value considerations are also built into the river scheme review process.

As Canterbury now has most of the flood control infrastructure required, there is little need for new infrastructure. The main exception to this is completion of the \$40M ten-year programme of work making up the WFPP (Waimakariri Flood Protection Project).

**Table 2. Schedule of river scheme reviews in order of priority**

River scheme	Year for river scheme review	Year of last major review/ strategy	Notes	Scale of probable additional works
<b>Opihi River</b>	2018/19	1986 (1996 Pleasant Point)	Floodplain management plan 1994	Medium. Increase resilience Reconsider level of service
<b>Selwyn River</b>	2018/19	1990	Aggradation identified as an issue. Floodplain modelling report completed 2017. Lower reach sensitive to decisions about Te Waihora/Lake Ellesmere level	Small. Consider economics of additional structural works. Limited rating base so limited or no change to level of service likely
<b>Ashburton–Hinds drainage</b>	2019/20	1971	No known issues. Has operated well for many years	None anticipated
<b>Upper and lower Hinds River</b>	2019/20	1983		Small. Increased resilience. Small rating base so no change to level of service likely
<b>Rangitata River</b>	2020/21		Value of land protected has increased substantially	Small. Consider economics of improving resilience (erosion buffer). Limited rating base so limited or no change to level of service likely

River scheme	Year for river scheme review	Year of last major review/strategy	Notes	Scale of probable additional works
<b>Orari-Waihi-Temuka rivers</b>	2020/21		Floodplain management plan commenced in 2014/15	Medium. Increase resilience
<b>Pareora River</b>	2021/22		Floodplain management strategy 2004	Small. Small rating base so no change to level of service likely
<b>Ashburton Rivers</b>	2021/22	2000	Ashburton town stopbanking completed 2010. North branch – ongoing aggradation compromising capacity, managed by gravel extraction dependent on external demand	Medium. Increase resilience. Consider modest increase in level of service (freeboard)
<b>Lower Rakaia River</b>	2022/23	n/a	Draft berm management strategy prepared 2013/14	Small. Planting plan approximately \$1M, timeframe uncertain. No structural works likely
<b>Waimakariri-Eyre-Cust rivers</b>	2022/23	1996	WFPP will be complete. Coastal reach sensitive to sea level rise	Large. Continued improvements to resilience likely to remain economic. Response to projected sea level rise may not need to be immediate
<b>Minor schemes</b>	2023-25	Varies		
<b>Lower Waitaki</b>	2026	2015	Review completed recently – scope of maintenance reduced	
<b>Halswell drainage, Ashley/Rakahuri, Kaikoura rivers and drainage</b>	2027-28	2017-18	Reviews underway	

Not included in the table is **Te Waihora/Lake Ellesmere** since many stakeholders are driving a variety of studies related more to lake health than drainage/flooding, and a review of drainage/flooding is not required. While the Selwyn Waihora Zone Committee has been considering a possible outlet structure, it is still a long way from any understanding or agreement on how this might possibly be accomplished, and the assumption for Te Waihora/Lake Ellesmere is that the current opening regime will continue with no outlet structure. Sea level rise may eventually lead to the need to retreat from the lowest adjacent land since flood protection intervention is not likely to be economically viable.

## Most likely scenario, assumptions and uncertainties

The 2014 amendment to the Local Government Act requires identification of the most likely scenario impacting infrastructure requirements along with assumptions, uncertainties and potential impacts of these uncertainties.

The probable future scenario is:

1. Climate change bringing greater frequency and intensity of storms and sea level rise; changes within the 30-year planning horizon will be modest in relation to the existing uncertainties around hydrology, sediment movement and coastal erosion. However, within a 50-year horizon, it will start to become more significant and as time goes on, will need to be better understood and planned for, including scheme-by-scheme implementation of adaptation strategies within the 30-year timeframe
2. Reduced, but still positive, economic growth as the Greater Christchurch rebuild is completed
3. Some growth in demand for flood protection (as value of land and improvements increases with irrigation and intensification, and population grows around urban areas).

This scenario is based on the following assumptions:

- establishment of a programme of regular river scheme reviews may lead to recommendations for new infrastructure, but most needed infrastructure is now in place and it is anticipated that the scale of new infrastructure required will be relatively small
- the medium scenarios outlined in Ministry for the Environment Climate Change Projections for New Zealand are the most likely. Increases in rainfall intensity and frequency are assumed to be modest within the 30-year strategy horizon, however could be more significant within a 50-year horizon, which also needs to be planned for within 30 years. Higher frequency and intensity of storms will require some additional funding for both maintenance and new infrastructure. Funding growth will initially be low but will increase towards the end of the period
- costs of establishing and maintaining flood protection works will increase gradually in line with inflation. The current management strategy of perpetual renewal, i.e. maintaining fit-for-purpose, will continue
- the scale of renewal and/or replacement of depreciable assets is small in relation to the asset value, but a small number of assets will require replacement within the 30-year timeframe.

Uncertainties under this scenario are:

- the degree of increased intensity and frequency of storms
- the rate of increase in value of assets that need to be protected
- community and cultural drivers – the CWMS implementation programmes envisage a wide variety of investigations aimed at improving integration of water management. This may impact new flood protection provision and/or add cost to maintaining existing systems, but broad community representation in CWMS should ensure that recommendations are supported for funding by the community
- the impact of greater cognisance of biodiversity and Ngāi Tahu values, which may alter how erosion protection plantings and drain management are undertaken.

The potential impact of these uncertainties is as follows:

- increases in the value of assets protected, and in storm intensity and frequency, will impact demand for flood protection, but this demand is largely self-correcting since communities, working through elected RDLCs, will set their own priorities for the level of flood protection required in line with their ability to pay for it.

A similar outcome may be expected for initiatives coming out of CWMS. Recommendations will be those supported by the community for community funding

## Key assumptions and risks

Table 3. Key assumption and risks

	<b>RISK AND ITS SIGNIFICANCE</b> level of significance =likelihood x consequence shown as: <b>Low (green) medium (yellow) high (red)</b>	<b>LIKELIHOOD OF RISK</b> with level of likelihood shown as: <b>Low(green) medium (yellow) high (red)</b>	<b>CONSEQUENCE OF RISK</b> with level of severity shown as: <b>Low (green) medium (yellow) high (red)</b>	<b>MITIGATION MEASURES</b>	<b>ASSUMPTIONS FOR LTP</b>
<b>Environmental</b>					
1	<b>Flooding</b> including sedimentation, overdesign events Major event causing significant damage to multiple large schemes	Rare but inevitable. Assets are necessarily in harm's way	Significant community disruption, displacement, potential for loss of lives	Use reserve funds for prompt repair of damage following "ordinary" events LGFA funds available at short notice for major events including modelled maximum damage scenario Gravel management strategy prioritises flood capacity when considering gravel availability	Major events debt funded where there are insufficient reserves, and Central Government partial assistance available for events exceeding threshold through National Civil Defence Emergency Management Plan
2	<b>Other Natural Hazards</b> including earthquake, tsunami, fire, wind, snow etc..Events outside expected risk assessments	Effects likely to be localised in context of widely distributed assets	Localised damage and disruption or loss of protection	Reserve funds available for prompt repair of damage Variety of erosion protection vegetation and techniques used to spread risk	Accommodated in normal budget process, debt funded if necessary
3	<b>Plant and animal pests</b> Widespread damage to erosion protection	Damage from recent arrivals willow sawfly and giant willow aphid have not been significant in Canterbury. Willow sawfly was significant in Hawkes Bay. Risk may increase over time with climate change	Erosion protection costs escalate and/or protection becomes less effective	Plant pests managed with herbicides Support for research into willows and poplars, indigenous vegetation, pests and pest management	Accommodated in normal budget process, debt funded if necessary
4	<b>Impacts of climate change</b> including increased frequency and intensity of events, sea level rise, conditions for plant pests etc. Underestimation of impact or delay in response	Gradually increasing	Sea level rise progressively impacts the downstream end of all schemes. Flood frequency and stopbank overtopping risks gradually increase over time	Trends and sensitivity considered in scheme reviews. Changing risks and acceptable level of risk discussed with liaison committees and communities. Gravel Management Strategy allows for management of bed levels for flood capacity	Impacts become increasingly important over 30 year period. Some increase in flow can be accommodated with reduced bed levels through gravel extraction on most rivers. Increase in costs (or acceptance of higher risk) likely following each scheme review. Broad estimates of the anticipated cost of raising stopbanks have been included

	<b>RISK AND ITS SIGNIFICANCE</b> level of significance =likelihood x consequence shown as: Low (green) medium (yellow) high (red)	<b>LIKELIHOOD OF RISK</b> with level of likelihood shown as: Low(green) medium (yellow) high (red)	<b>CONSEQUENCE OF RISK</b> with level of severity shown as: Low (green) medium (yellow) high (red)	<b>MITIGATION MEASURES</b>	<b>ASSUMPTIONS FOR LTP</b>
					assuming increased risks are not accepted, however these costs are highly uncertain
<b>Economic</b>					
5	<b>Demand for services</b> – population growth, increasing value of assets on floodplain, response to significant flood events, etc. Major new schemes or upgrades required	Gradually increasing	Increasing value of assets on floodplains correlates with increased capacity to pay for services if managed proactively. If reactive (following flood disaster), ability to pay may be diminished	Programme of river scheme reviews focussed on major schemes. Any new schemes likely to be small scale (major floodplains already have schemes in place)	No significant new schemes. Major upgrades only if affordable and agreed with communities
6	<b>Financial management</b> – rating base, economic growth, inflation, depreciation, insurance etc Schemes become uneconomic	Existing major schemes have very high benefit-cost ratio.	Escalation of costs beyond ratepayers ability or willingness to pay leads to lower level of service or abandonment of schemes	Self-insurance (reserves), low level of debt, line of credit availability allows flexibility	Existing major schemes remain economic at current level of service. Communities may agree to increased level of service to address increasing risks
7	<b>Technical management</b> – key personnel, asset management, appropriate design etc Loss of institutional knowledge or inadvertent lowering of standards	Ageing workforce but improving document management. Technology and increased hydrological data constantly improving understanding of systems, model capability etc.	Schemes not managed to optimum level - poor decisions increase risks and/or costs	Human resources, record management and asset management processes. Engagement with national bodies to maintain capability and standards. Succession planning for experienced workforce	Processes are fit for purpose. Required scale of renewal of depreciated infrastructural assets is small
<b>Social/Cultural</b>					
8	<b>Central and local government policy - constraints</b> Change in policy leads to significant constraints on provision of erosion, flood protection and drainage infrastructure or add significant costs	Soil Conservation and Rivers Control Act 1941 and Resource Management Act 1991 processes well established, ongoing changes to Regional Plans	Cost escalation and/or restrictions on location of infrastructure	Crack willow propagation prohibited – alternative species being used Need for continued investment in flood protection recognised in Regional Policy Statement	No significant change

	<b>RISK AND ITS SIGNIFICANCE</b> level of significance =likelihood x consequence shown as: Low (green) medium (yellow) high (red)	<b>LIKELIHOOD OF RISK</b> with level of likelihood shown as: Low(green) medium (yellow) high (red)	<b>CONSEQUENCE OF RISK</b> with level of severity shown as: Low (green) medium (yellow) high (red)	<b>MITIGATION MEASURES</b>	<b>ASSUMPTIONS FOR LTP</b>
9	<b>Central and local government policy – lack of regulation</b> Inadequate regulation leading to increased floodplain hazard	Provisions for mitigating natural hazards have recently been strengthened, not weakened	Significant increase in hazard	Regional policy statement emphasises avoiding building in highest risk areas and sets minimum floor level of 0.5%AEP for new buildings	Existing policies remain with no significant demand for new services
10	<b>Stakeholder relationships</b> – CWMS, CDEM, Tuia, Rūnanga, DOC, LINZ, Federated Farmers, Fish and Game, Forest and Bird, etc Demand for retreat or removal of erosion, flood protection and drainage infrastructure	CWMS targets include: By 2040: Canterbury’s braided rivers show the dynamic, braided nature typical of such rivers. Increase habitat area usable by all species of braided river indigenous birds By 2015: Increased the area of irrigated land and/or reliability of irrigation By 2040: An indicative target is 850,000 hectares of irrigated land with at least 95% reliability	Greater recognition of existing constraints on natural character of rivers leads to calls for retreat from the river while accommodating increased demand for land intensification	Flood protection bylaw 2013 protects existing infrastructure from damage or removal without authority. Engagement with CWMS processes and community consultation for resource consent processes. Annual works programmes meetings with DOC, Rūnanga, Fish and Game	Good relationships retained through continuing existing consultation processes
11	<b>Ratepayer relationships</b> - effective liaison committees, landowners and public as eyes, ears and guardians Loss of confidence from ratepayers in service provision	Liaison committee meetings: members generally well engaged, but often not well attended. Landowners generally recognise the benefit to their land and support the schemes	Lack of landowner engagement leads to worsening condition of assets or increased costs due to need for more frequent asset inspections and/or repair	Liaison committee structure allows ongoing dialogue, enhanced by retention of experienced depot staff Flood protection bylaw 2013 protects existing infrastructure from damage or removal without authority	Good relationships retained through continuing existing consultation processes and landowner interactions



## Financial – possible infrastructure work required over 30 years

The following tables provide Environment Canterbury's projections of expenditure over the 30-year period (Long-Term Plan 2018–2028, and the subsequent 20 years to 2048). It also indicates the approximate timing of expenditure for various flood protection schemes over that 30-year period.

The funding associated with this expenditure is complex given the local interests and their relationship and contribution to various river schemes; however, in general:

1. Larger, more significant flood protection schemes – as a percentage of total funding for these schemes, there is a larger district and regional rating component alongside targeted rates from specific properties
2. Modest to smaller schemes and drainage schemes – as a percentage of total funding for these schemes, there is a greater degree of local funding, i.e. targeted rate across a district and specific properties.

The financial projections in Table 6 embody the assumptions presented above, with the following key assumptions:

- higher-frequency storms will occur and their impact will require an increase, albeit small and gradual, in maintenance expenditure. These storm events will eventually require upgrades to many of the existing assets (but no new assets), in order to continue to maintain the same level of risk (probability of overtopping) that the current assets provide. Stopbanks have been categorised into zero, low, med or high sensitivity to increased flow, based on aspects such as river width (wider rivers are less sensitive to increased flow), natural bed aggradation or degradation and demand for gravel extraction. The assumption for the highest risk areas is that stopbanks will need to be raised by 1m
- economic development within the region will not require new flood protection infrastructure. In other words, there is an expectation that economic development will not be constrained by the existing flood protection network, albeit it is subject to the assumptions listed above
- implementation of the CWMS is expected to result in changes to aspects of Environment Canterbury's approach to managing the flood protection infrastructure. There is an assumption that any such change can occur within the current financial projections.

**Projections** for flood control infrastructure expenditure in Table 6 show expenditure for both maintenance and capital works.

**Table 4. Details of major new infrastructure required 1-10 years**

<b>Waimakariri</b> <ul style="list-style-type: none"><li>• Secondary stopbanks – complete remaining two years of ten-year project \$6.6m</li><li>• Continue improvements to primary stopbanks \$5.0m.</li></ul>
<b>Orari–Waihi–Temuka</b> <ul style="list-style-type: none"><li>• Milford Drain realignment 2018/19: \$150,000</li><li>• Realign Orari stopbank and berm upstream of SH1 2024/25: \$300,000.</li></ul>
<b>Pareora</b> <ul style="list-style-type: none"><li>• Provide uniform capacity by increasing capacity at selected sites 2020/21: \$150,000.</li></ul>
<b>Seadown drain</b>

<ul style="list-style-type: none"> <li>Retreat and build new stopbank and drain to cater for coastal erosion, 30-yearly: \$550,000</li> <li>Extend pipes 20m inland to cater for coastal erosion 2020/21: \$90,000, repeated 10-yearly.</li> </ul>
<b>Taitarakahi</b> <ul style="list-style-type: none"> <li>Investigate culvert upgrade at Rail Line 2018/19: \$5,000.</li> </ul>
<b>Waihao - Wainono</b> <ul style="list-style-type: none"> <li>Undertake major repair of existing back end of Box 2020/21: \$100,000</li> <li>It is unlikely that Waimate District Council will replace the severely damaged Bradshaws Bridge. Capacity issues in the lower reach could be addressed through stopbank realignment, fairway and berm work over about 500m upstream and downstream of the damaged bridge 2024/25: \$250,000.</li> </ul>
<b>Halswell</b> <ul style="list-style-type: none"> <li>Scheme review underway – this may identify additional work items</li> </ul>
<b>Kaikōura</b> <ul style="list-style-type: none"> <li>Possible purchase of land and development of Waimangarara sediment trap</li> <li>Scheme review underway – this may identify additional work items.</li> </ul>
<b>Ashley</b> <ul style="list-style-type: none"> <li>Complete Cones Rd/Milton Ave secondary stopbank work 2018/19: \$650,000</li> <li>Scheme review underway – this may identify additional work items.</li> </ul>
<b>Opihi River</b> <ul style="list-style-type: none"> <li>Scheme review scheduled for 2018/19 – this may identify additional work items</li> </ul>
<b>Selwyn River</b> <ul style="list-style-type: none"> <li>Scheme review scheduled for 2018/19 – this may identify additional work items.</li> </ul>

**Table 5. Anticipated major infrastructure required 11-30 years**

<b>Orari-Waihi-Temuka</b> <ul style="list-style-type: none"> <li>Realign stopbanks and drainage system at Opihi mouth 2029/30: \$760,000.</li> </ul>
<b>Waihao-Wainono</b> <ul style="list-style-type: none"> <li>Within the next 10-15 years, extend the Box at landward end: \$600,000</li> <li>Realign Hook Beach drain every 20 years due to coastal erosion: \$300,000 each time.</li> </ul>
<b>Structure replacements</b> <ul style="list-style-type: none"> <li><b>Ashley River</b> – Leggits and Taranaki floodgates \$1,030,000 around 2040</li> <li><b>Washdyke Creek</b> – Floodwall - \$100,000 around 2040</li> <li><b>Waihao-Wainono</b> – part replacement of Box \$1,900,000 around 2040.</li> </ul>
<b>Reviews and climate change</b> Items identified in reviews – not yet known Change in level of service due to anticipated climate change impacts: Expressed here in 2017 terms, for the purposes of the infrastructure strategy, these costs are assumed to be spread over years 11-30, but would be undertaken scheme-by-scheme according to its own timetable and acceptable level of risk:

- Kaikōura Rivers: \$3.0m
- Ashley River: \$6.9m
- Waimakariri-Eyre-Cust: \$9.7m
- Selwyn River: \$5.9m
- Ashburton Rivers: \$15.0m
- Hinds River: \$3.7m
- Orari-Waihi-Temuka: \$13.2m
- Opihi: \$10.5m
- Seadown Drainage: \$1.3m
- Pareora River: \$2.5m
- Waihao-Wainono: \$10.6m
- Other: \$2.7m
- **Total: \$85.7m.**

**Table 6. Financial 30-year projections for infrastructure work**

	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28-33	33-38	38-43	43-48
<b>Maintaining existing asset</b>											<b>5-year summaries</b>			
<b>Maintenance \$000</b>	11,928	12,239	12,762	13,139	13,484	14,059	14,440	14,987	15,150	15,615	82,284	92,809	100,430	109,460
<b>Capital Works – to replace existing infrastructure \$000</b>														
Ashley	650												985	
Orari-Waihi-Temuka	150				10	323					753			150
Seadown			90							50	664		139	
Waimakariri-Eyre-Cust	935	958	981	1,004	1,028									
Waihao-Wainono			100			8	250				600	310	1,790	
Other	0	0	0	30						25		31	96	37
<b>Total replacement</b>	1,735	958	1,171	1,034	1,038	331	250	0	0	75	2,017	341	3,010	187
<b>Capital Works – to improve levels of service (LOS) \$000</b>														
Pareora		5	150											
Taitarakihi	5													
Waimakariri secondary	3176													

	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28-33	33-38	38-43	43-48
<b>Response to climate change:</b>														
Sea level rise											860	1,898	3,144	4,628
Increased Flow											10,585	23,375	38,711	56,986
<b>Total to improve LOS \$000</b>	3,181	5	150	0	0	0	0	0	0	0	11,445	25,273	41,855	61,614
<b>Total capital works \$000</b>	4,916	963	1,321	1,034	1,038	331	250	0	0	75	13,462	25,614	44,865	61,801
<b>Total expenditure \$000</b>	16,844	13,202	14,083	14,173	14,886	14,390	14,690	14,987	15,180	15,690	97,746	118,423	145,295	171,261

To the reader:

**Independent auditor's report on  
Canterbury Regional Council's 2018-28 Long-Term Plan**

I am the Auditor-General's appointed auditor for Canterbury Regional Council's (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 21 June 2018.

**Opinion**

In my opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 125 to 128 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

**Basis of opinion**

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;

- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

**Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

**Independence**

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out an agreed-upon procedures engagement, a limited assurance engagement reporting to the Council's debenture trustee, and all legally required external audits, we have no relationship with or interests in the Council.

Julian Tan, Audit New Zealand

On behalf of the Auditor-General, Christchurch, New Zealand

# Forecast financial information

## Financial overview

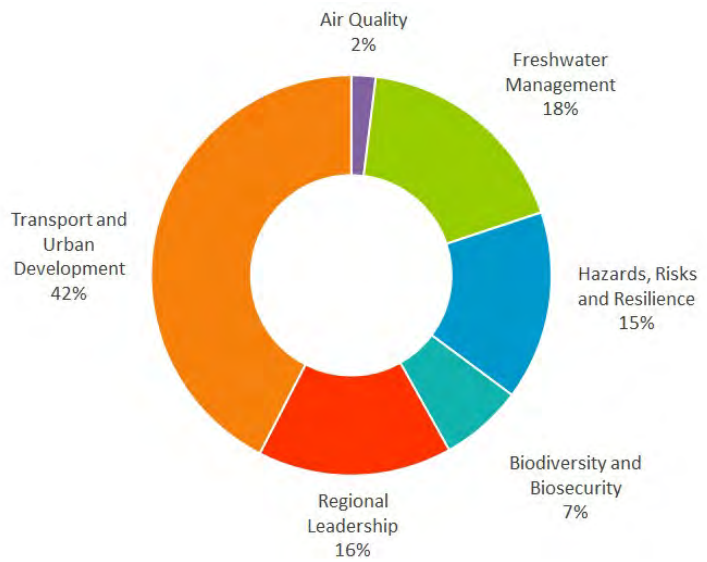
Forecast financial information contained in this Long-Term Plan is developed on a project-by-project basis incorporating a number of significant forecasting assumptions. The assumptions and risks underlying the financial estimates are outlined on page 108

The Council authorised the prospective financial statements on 15 February 2018. Council and management of Environment Canterbury accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated within the prospective financial statements. These financial statements will be updated prior to adoption of the Long-Term Plan 2018-28 in June 2018.

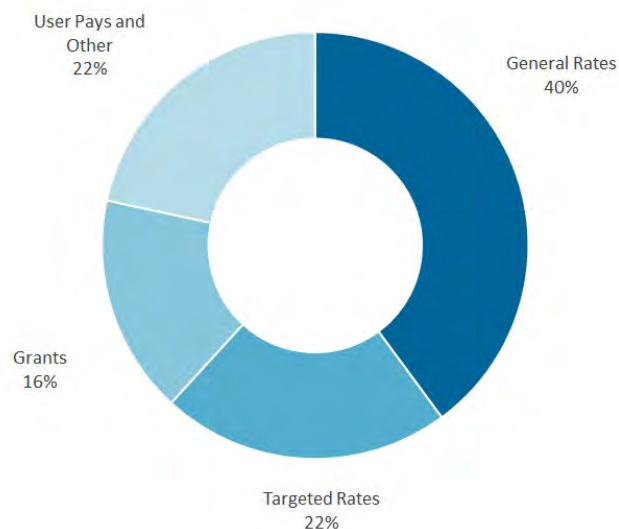
### Financial summary – operational expenditure

We are forecasting total operational spending of \$1.9B across our six portfolios during 2018-28.

1. Freshwater Management
2. Biodiversity and Biosecurity
3. Hazards, Risk and Resilience
4. Transport and Urban Development
5. Air Quality
6. Regional Leadership.



Operational expenditure is the cost of providing the level of service in a given year and includes depreciation on assets.



### Sources of funding

During 2018–28 Environment Canterbury expects to receive \$1.9B to fund portfolio expenditure from the following sources:

General rates – 40%

Targeted rates – 22%

Government and other grants – 16%

User pays and other income – 22%.

The operating income and expenditure disclosed in this financial summary include income and expenditure for activities that form part of the groups of activities. An adjustment has been made to include interest on reserves other than general and targeted rate reserves, business unit results and insurance proceeds that do not relate specifically to a group of activities. Details are set out in the following table.

In general, the forecasts contained in the individual group of activity summaries and in the financial statements indicate the following:

- any deficits will be funded from existing reserves only to the extent that Environment Canterbury’s ability to meet its annual commitments to maintain infrastructural assets and to reasonably provide for contingencies is not compromised
- a healthy financial position will be maintained with net worth or equity increasing over time
- liquidity position will remain stable over time with short-term assets outweighing short-term debt and a healthy cash position
- borrowing will fund the Healthier Homes Canterbury loan scheme and will be offset by an advance to ratepayers of the same value and term secured by a targeted rate on the individual properties. In addition, borrowing is expected to fund the ongoing construction of the secondary Waimakariri stopbank flood protection scheme, which is also secured by a targeted rate in the catchment district.

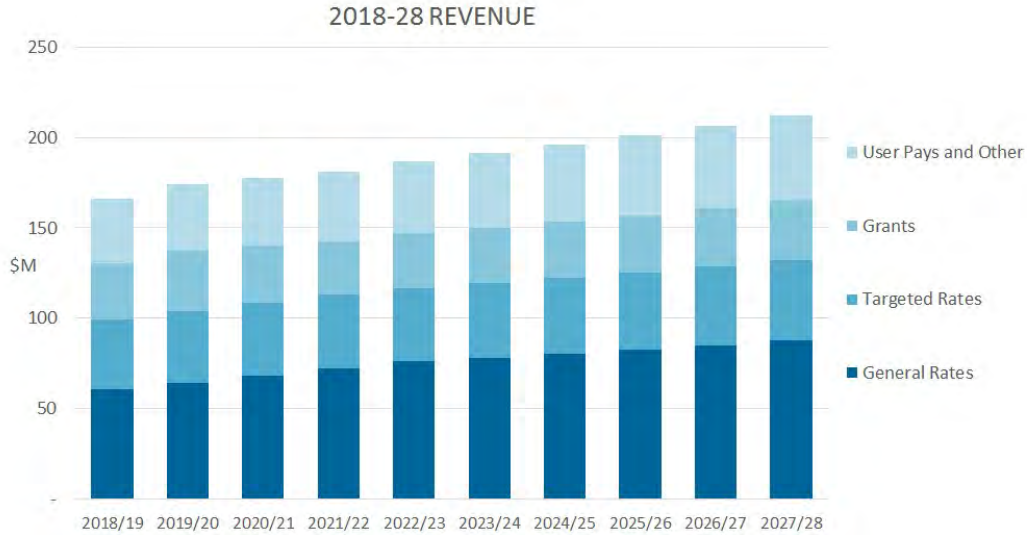
Figures for general and targeted rates are net of estimated remissions (adjusted annually for inflation). Remissions on Māori land are not significant.

Details of capital expenditure, including renewals, replacements and maintenance and funding sources, are set out in the Funding Impact Statements.

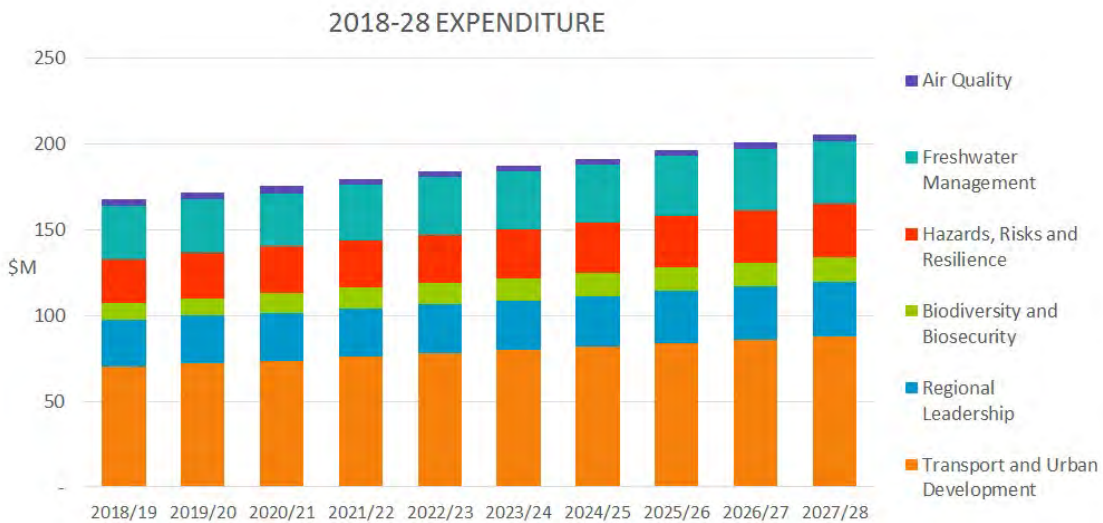
The basis for selecting funding sources is detailed in the funding and financial policies of this Long-Term Plan 2018-28 .

## Groups of activities – financial summary

### Operating revenue



### Operating expenditure



## Financial information

### Financial assumptions

The forecast financial information contained in this Long-Term Plan 2018–28 is based on assumptions that the Council reasonably expects to occur at the date of adoption. The main purpose of this document is to provide users with information about the core services the Council intends to provide to ratepayers, the expected cost of those services and, as a consequence, how much the Council requires by way of rates to fund the intended levels of service. The information may not be suitable for other uses.



Actual results achieved are likely to vary from the information presented and these variations may be material. Prospective financial information in this document will not be updated subsequent to its adoption.

## Significant assumptions

The financial projections in this Long-Term Plan are based on the following assumptions:

- price-level adjustments for inflation have been included in the figures. Price-level adjustments have been derived from a variety of sources including those recommended to local government by Business and Economic Research Ltd. An average price-level adjustment of approximately 3% has been applied. The risk is that actual price movements may not reflect those projected and, therefore, the actual cost of services might be different to that indicated
- population growth across the Canterbury region has been addressed in the financial strategy. There remains the risk that the population, number of new properties or rating base will differ from that projected and those current levels of service may not be appropriate to meet the needs of the population:
  - where growth impacts directly on our functions, this has been factored directly into levels of service and targets, e.g. patronage targets for public passenger transport
  - where the growth impact is indirect, such as that arising from increased subdivision or pressure on infrastructure, this is accommodated through implementation of policies and rules in plans and strategies. Rates of implementation reflect the pressure and demand for services experienced in the recent past.

## Rates

Given the security provided under the Local Government (Rating) Act 2002, all rates debts are considered collectable, but delays in payment may be more common in areas significantly affected by the earthquakes. An allowance for remissions has been provided for properties in the red zones and for properties affected by notices issued under section 124 of the Building Act 2004 to properties in the Port Hills affected by rock-fall hazards.

## Insurance

The Council will continue to perform its existing range of activities in accordance with current Council policies. It is also assumed there will be no significant changes to legislation resulting in increased compliance or other costs to the Council. The risk remains that Council may revise these activities to reduce or increase levels of service to those currently provided.

Central government grant and subsidy levels will be maintained at consistent levels from year to year. There remains a risk that central government financial assistance will be below the assumed rate. To meet the shortfall, an alternative source of funding will be required or levels of service will decrease.

Investments will earn interest at an average of 4.1% The risk is that a lower return on cash investments will be received.

Cash reserves will be available to fund some services, thereby reducing the amount to be funded by rates. The risk is that cash reserves will not be sufficient to meet requirements.

The term of loans raised is three years for finance leases and up to 10 years for the Clean Heat Loan Scheme. The rate level has been set to ensure there is sufficient cash to repay the loan over this term. Internal borrowing will be charged interest at a rate equal to the average rate earned on investments during the year.

Where external borrowing is required, market interest rates will be payable. On average, interest rates of 4.1% have been applied. Interest rates on borrowings may differ from the assumed rate. The Council has modelled the balances of the Clean Heat Loans Scheme on the basis that 60 % will be repaid before the end of the term.

The Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is reflected in the statement of accounting policies. The useful lives are consistent with the Council's experience with respect to replacement. The risk remains that the life of the asset may be different to the rate disclosed.

Capital expenditure, excluding catchment works, Civil Defence, regional parks and public passenger transport, will be able to be funded from the Asset Replacement Reserve or Building Proceeds Reserve.

Civil Defence, regional parks and public passenger transport capital expenditure will be able to be funded from funds held by the applicable reserve. Catchment works capital expenditure for the Waimakariri secondary stopbank will be funded by debt.

Revaluations of fixed and infrastructural assets have not been included in these forecasts. They have not been included as the revaluation impact is uncertain and not considered to be material to the overall statement of comprehensive income or funding decisions and the level of rates the Council forecasts.

No adjustment has been made to financial projections to reflect the potential impact of climate change-related charges on the costs of electricity, natural gas and other charges.

Environment Canterbury has not included estimated costs or income potentially derived from the Emissions Trading Scheme because of the uncertainty and difficulty in quantifying these costs.

The Council is not aware of any information that indicates a high degree of uncertainty surrounding the above assumptions. All significant assumptions have been documented.

## **Balanced budget**

The programme of work set out in this document will result in surpluses credited to existing reserves. Where programmes result in deficits for groups of activities, the Council approves the use of reserves on the basis that the Council's ability to meet long-term commitments is not compromised.

**Note 1, Clean Heat and Healthier Homes Canterbury Loans:** The Council will allow multiple charges on a rating unit, provided there are multiple flats, apartments or residential houses existing under a single title and each part can be separately let and permanently occupied, but have a common ownership (referred to as an installation within a residential dwelling). The basis for a unit of occupancy is one that can be separately let and permanently occupied. All business and commercial operations operating as a rating unit or part thereof shall not qualify for this scheme. No rate remission will be granted under this policy.

Targeted rates are set differentially using sections 16, 17 and 18 of the Local Government (Rating) Act 2002, and by using the matters and factors of Schedules 2 and 3 to determine the rates.

Our objectives in using funding mechanisms are set out in the Revenue and Financing Policy.

## Financial Statements

### Forecast financial statements

#### Statement of comprehensive revenue and expense

This statement discloses the sources of income used to fund Environment Canterbury's activities. Adjusting for any other significant non-operating events identifies the net surplus or deficit for each year.

	Annual Plan	Long-Term Plan										( $\$000$ 's)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
General rates	32,356	61,720	65,240	69,447	73,637	77,107	78,677	80,738	83,130	85,608	88,258	
Targeted rates	62,770	38,074	39,681	41,317	41,778	42,117	43,289	44,155	44,885	45,736	46,633	
Grants	35,101	34,430	31,215	34,530	32,621	31,687	32,109	32,698	33,286	33,884	34,381	
User pays and Other	34,590	36,575	36,388	37,753	38,782	40,359	41,630	42,973	44,477	46,036	47,691	
<b>Total operating revenue</b>	<b>164,817</b>	<b>170,798</b>	<b>172,525</b>	<b>183,046</b>	<b>186,818</b>	<b>191,270</b>	<b>195,705</b>	<b>200,563</b>	<b>205,778</b>	<b>211,263</b>	<b>216,962</b>	
Personnel expense	47,734	50,834	50,919	51,465	52,593	53,883	55,202	56,611	58,113	59,653	61,295	
Other expense	113,355	113,645	115,387	118,178	121,455	124,689	127,456	129,767	133,684	136,468	140,024	
Depreciation and amortisation	6,680	6,743	7,483	7,934	7,287	8,723	8,418	8,202	7,968	7,894	8,288	
Finance costs	1,188	1,296	1,482	1,540	1,624	1,648	1,608	1,528	1,426	1,379	1,379	
<b>Total operating expense</b>	<b>168,957</b>	<b>172,519</b>	<b>175,271</b>	<b>179,118</b>	<b>182,959</b>	<b>188,943</b>	<b>192,685</b>	<b>196,108</b>	<b>201,191</b>	<b>205,394</b>	<b>210,984</b>	
Surplus/deficit	(4,140)	(1,721)	(2,746)	3,929	3,859	2,327	3,020	4,455	4,586	5,869	5,978	
<b>Total comprehensive revenue</b>	<b>(4,140)</b>	<b>(1,721)</b>	<b>(2,746)</b>	<b>3,929</b>	<b>3,859</b>	<b>2,327</b>	<b>3,020</b>	<b>4,455</b>	<b>4,586</b>	<b>5,869</b>	<b>5,978</b>	

#### Statement of changes in net assets/equity

This statement is the Council's investment in publicly owned assets. Equity is the difference between the Council's assets and liabilities, in other words the difference between what it owns and what it owes.

##### Statement of changes in net assets/equity

	Annual Plan	Long-Term Plan										( $\$000$ 's)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Equity at the beginning of the year	1,093,484	910,761	909,041	906,294	910,223	914,082	916,409	919,430	923,885	928,471	934,341	
Surplus/(deficit) after taxation	(4,140)	(1,721)	(2,746)	3,929	3,859	2,327	3,020	4,455	4,586	5,869	5,978	
<b>Equity at the end of the year</b>	<b>1,089,344</b>	<b>909,041</b>	<b>906,294</b>	<b>910,223</b>	<b>914,082</b>	<b>916,409</b>	<b>919,430</b>	<b>923,885</b>	<b>928,471</b>	<b>934,341</b>	<b>940,319</b>	

## Statement of financial position

This statement has detailed information on the assets and liabilities controlled or owed by the Council.

	Annual Plan	Long-Term Plan										
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
												(\$000's)
<b>Current assets</b>												
Cash and cash equivalents	8,382	6,275	6,496	6,160	8,106	6,577	6,650	7,500	8,890	6,048	8,932	
Investments	4,000	10,000	5,000	5,000	5,000	10,000	15,000	20,000	20,000	25,000	30,000	
Recoverables from exchange transactions	8,163	13,317	13,466	14,376	14,702	15,087	15,470	15,891	16,341	16,816	17,309	
Receivables from non-exchange transactions	6,940	2,023	2,046	2,184	2,234	2,292	2,351	2,414	2,483	2,555	2,630	
Current portion of loans	525	700	1,011	1,331	1,782	2,193	2,378	2,446	2,400	2,342	2,124	
Inventories	1,010	765	780	796	812	828	845	862	879	896	914	
<b>Total current assets</b>	<b>29,020</b>	<b>33,080</b>	<b>28,799</b>	<b>29,847</b>	<b>32,636</b>	<b>36,978</b>	<b>42,693</b>	<b>49,113</b>	<b>50,993</b>	<b>53,657</b>	<b>61,908</b>	
<b>Non-current assets</b>												
Investment in CCOs and other similar entities	889	889	889	889	889	889	889	889	889	889	889	
Receivables and accruals	-	319	279	239	199	159	119	80	40	-	-	
Non-current portion of loans	641	1,860	4,395	6,610	8,374	9,727	9,698	9,014	7,789	6,622	5,433	
Property, plant and equipment	1,109,109	924,982	927,469	932,682	933,509	929,871	925,611	922,311	923,883	925,735	922,096	
Intangibles	7,842	8,043	8,155	8,300	8,393	8,457	8,511	8,573	8,681	8,792	8,852	
<b>Total non-current assets</b>	<b>1,118,481</b>	<b>936,093</b>	<b>941,188</b>	<b>948,720</b>	<b>951,365</b>	<b>949,103</b>	<b>944,828</b>	<b>940,866</b>	<b>941,282</b>	<b>942,038</b>	<b>937,270</b>	
<b>Total assets</b>	<b>1,147,501</b>	<b>969,174</b>	<b>969,987</b>	<b>978,567</b>	<b>984,001</b>	<b>986,081</b>	<b>987,521</b>	<b>989,979</b>	<b>992,275</b>	<b>995,695</b>	<b>999,178</b>	
<b>Current liabilities</b>												
Payables under exchange transactions	21,620	14,228	14,432	14,758	15,141	15,519	15,843	16,113	16,571	16,897	17,312	
Other payables	-	4,062	4,120	4,213	4,323	4,431	4,523	4,600	4,731	4,824	4,943	
Current portion of lease liabilities	-	153	156	159	162	166	169	172	176	179	183	
Employee benefits	3,210	3,265	3,321	3,377	3,434	3,493	3,552	3,613	3,674	3,736	3,800	
Current portion of loans	184	250	250	250	250	250	250	250	250	250	250	
<b>Total current liabilities</b>	<b>25,015</b>	<b>21,958</b>	<b>22,278</b>	<b>22,758</b>	<b>23,311</b>	<b>23,858</b>	<b>24,337</b>	<b>24,748</b>	<b>25,402</b>	<b>25,886</b>	<b>26,488</b>	
<b>Non-current liabilities</b>												
Non current portion of lease liabilities	-	306	312	318	325	331	338	345	351	359	366	
Loans	33,143	37,869	41,102	45,268	46,283	45,482	43,417	41,001	38,050	35,110	32,006	
<b>Total non-current liabilities</b>	<b>33,143</b>	<b>38,175</b>	<b>41,414</b>	<b>45,586</b>	<b>46,608</b>	<b>45,813</b>	<b>43,755</b>	<b>41,346</b>	<b>38,401</b>	<b>35,469</b>	<b>32,372</b>	
<b>Total liabilities</b>	<b>58,158</b>	<b>60,133</b>	<b>63,693</b>	<b>68,344</b>	<b>69,918</b>	<b>69,672</b>	<b>68,092</b>	<b>66,094</b>	<b>63,803</b>	<b>61,355</b>	<b>58,860</b>	
<b>Net assets</b>	<b>1,089,344</b>	<b>909,041</b>	<b>906,294</b>	<b>910,223</b>	<b>914,082</b>	<b>916,409</b>	<b>919,430</b>	<b>923,885</b>	<b>928,471</b>	<b>934,341</b>	<b>940,319</b>	
<b>Equity</b>	<b>1,089,344</b>	<b>909,041</b>	<b>906,294</b>	<b>910,223</b>	<b>914,082</b>	<b>916,409</b>	<b>919,430</b>	<b>923,885</b>	<b>928,471</b>	<b>934,341</b>	<b>940,319</b>	

## Statement of cash flows

This statement discloses the Council's expected cash receipts and payments and provides information on the Council's activities in generating cash for operating, investing and financing areas.

	Annual Plan	Long-Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
(\$'000's)											
<b>Cash flows from operating activities:</b>											
<b>Cash provided from:</b>											
Rates	95,250	99,615	104,870	110,449	115,302	119,091	121,833	124,748	127,860	131,180	134,720
Grants	35,392	34,013	31,095	33,797	32,358	31,377	31,800	32,359	32,922	33,501	33,984
Interest received	371	370	370	370	370	370	370	370	370	370	370
Other income	33,088	35,116	34,915	36,264	37,278	38,839	40,093	41,420	42,907	44,449	46,047
<b>Total cash provided from operating activities</b>	<b>164,101</b>	<b>169,114</b>	<b>171,250</b>	<b>180,880</b>	<b>185,308</b>	<b>189,676</b>	<b>194,097</b>	<b>198,897</b>	<b>204,059</b>	<b>209,500</b>	<b>215,120</b>
<b>Cash applied to:</b>											
Interest paid	(1,188)	(1,296)	(1,482)	(1,540)	(1,624)	(1,648)	(1,608)	(1,528)	(1,426)	(1,379)	(1,379)
Payments to employees and suppliers	(160,269)	(164,396)	(166,004)	(169,183)	(173,514)	(178,043)	(182,199)	(185,987)	(191,164)	(195,658)	(200,738)
<b>Total cash applied to operating activities</b>	<b>(161,457)</b>	<b>(165,692)</b>	<b>(167,486)</b>	<b>(170,724)</b>	<b>(175,138)</b>	<b>(179,692)</b>	<b>(183,808)</b>	<b>(187,515)</b>	<b>(192,591)</b>	<b>(197,037)</b>	<b>(202,117)</b>
<b>Net cash from operating activities</b>	<b>2,644</b>	<b>3,422</b>	<b>3,764</b>	<b>10,156</b>	<b>10,170</b>	<b>9,985</b>	<b>10,289</b>	<b>11,382</b>	<b>11,468</b>	<b>12,463</b>	<b>13,004</b>
<b>Cash flow from investing activities:</b>											
<b>Cash provided from:</b>											
Sale of fixed assets	300	4,128	1,143	1,158	1,174	1,190	1,206	1,223	1,240	1,257	1,274
Clean Heat rates repaid	632	498	700	1,011	1,331	1,782	2,193	2,378	2,446	2,400	2,342
<b>Total cash provided from investing activities</b>	<b>932</b>	<b>4,626</b>	<b>1,843</b>	<b>2,169</b>	<b>2,505</b>	<b>2,972</b>	<b>3,399</b>	<b>3,601</b>	<b>3,686</b>	<b>3,657</b>	<b>3,616</b>
<b>Cash applied to:</b>											
Purchase of fixed and intangible assets	(16,343)	(18,988)	(10,073)	(13,281)	(8,198)	(5,138)	(4,202)	(4,954)	(9,638)	(9,847)	(4,697)
Purchase of investments	10,000	10,000	5,000	-	-	(5,000)	(5,000)	(5,000)	-	(5,000)	(5,000)
Clean Heat rates advanced		(2,001)	(3,546)	(3,546)	(3,546)	(3,546)	(2,349)	(1,762)	(1,175)	(1,175)	(935)
<b>Total cash applied to investing activities</b>	<b>(6,343)</b>	<b>(10,989)</b>	<b>(8,619)</b>	<b>(16,827)</b>	<b>(11,744)</b>	<b>(13,684)</b>	<b>(11,551)</b>	<b>(11,716)</b>	<b>(10,813)</b>	<b>(16,022)</b>	<b>(10,632)</b>
<b>Net cash from investing activities</b>	<b>(5,411)</b>	<b>(6,362)</b>	<b>(6,776)</b>	<b>(14,658)</b>	<b>(9,239)</b>	<b>(10,713)</b>	<b>(8,152)</b>	<b>(8,115)</b>	<b>(7,128)</b>	<b>(12,365)</b>	<b>(7,016)</b>
<b>Cash flow from financing activities:</b>											
<b>Cash provided from:</b>											
Loans raised	4,154	8,469	4,812	6,375	4,464	3,099	2,246	1,812	1,345	1,310	1,088
<b>Total cash provided from financing activities</b>	<b>4,154</b>	<b>8,469</b>	<b>4,812</b>	<b>6,375</b>	<b>4,464</b>	<b>3,099</b>	<b>2,246</b>	<b>1,812</b>	<b>1,345</b>	<b>1,310</b>	<b>1,088</b>
<b>Cash applied to:</b>											
Repayment of principal on loans	(2,154)	(4,730)	(1,579)	(2,209)	(3,449)	(3,900)	(4,311)	(4,228)	(4,296)	(4,250)	(4,192)
<b>Total cash applied to financing activities</b>	<b>(2,154)</b>	<b>(4,730)</b>	<b>(1,579)</b>	<b>(2,209)</b>	<b>(3,449)</b>	<b>(3,900)</b>	<b>(4,311)</b>	<b>(4,228)</b>	<b>(4,296)</b>	<b>(4,250)</b>	<b>(4,192)</b>
<b>Net cash from financing activities</b>	<b>2,000</b>	<b>3,739</b>	<b>3,233</b>	<b>4,166</b>	<b>1,015</b>	<b>(801)</b>	<b>(2,065)</b>	<b>(2,416)</b>	<b>(2,951)</b>	<b>(2,940)</b>	<b>(3,104)</b>
Movement in cash											
<b>Net increase/(decrease) in cash held</b>	<b>(767)</b>	<b>799</b>	<b>220</b>	<b>(336)</b>	<b>1,946</b>	<b>(1,529)</b>	<b>72</b>	<b>850</b>	<b>1,390</b>	<b>(2,842)</b>	<b>2,884</b>
Add cash brought forward	9,149	5,477	6,275	6,496	6,160	8,106	6,577	6,650	7,500	8,890	6,048
<b>Cash carried forward</b>	<b>8,382</b>	<b>6,275</b>	<b>6,496</b>	<b>6,160</b>	<b>8,106</b>	<b>6,577</b>	<b>6,650</b>	<b>7,500</b>	<b>8,890</b>	<b>6,048</b>	<b>8,932</b>
Made up of:											
<b>Cash and bank</b>	<b>8,382</b>	<b>6,275</b>	<b>6,496</b>	<b>6,160</b>	<b>8,106</b>	<b>6,577</b>	<b>6,650</b>	<b>7,500</b>	<b>8,890</b>	<b>6,048</b>	<b>8,932</b>

## Reserves

The Council's capital is its equity (or ratepayers' funds) which includes retained earnings and reserves. The Local Government Act 2002 requires the Council to manage its finances prudently and in a manner that promotes the current and future interests of the community.

Ratepayers' funds are a derivative of managing revenues, expenses, assets, liabilities, investments and other general financial dealings. The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not require them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in the future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long-Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Council's Revenue and Financing Policy.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by the Council.

Environment Canterbury has the following reserve funds.

Reserves	Opening balance 1 July 2018	Increases	Decreases	Closing balance 30 June 2028
<b>Targeted rate reserves</b>				
Flood protection reserve - Flood protection & control works programme: Reserves to fund planned and unplanned maintenance and repair of flood protection schemes.	(9,458)	19,501	(3,240)	6,802
Emergency management response reserve - Emergency management programme: Reserves for the provision of civil defence emergency management operation within the Canterbury region.	(369)	1,230	-	861
Clean Heat programme delivery reserve - Air quality programme: Reserves that are restricted to energy efficiency programmes in the Canterbury region.	1,374	404	(1,283)	495
Passenger transport continuous service reserve - Public passenger transport programmes: Reserves to ensure funding is available to provide an uninterrupted passenger transport service.	2,797	13,915	(15,424)	1,288
Pest management reserve - Biosecurity programmes: Reserves to enable quick response to meet obligations under the Regional Pest Management Strategy.	900	1,039	(1,239)	700
Regional park funding reserve - Regional Parks programme: Reserves for the provision of regional park activities within the Canterbury region.	(334)	1,002	-	668
<b>Capital and asset reserves</b>				
Asset replacement reserve - All programmes: To provide sufficient funding to maintain level capability of existing assets.	1,677	8,116	(8,792)	1,000
Revaluation reserve	743,567	-	-	743,567
Capital reserve - All programmes: Represents the Council's investment in fixed and infrastructural assets.	164,698	27,802	(14,599)	177,901
<b>Other reserves</b>				
Property development reserve - Environment Canterbury land (non-catchment) programme: Proceeds from sale of land. Legislation restricts how this can be applied.	2,148	-	(7,423)	(5,275)
General reserve - All programmes: The income appropriation account for general funds.	3,762	17,208	(8,658)	12,312
<b>Total equity</b>	<b>910,761</b>	<b>90,217</b>	<b>(60,659)</b>	<b>940,319</b>

## Accounting Policies

### Reporting entity

Environment Canterbury is a regional local authority governed by the Local Government Act 2002; it is domiciled and operates in New Zealand.

Environment Canterbury has designated itself as a Public Benefit Entity for financial reporting purposes. The primary objective of a Public Benefit Entity is to provide goods and services for regional or social benefit, rather than for making a financial return.

Environment Canterbury's principal activity is the provision of local authority services, including: air quality, biodiversity and biosecurity, Canterbury Water Management Strategy, coastal environment, consents and compliance, emergency management, flood protection and control, land, natural hazards, navigation safety, public passenger and regional transport, regional leadership, and waste, hazardous substances and contaminated sites.

We work with people all over Canterbury to manage the region's water, land and air, and to deliver public transport.

### Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

### Statement of Compliance

The financial statements of Environment Canterbury have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and with NZGAAP as it relates to prospective financial information and PBE FRS 42 – Prospective Financial Statements.

The financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and have been prepared in accordance with Tier 1 Public Benefit Entity accounting standards.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

### Measurement base

The financial statements are prepared using a measurement base of historical cost modified by the revaluation of certain assets as set out in the specific accounting policies below.

### Specific accounting policies

The following accounting policies, which materially affect the measurement of results and financial position, have been applied consistently to all years presented from 1 July 2018 unless otherwise stated. There have been no changes to accounting policies.

### Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. The recognition criteria for specific revenue items is described below:



- Rates revenue is recognised when levied. General rates and targeted rates are non-exchange transactions.
- Grants are recognised when any conditions are complied with. Grants are non-exchange transactions.
- New Zealand Transport Agency passenger services subsidies are recognised upon entitlement. These subsidies and grants are non-exchange transactions.
- Interest revenue is measured at amortised cost and recognised using the effective interest method. Interest is an exchange transaction.

## **Taxation**

Environment Canterbury is a public authority and consequently is exempt from the payment of income tax, except for income derived from Council Controlled Organisations.

## **Goods and Services Tax**

The financial statements have been prepared exclusive of GST with the exception of receivables and payables, which are stated with GST included. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net amount of GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cashflow in the statement of cashflows. Commitments and contingencies are disclosed exclusive of GST.

## **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Environment Canterbury's financial assets include: cash, receivables, accruals, and investments.

Environment Canterbury's financial liabilities include: payables and borrowings.

## **Cash**

Cash includes cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## **Receivables**

Receivables may include both current and long-term amounts due and are stated at cost less any provision for impairment.

Clean Heat loans ceased to be issued after 2012 and were issued with a nil interest rate. After initial recognition, the Clean Heat loans are measured at amortised cost using the effective interest rate method. Gains or losses on impairment of the asset are recognised in the statement of comprehensive revenue and expense.

A provision for impairment is established when there is evidence that Environment Canterbury will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the amounts expected to be collected.

## **Investments**

Investments include cash and fixed income investments in bank and are initially measured at the amount invested. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

## **Inventories**

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and net realisable value.

## **Property, plant and equipment**

Property, plant and equipment consist of operational assets, infrastructural assets, and restricted assets.

(a) Operational assets - These include land, buildings, computer equipment, plant and equipment, motor vehicles and furniture and fittings.

(b) Infrastructural assets - Infrastructural assets consist of flood protection and control works (i.e. river control works and land drainage schemes), forests (which are planted with the primary objective of river and erosion control) and wells.

(c) Restricted assets - Restricted assets are reserves owned by Environment Canterbury that provide a benefit or service to the community, which cannot be disposed of because of legal or other restrictions. Environment Canterbury receives lease rental revenue from its reserve land under leases granted to third parties. Environment Canterbury classifies all of its reserve land as property, plant and equipment.

Land (operational and restricted) is measured at fair value, and buildings and infrastructural assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

## **Additions and other subsequent costs**

The initial or subsequent cost of an item of property, plant and equipment is recognised as an asset only if it is probable that future economic benefits or service potential associated with the item will flow to Environment Canterbury and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired in a non-exchange transaction for nil or for a nominal consideration, the asset is initially recognised at fair value.

Work in progress is recognised at cost less impairment and is not depreciated.

## **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves, in respect of those assets, are transferred to retained earnings.

## Revaluation

Asset classes that are revalued, are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. The valuation cycle for revalued asset classes is normally three years.

Environment Canterbury accounts for revaluations of property, plant and equipment on a class-of-asset basis. The results of revaluing are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense, but the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then other comprehensive revenue and expense.

Land and buildings of the same class are revalued every three years in line with Council policy. Valuations were undertaken at 31 May 2016 by Quotable Value New Zealand (a NZ registered valuation provider).

River control works and land drainage schemes were valued at 31 May 2017 at replacement cost, based on methods developed by the Council's engineers. Flood protection assets with a defined life are valued at depreciated replacement cost, all others are valued at replacement cost. The method was independently reviewed by AECOM New Zealand Ltd who determined the method to be appropriate.

Restricted assets have been valued at fair value. Valuations were carried out by registered valuers Quotable Value New Zealand Ltd as at 31 May 2016.

Environment Canterbury forestry assets are primarily for the flood protection benefits that it provides. Forestry forms an important part of the protection schemes for several of the region's rivers. The primary purpose for the forestry asset is for the management of land of river banks and adjacent land owned by the Council. Forestry assets are revalued on a three yearly cycle and were revalued as at 30 June 2017 by Council staff and independently reviewed by registered forestry consultant Owen Springford.

Environment Canterbury does not include revaluation estimates in forecast financial statements as there is no reliable source of information on forecast property values.

## Depreciation

Depreciation is provided on a straight-line basis at rates which will write-off the cost or valuation of the assets to their estimated residual values over their useful lives.

Land and forests are not depreciated. Depreciation is also not provided for components of river control works and land drainage schemes (excludes culverts, floodgates, tracks and fences). An asset management plan has been prepared for these schemes and, in the absence of significant flood events, they are not considered to deteriorate. Environment Canterbury expenses as maintenance all repairs, and capitalises additions, which increase the service potential of the assets.

The useful lives, residual value and associated depreciation rates of Environment Canterbury's assets have been estimated as follows:

### ENVIRONMENT CANTERBURY'S ASSETS' ESTIMATED USEFUL LIFE

Asset Category	Estimated useful life (years)	Residual value (%)	% of cost depreciated annually
----------------	-------------------------------	--------------------	--------------------------------

<b>Fixed assets:</b>			
Buildings: structure	5-100	1	1-20
Buildings: fit-out	5-20	1	5-20
Motor vehicles	3-10	22-40	6-20
Furniture & fittings	10	1	10
Computer equipment	4-7	1	14-25
Plant & equipment	4-10	1-30	8-20
<b>Infrastructural assets:</b>			
Culverts & floodgates	25-80	-	1.25-4
Tracks & fences	50-75	-	1.33-2
Wells	33	-	3

## Intangible assets

Environment Canterbury's intangible assets are primarily the costs associated with acquiring software. Acquired software licenses are capitalised on the basis of the costs incurred to bring into use the specific software.

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated in the table below:

### ENVIRONMENT CANTERBURY'S INTANGIBLE ASSETS

Asset Category	Estimated useful life (years)	Residual value (%)	% of cost depreciated annually
Computer software	3-8	33	8-22

## Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Emission Trading Scheme units have an indefinite life as they are not being amortised.

The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use. Value in use is determined using depreciated replacement cost.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

## **Leases**

### **Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards of ownership. Assets acquired by way of finance lease are stated initially at an amount equal to the present value of the minimum lease payments, and are depreciated over the period that Environment Canterbury is expected to benefit from their use.

### **Operating lease**

An operating lease is a lease that does not transfer to the lessee substantially all the risks and rewards of ownership. Payments are representative of the pattern of benefits derived from the leased assets and, accordingly, are charged to the surplus or deficit in the periods of expected benefit.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **Accounts payable**

Short-term payables are recorded at their face value.

### **Employee entitlements**

Annual, sick, long service and retirement leave and time-in-lieu entitlements estimated to be payable to employees are accounted for on the basis of statutory and contractual requirements as employees become entitled to them.

Liability for sick leave is measured as the amount of unused entitlement accumulated at balance date that the Council anticipates employees will use in future periods in excess of the days to which they are entitled.

### **Provisions**

Environment Canterbury recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, and it is probable that expenditure will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

### **Borrowings**

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### **Equity**

Equity is the community's interest in Environment Canterbury and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into: retained earnings, restricted reserves and asset revaluation reserves.

Reserves may be legally restricted or created by Environment Canterbury. Legally restricted reserves are those subject to specific conditions accepted as binding by Environment Canterbury and which may not be revised by Environment Canterbury without reference to the Court or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Created restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## **Budget figures**

The budget figures in the financial statements are those approved by Environment Canterbury as part of the annual and long-term planning process. Council has approved no additional expenditure outside the planning process.

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

## **Critical accounting estimates and assumptions**

The financial statements are prepared using estimates and assumptions concerning the future and may differ from the subsequent actual results.

Estimates and assumptions are continually reviewed and are believed to be reasonable under the circumstances.

There are no estimates or assumptions that are likely to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## **Critical judgements in applying accounting policies**

Management has exercised the following critical judgements in applying accounting policies:

### **Grants received**

Environment Canterbury must exercise judgement when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant contract.

## **Standards issued and not yet effective, and not early adopted**

Standards and amendments, issued but not yet effective that have not been early adopted, and which may be relevant to the Council are:

- *Interests in other entities* (PBE IPSAS 34-38), which becomes effective for annual periods beginning on or after 1 January 2019.
- *Financial Instruments* (PBE IFRS 9), which becomes effective for annual periods beginning on or after 1 January 2021.

The Council has not yet assessed the effects of these new standards.

## Prudence Disclosures

### Long-Term Plan disclosure statement for the period commencing 1 July 2018

#### What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the Regulations for more information, including definitions of some of the terms used in this statement.

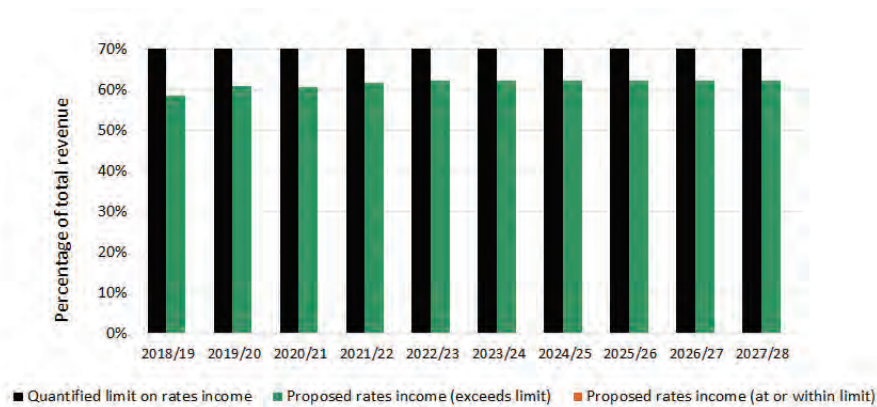
#### Rates affordability benchmark

The council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates an
- its planned rates increases equal or are less than each quantified limit on rates increases.

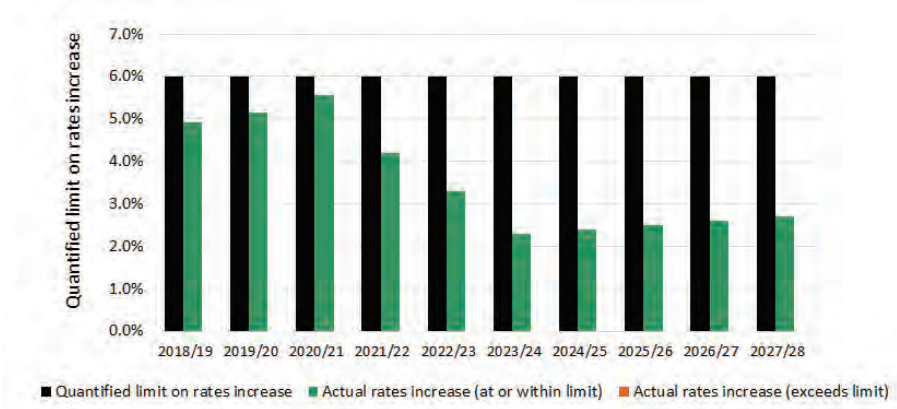
#### Rates (income) affordability

The following graph compares the Council's planned rates income with a quantified limit on rates contained in the Financial Strategy included in this Long-Term Plan. The quantified limit on total rates will not exceed 70 % of total revenue in any given year.



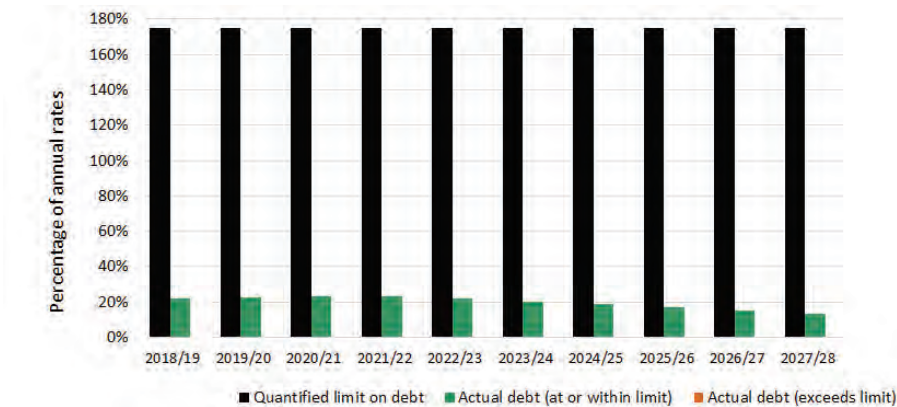
## Rates (increases) affordability

The following graph compares the Council's planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this Long-Term Plan. The quantified limit is 6 %



## Debt affordability benchmark

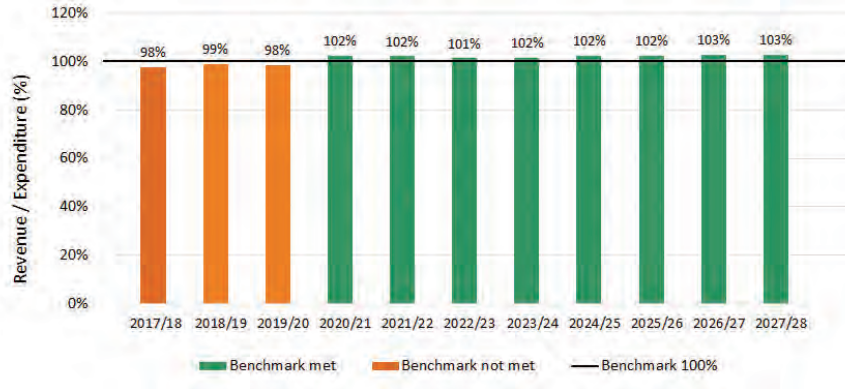
The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the Council's planned debt and quantified limit on borrowing contained in the Financial Strategy included in this Long-Term Plan. The quantified limit is 175 % of total rates revenue.





## Balanced budget benchmark

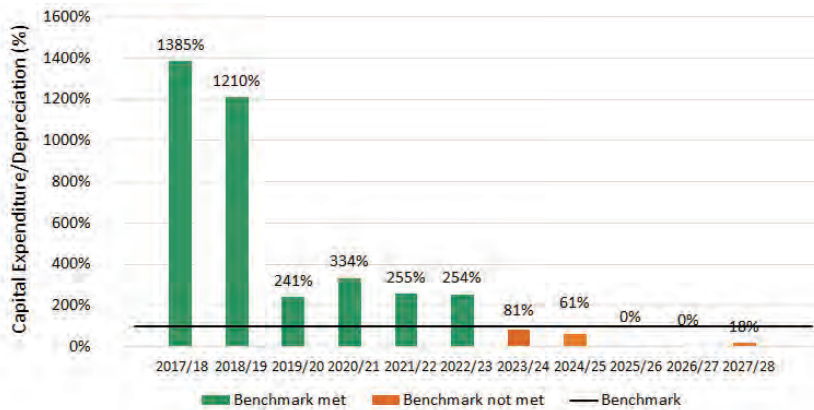
The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.



The Council has planned for a small use of financial reserves in 2018/19 and 2019/20. This use of reserves reduces the amount required from other revenue sources while still enabling the Council to undertake its planned work programme.

## Essential services benchmark

The following graph displays the Council's planned capital expenditure on network services, i.e flood protection, as a proportion of depreciation on network services. The Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



## Additional information or comment

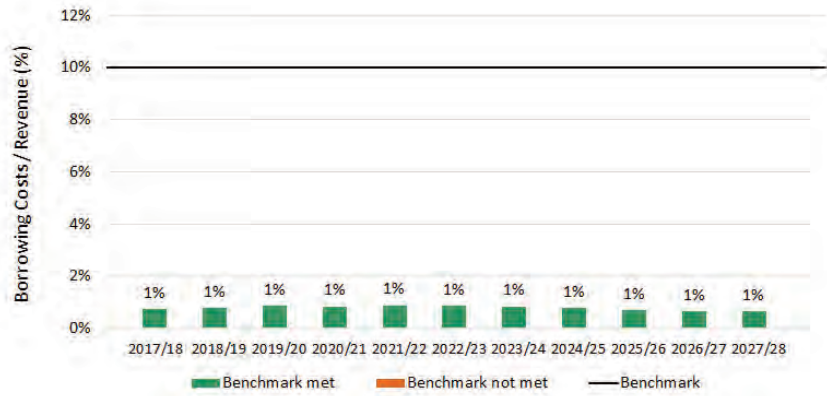
The Council does not depreciate flood protection stopbanks because these are maintained to an agreed level of service. Items such as floodgates are depreciated but the value of that is small in comparison with the overall flood protection capital spend. In addition, a major construction and capitalisation of a new stopbank is underway.

Not meeting the benchmark usually implies that infrastructure is running down. This is not the case here because the vast majority of the capital expenditure spend is on creating new stopbanks, which are maintained thereafter. Therefore, upon completion, they will be in a state where low or no levels of further capital expenditure are appropriate.

## Debt servicing benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment).

Because Stats NZ projects the Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10 % of its revenue.



## Rating Funding Impact Statement

This statement has been prepared in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.

It provides guidelines for the types of rates to be set, collection of rates, payment options, discount for yearly payment and the use of estimated projected values.

The sources of funding apply to each year of the 2018-28 Long-Term plan.

### Background

Rates provide the budgeted net funding requirement of the Council's programmes published in the Long-Term Plan or Annual Plan after income from other sources such as user pays, grants, interest and reserve usage has been allowed for. Rates are levied on each rating unit under the statutory provisions of the Local Government (Rating) Act 2002.

Objectives related to rates are to:

- provide the income needed to meet the Council's net funding requirements
- collect rates from properties that are the direct beneficiaries of services where these can be identified
- spread the incidence of rates as fairly as possible
- be consistent in charging rates.

The projected number of rating units in the region is:

Local Authority	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Kaikōura	3,215	3,221	3,231	3,241	3,251	3,261	3,271	3,281	3,291	3,301	3,311
Hurunui	8,427	8,439	8,510	8,583	8,655	8,727	8,798	8,871	8,944	9,017	9,090
Waimakariri	26,109	26,269	25,974	26,374	26,774	27,174	27,574	27,974	28,374	28,774	29,174
Christchurch	170,998	171,712	172,960	174,207	175,454	177,117	178,779	180,442	182,105	183,768	185,431
Selwyn	26,034	26,402	26,852	27,302	27,752	28,202	28,652	29,102	29,552	30,002	30,452
Ashburton	15,726	15,804	15,911	16,369	16,476	16,583	16,690	16,797	16,904	17,011	17,118
Timaru	22,661	22,661	22,661	22,661	22,661	22,661	22,661	22,661	22,661	22,661	22,661
Mackenzie	4,769	4,792	4,828	4,864	4,900	4,936	4,972	5,008	5,044	5,080	5,116
Waimate	4,465	4,465	4,465	4,465	4,465	4,465	4,465	4,465	4,465	4,465	4,465
Waitaki	2,028	2,035	2,042	2,049	2,056	2,064	2,071	2,078	2,085	2,093	2,100
<b>Total Rating Units</b>	<b>284,432</b>	<b>285,800</b>	<b>287,434</b>	<b>290,115</b>	<b>292,444</b>	<b>295,190</b>	<b>297,933</b>	<b>300,679</b>	<b>303,425</b>	<b>306,172</b>	<b>308,918</b>

### Rate descriptions

#### General rates

General rates are applied to all rateable land under sections 13 and 131 of the Local Government (Rating) Act 2002. The Council has used projected values to arrive at capital values for each territorial authority area. (See projected capital values on page 154 for more details.)

General rates are collected by a rate in the dollar on the rateable capital value of each rating unit and by a uniform annual general charge as a fixed amount per rating unit.

For details of the activities or group of activities funded by general rates, refer to the Revenue and Financing Policy.

For details of the estimated level of general rates per \$100,000 capital value and per rating unit, refer to the detailed rates information that forms part of this document.

## Targeted rates

Section 16 of the Local Government (Rating) Act authorises the Council to set targeted rates and fixed targeted rates to fund functions that are identified in its Long-Term Plan or Annual Plan as functions for which targeted rates may be set.

The Council has targeted rates as follows:

- Catchment Works
- Public Passenger Transport
- Pest Control
- Air Quality (including ratepayer loan schemes)
- Civil Defence Emergency Management
- Canterbury Water Management Strategy
- Regional Parks.

No lump sum contribution will be sought for any targeted rate.

Targeted rates are differentially based primarily on location of the rating units within the respective territorial authorities' areas using capital values. The Council has used projected values to arrive at capital values for each Territorial Local Authority area. (See projected capital values on page 148 for more details.)

For details of the activities or group of activities funded by each of these targeted rates refer to the Funding and Financial Policies in Part B of this Long-Term Plan. For details of the estimated level of each of these targeted rates, refer to the detailed rates information that forms part of this document.

## Rates collection by territorial authorities

All rates shall be due and payable on such dates as are fixed by the territorial authorities within the Canterbury region collecting the rates on Environment Canterbury's behalf.

## Instalments

**Rates instalment dates are to be determined by the territorial authorities collecting the rates on behalf of Environment Canterbury.**

Territorial Authority	Instalment	Instalment	Instalment	Instalment
Due Dates	No.1	No.2	No.3	No.4
Kaikōura	20-September-2018	20-December-2018	20-March-2019	20-June-2019
Hurunui	20-August-2018	20-November-2018	20-February-2019	20-May-2019
Waimakariri	20-August-2018	20-November-2018	20-February-2019	20-May-2019
Christchurch - Area 1	15-August-2018	15-November-2018	15-February-2019	15-May-2019

Territorial Authority	Instalment	Instalment	Instalment	Instalment
Due Dates	No.1	No.2	No.3	No.4
Christchurch - Area 2	15-September-2018	15-December-2018	15-March-2019	15-June-2019
Christchurch - Area 3	31-August-2018	30-November-2018	28-February-2019	31-May-2019
Selwyn	18-August-2018	17-November-2018	16-February-2019	19-May-2019
Ashburton	20-August-2018	20-November-2018	20-February-2019	20-May-2019
Timaru	20-September-2018	20-December-2018	20-March-2019	20-June-2019
Waimate	24-August-2018	23-November-2018	22-February-2019	24-May-2019
MacKenzie	20-September-2018	20-December-2018	20-March-2019	20-June-2019
Waitaki	31-January-2019			

## Penalties

An additional charge of ten per cent shall be added to the balance of the rates instalments levied in the current financial year that remain unpaid after the date fixed by the territorial authorities collecting rates on behalf of Environment Canterbury.

Territorial Authority	Instalment	Instalment	Instalment	Instalment
Penalty Dates	No.1	No.2	No.3	No.4
Kaikōura	21-September-2018	21-December-2018	21-March-2019	21-June-2019
Hurunui	21-August-2018	21-November-2018	21-February-2019	21-May-2019
Waimakariri	27-August-2018	27-November-2018	27-February-2019	27-May-2019
Christchurch - Area 1	20-August-2018	21-November-2018	20-February-2019	20-May-2019
Christchurch - Area 2	20-September-2018	20-December-2018	20-March-2019	20-June-2019
Christchurch - Area 3	5-September-2018	5-December-2018	5-March-2019	6-June-2019
Selwyn	1-September-2018	1-December-2018	2-March-2019	1-June-2019
Ashburton	21-August-2018	21-November-2018	21-February-2019	21-May-2019
Timaru	21-September-2018	21-December-2018	21-March-2019	21-June-2019
Waimate	27-August-2018	26-November-2018	25-February-2019	27-May-2019
MacKenzie	22-September-2018	22-December-2018	22-March-2019	22-June-2019
Waitaki	1-February-2019			

A further additional charge of ten per cent shall be added to the balance of rates levied in any previous financial year, including any additional charges previously imposed that remain unpaid, and an additional charge of ten per cent shall continue thereafter to all arrears and additional charges that remain unpaid (with the exception of current instalments) at six-monthly intervals, by the date fixed for that purpose by the authority collecting rates on behalf of Environment Canterbury for that district.

Additional Penalty Dates		Further Additional Penalties
Kaikōura	prior years o/s 20/07 following	then 20/01 following
Hurunui	prior years o/s 1/7 following	then 1/01 following
Waimakariri	prior years o/s 1/7 following	then 1/01 following
Christchurch - Area 1	prior years o/s 1/10 following	then 1/04 following
Christchurch - Area 2	prior years o/s 1/10 following	then 1/04 following
Christchurch - Area 3	prior years o/s 1/10 following	then 1/04 following
Selwyn	prior years o/s 1/7 following	
Ashburton	prior years o/s 31/8 following	continuing annually
Timaru	prior years o/s 21/09 following	then 21/03 following
Waimate	prior years o/s 1/1 following	continuing at 6 mth intervals
MacKenzie	prior years o/s 1/7 following	then 1/01 following
Waitaki	prior years o/s 1/7 following	then 1/01 following

## Rates issued directly by Environment Canterbury

The following Schemes shall have Targeted Rates applied by Environment Canterbury:

Group No.1	Buttericks Rd	Green Street Creek	Penticotico River
	Chertsey Rd	Lower Makikihi River	Seadown Rd Drain
	Esk Valley	Mount Harding Creek	
	Twizel River	Omarama Stream	
Group No.2	Rakaia Double Hill		

All Targeted Rates issued directly by Environment Canterbury shall be due and payable on the following dates:

Group No.1	Group No.2
20-November-2018	20-February-2019

All Targeted Rates issued directly by Environment Canterbury and outstanding on the following dates shall have a 10% Penalty applied to any unpaid portion, including prior years:

Group No.1	Group No.2
21-November-2018	21-February-2019

An additional charge of 10% will be added to all arrears from the previous years remaining unpaid on 1 July, with a further charge of 10% on the rate arrears that are unpaid six months after the first penalty was added on 1 January following.

## Venues and methods of payment

Rates are to be paid at the venues determined by the territorial authorities collecting the rates on behalf of Environment Canterbury. Rates are to be paid by the methods determined by the territorial authorities collecting the rates on behalf of Environment Canterbury.

## Discount for early payment

Discount for early payment of rates will be granted in accordance with the policy of the territorial authority collecting the rates on behalf of Environment Canterbury.

## Estimation of projected valuations (equalisation)

Equalisation of the rating valuation base is a technique used when the revaluation of rating units does not occur at the same time across the rating base. Its effect is to smooth the impact of increases in the valuation base during the valuation cycle. Without equalisation, each district's share of the rating base will increase in the year they revalue then decrease in the following two years.

With equalisation, each district's share of the rating base will be adjusted to take account of movements in property prices by adjusting the total value by a factor determined by a suitably qualified valuer. In general, and assuming no growth, e.g. subdivision, in the underlying rating base, this will mean the percentage of the total rating base will remain the same for each district unless there has been an increase in the predominant property type for the district, e.g. increased rural land values compared with urban properties due to market conditions for primary produce.

Without equalisation over a three-year period, the rates across the region will average out, but the amount of the increase in the districts that have revalued may be larger, in the year of its revaluation, than in a district that has not revalued. In the Canterbury region, there are ten territorial authorities with valuations occurring in three-yearly cycles as follows.

## Rating valuation date by territorial authority

Rating valuation date by territorial authority	Revalued in:	Applied to rates from:
Waimate	July 2016	2017/18
Waimakariri	August 2016	2017/18
Christchurch	August 2016	2017/18
Hurunui	September 2016	2017/18
MacKenzie	July 2017	2018/19
Timaru	September 2017	2018/19
Waitaki	September 2017	2018/19
Ashburton	July 2015	2016/17
Selwyn	July 2015	2016/17
Kaikōura	September 2015	2016/17

## Types of rates

This section provides details, for each rate mechanism, of the following:

- the group of activities to be funded by the rate
- the categories of rateable land used for setting a targeted rate (as per Schedule 2 Local Government (Rating) Act 2002)
- how the liability for the targeted rate is to be calculated (as per Schedule 3 Local Government (Rating) Act 2002).

General rate	Groups of activities funded	Valuation system / How charge is calculated
General Rates	All groups of activities	Capital value
Uniform Annual General Charge	Democratic & Ratepayer Servicing works in Regional Leadership & Air Quality	A fixed amount per rating unit

Rate mechanism	Groups of activities funded	Categories of rating units for setting targeted rate	How liability for targeted rate is to be calculated
Targeted Passenger Transport Rate	Public Passenger Transport	Location of rateable rating units within a Territorial Local Authority's areas	The capital value of the rating units
Uniform Targeted Passenger Transport Rate			A fixed amount per rating unit
Targeted Air Quality Rate and Air Quality Heating Assistance Rate	Air Quality	Location of rating units within a Territorial Local Authority's areas	The capital value of the rating units



Rate mechanism	Groups of activities funded	Categories of rating units for setting targeted rate	How liability for targeted rate is to be calculated
Canterbury Water Management Strategy Environmental Infrastructure Rate	Freshwater Management	Location of rating units within a Territorial Local Authority's areas	The capital value of the rating units
Targeted Freshwater Management Rate	Freshwater Management	Location of rating units within a Territorial Local Authority's areas	The capital value of the rating units
Targeted Differential Clean Heat Loan Rate (note 1)	Air Quality	The provision or availability to the rating unit of a service provided by, or on behalf of, the Local Authority	The extent of provision of any service to the rating units
Targeted Differential Healthy Homes Canterbury Loan Rate (note 2)	Air Quality	The provision or availability to the rating unit of a service provided by, or on behalf of, the Local Authority	The extent of provision of any service to the rating units
Targeted Civil Defence Emergency Management Rate	Emergency Management	Location of rating units within a Territorial Local Authority's area excluding Waitaki District	The capital value of the rating units
Targeted Regional Park Rates	Land	All rating units situated in the defined areas	The capital value of the rating units
Uniform Targeted Regional Park Rates			A fixed amount per rating unit
Targeted Possum Pest Control Rate	Biodiversity and Biosecurity	All rating units situated in the defined areas	The land area of the rating units
			The land value of the rating units
Targeted Pest Management Rate (note 3)	Biodiversity and Biosecurity	All rating units situated in the defined areas	The land area of the rating units
			The land value of the rating units
Targeted Differential Rabbit Pest Control Rate	Biodiversity and Biosecurity	All rating units situated in the defined areas and rating units over four hectares	The land area of the rating units
Targeted Catchment Works and Services Rate	Natural Hazards	All rating units situated in the defined areas	The capital value of the rating units
Uniform Targeted Catchment Works Rate	Natural Hazards	All rating units situated in the defined areas	A fixed amount per rating unit
Targeted Differential Catchment Works Rate	Natural Hazards	All rating units situated in the defined areas	The capital value of the rating units
			The land value of the rating units
			The land area of the rating units
			The extent of provision of any service to the rating units

**Note 1.** Clean Heat Loans and Energy Efficiency: The Council will allow multiple charges on a rating unit, provided there are multiple flats, apartments or residential houses existing under a single title and each part can be separately let and permanently occupied, but have a common ownership (referred to as an installation within a residential dwelling). The basis for a unit of occupancy is one that can be separately let and permanently occupied. All business and commercial operations operating as a rating unit or part thereof shall not qualify for this scheme. No rate remission will be granted under this policy.

Targeted rates are set differentially using sections 16, 17 and 18 of the Local Government (Rating) Act 2002, and by using the matters and factors of Schedules 2 and 3 to determine the rates.

**Note 2.** This rate is a targeted rate set on properties that have benefited from the installation of insulation provided by Ecan in respect of the property. The rate is calculated as a percentage of the service amount until the service amount and the costs of the servicing the service amount are recovered.

**Note 3.** This rate is a targeted rate levied on rating units which are identified as rural properties by the Territorial Authorities.

Our objectives in using funding mechanisms are set out in the Revenue and Financing Policy.

## Rating table for 2018/19

The following are examples of rates on different categories of rateable land with a range of property values.

District	Last valuation	Capital value of Property 2018/19	Capital value of Property 2017/18	2018/19 rate		2017/18 rate		Movement in \$ terms		
				General	Targeted	General	Targeted	General	Targeted	Total
<b>Kaikōura</b>	September-2015									
Rural		\$2,090,000	\$2,090,000	786.06	236.97	394.61	770.04	391.45	-533.08	-141.62
Urban		\$315,000	\$315,000	139.04	59.88	79.71	113.19	59.33	-53.31	6.02
<b>Hurunui</b>	September-2016									
Rural		\$1,860,000	\$1,860,000	697.00	153.76	343.73	551.45	353.27	-397.69	-44.42
Urban		\$340,000	\$340,000	147.20	7.45	82.31	63.11	64.90	-55.66	9.24
<b>Waimakariri</b>	August-2016									
Rural		\$5,100,000	\$5,100,000	1,797.01	401.41	892.48	1,214.51	904.52	-813.10	91.42
Rural		\$3,715,000	\$3,715,000	1,315.57	326.44	656.59	1,050.52	658.99	-724.08	-65.09
Urban Rangiora		\$395,000	\$395,000	161.53	134.94	91.11	174.93	70.42	-40.00	30.42
Urban Kaiapoi		\$420,000	\$420,000	170.22	100.31	95.37	146.49	74.85	-46.18	28.67
<b>Christchurch</b>	August-2016									
Rural Wairewa		\$1,270,000	\$1,270,000	469.31	956.53	244.02	1,017.50	225.29	-60.97	164.32
Rural Kaituna		\$335,000	\$335,000	141.63	319.98	81.91	399.23	59.71	-79.26	-19.54
Urban City		\$570,000	\$570,000	223.99	175.13	122.66	278.18	101.33	-103.05	-1.72
Urban Kainga		\$440,000	\$440,000	178.43	66.09	100.12	145.27	78.31	-79.18	-0.87
Urban Lyttelton		\$450,000	\$450,000	181.93	120.83	101.85	196.38	80.08	-75.55	4.53
Urban Akaroa		\$485,000	\$485,000	194.20	8.66	107.92	90.37	86.28	-81.71	4.57
<b>Ashburton</b>	July-2015									
Rural		\$4,080,000	\$4,080,000	1,524.01	1,943.56	753.06	2,622.68	770.95	-679.11	91.84
Urban		\$270,000	\$270,000	123.47	42.37	72.09	92.01	51.38	-49.63	1.75
<b>Selwyn</b>	July-2015									
Rural Springston		\$6,500,000	\$6,500,000	2,358.96	828.16	1,156.04	1,838.62	1,202.92	-1,010.45	192.47
Rural Dunsandel		\$12,200,000	\$12,200,000	4,406.35	826.22	2,148.90	2,728.35	2,257.45	-1,902.13	355.32
Urban Lincoln		\$475,000	\$475,000	194.84	138.85	106.57	164.50	88.27	-25.65	62.62
Urban Leeston		\$340,000	\$340,000	146.35	21.00	83.06	77.90	63.29	-56.91	6.39
<b>Timaru</b>	September-2017									

District	Last valuation	Capital value of Property 2018/19	Capital value of Property 2017/18	2018/19 rate		2017/18 rate		Movement in \$ terms		
				General	Targeted	General	Targeted	General	Targeted	Total
Rural		\$2,310,000	\$2,310,000	809.80	158.99	446.54	540.73	363.26	-381.74	-18.48
Urban City		\$320,000	\$260,000	133.05	58.00	71.41	111.87	61.64	-53.87	7.77
Urban Temuka		\$285,000	\$225,000	121.14	69.46	65.00	103.29	56.14	-33.83	22.31
Urban Geraldine		\$310,000	\$275,000	129.65	59.75	74.15	103.91	55.49	-44.16	11.33
Urban Pleasant Point		\$355,000	\$310,000	144.95	156.93	80.56	162.93	64.39	-6.01	58.38
<b>Mackenzie</b>	July-2017									
Rural		\$5,050,000	\$4,620,000	1,749.00	852.27	916.81	1,526.76	832.19	-674.49	157.70
Rural		\$3,530,000	\$3,230,000	1,229.86	369.60	648.14	793.40	581.71	-423.79	157.92
Urban Fairlie		\$280,000	\$230,000	119.85	76.86	68.29	99.10	51.57	-22.24	29.33
Urban Tekapo		\$750,000	\$530,000	280.38	28.20	126.27	121.11	154.10	-92.90	61.20
Urban Twizel		\$345,000	\$215,000	142.05	15.54	65.39	51.64	76.67	-36.10	40.57
<b>Waimate</b>	July-2016									
Rural		\$5,715,000	\$5,715,000	2,006.78	451.97	999.04	1,251.45	1,007.74	-799.48	208.26
Rural		\$6,250,000	\$6,250,000	2,192.37	491.23	1,090.33	1,354.73	1,102.04	-863.50	238.54
Urban		\$250,000	\$250,000	110.95	28.97	66.49	72.85	44.46	-43.88	0.58
<b>Waitaki</b>	September-2017									
Rural		\$2,620,000	\$1,860,000	919.77	346.22	358.96	461.28	560.81	-115.06	445.75
Rural		\$8,800,000	\$9,495,000	3,032.18	2,027.81	1,734.62	2,278.70	1,297.56	-250.88	1,046.68
Urban Kurow		\$280,000	\$235,000	119.93	105.01	66.17	116.12	53.76	-11.11	42.64
Urban Otematata		\$230,000	\$175,000	102.84	4.23	55.36	34.12	47.48	-29.89	17.59

## Detailed rates information

This part provides the following details for each type of rate:

- the category of land subjected to the rate
- if the rate is set on a differential basis, the relativity between each differential category.

Note:

- detailed GIS data which defines each rating area can be accessed at <https://mapviewer.canterburypas.govt.nz>
- these figures are inclusive of GST at 15 %
- unless otherwise stated, the categories of rateable land pertain to properties within the city or district council area
- the figure disclosing revenue sought for each type of rate excludes contributions from other parties
- actual revenue from Healthier Homes Canterbury Loan may differ to that disclosed, with house sales increasing repayments
- rates have been calculated using valuation information available at the time this report was prepared, adjusted for the best available estimate of growth for each district.

CATEGORIES OF RATEABLE LAND	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
<b>General Rate</b>			
Kaikōura	\$36.45	per \$100,000 Capital Value	543,188
Hurunui	\$36.17	per \$100,000 Capital Value	2,463,851
Waimakariri	\$34.76	per \$100,000 Capital Value	5,464,464
Christchurch	\$35.05	per \$100,000 Capital Value	34,177,567
Selwyn	\$35.92	per \$100,000 Capital Value	7,469,851
Ashburton	\$36.76	per \$100,000 Capital Value	6,161,075
Timaru	\$34.01	per \$100,000 Capital Value	4,581,473
Mackenzie	\$34.15	per \$100,000 Capital Value	1,342,016
Waimate	\$34.69	per \$100,000 Capital Value	1,634,834
Waitaki	\$34.18	per \$100,000 Capital Value	754,029

CATEGORIES OF RATEABLE LAND	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
<b>Uniform Annual General Charge</b>			
Canterbury region	\$24.22	fixed amount per rating Unit	6,385,086

CATEGORIES OF RATEABLE LAND Subcategorised as the following targeted rates:	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
<b>Targeted Public Passenger Transport Services Rate</b>			
Kaikoura (Kaikoura Vehicle Trust)	\$0.89	per \$100,000 Capital Value	5,216
Christchurch – City	\$25.07	per \$100,000 Capital Value	23,058,608
Christchurch – Kainga	\$8.91	per \$100,000 Capital Value	87,957
Christchurch (Governors Bay Community Vehicle Trust)	\$2.61	per \$100,000 Capital Value	6,259
Selwyn (Ellesmere Community Vehicle Trust)	\$0.25	per \$100,000 Capital Value	6,781
Ashburton (Total Mobility only)	\$1.12	per \$100,000 Capital Value	33,349
Timaru – City	\$11.39	per \$100,000 Capital Value	611,075
Timaru (Geraldine Community Vehicle Trust)	\$4.21	per \$100,000 Capital Value	28,028
Timaru – Temuka	\$1.78	per \$100,000 Capital Value	9,702
Mackenzie – Twizel (Twizel-Tekapo Community Vehicle Trust)	\$0.94	per \$100,000 Capital Value	5,525
Mackenzie – Tekapo (Twizel-Tekapo Community Vehicle Trust)	\$0.34	per \$100,000 Capital Value	1,777
Mackenzie (Fairlie Community Vehicle Trust)	\$4.00	per \$100,000 Capital Value	5,190
Waimate (Total Mobility only)	\$2.61	per \$100,000 Capital Value	10,088
<b>Uniform Targeted Public Passenger Transport Services Rate</b>			
Hurunui (Cheviot Vehicle Trust)	\$5.71	fixed amount per rating Unit	5,216
Hurunui (Culverden Community Vehicle Trust)	\$7.12	fixed amount per rating Unit	5,216

CATEGORIES OF RATEABLE LAND Subcategorised as the following targeted rates:	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
Hurunui (Amberley Community Vehicle Trust)	\$1.51	fixed amount per rating Unit	5,190
Waimakariri - Urban	\$75.54	fixed amount per rating Unit	1,175,836
Waimakariri - Rural	\$9.01	fixed amount per rating Unit	85,845
Selwyn - Urban	\$121.69	fixed amount per rating Unit	1,343,093
Selwyn - Rural	\$15.32	fixed amount per rating Unit	178,901
Selwyn - Darfield	nil	fixed amount per rating Unit	0
Selwyn (Malvern Community Vehicle Trust)	\$1.01	fixed amount per rating Unit	5,216
Timaru (Pleasant Point Community Vehicle Trust)	\$3.98	fixed amount per rating Unit	5,216
Waimate (Waitaki Community Vehicle Trust)	\$3.35	fixed amount per rating Unit	509
Waitaki (Waitaki Community Vehicle Trust)	\$3.35	fixed amount per rating Unit	4,681
<b>Targeted Air Quality Rate</b>			
Waimakariri	\$2.09	per \$100,000 Capital Value	143,548
Christchurch	\$2.07	per \$100,000 Capital Value	1,938,333
Ashburton	\$2.22	per \$100,000 Capital Value	75,514
Timaru	\$2.05	per \$100,000 Capital Value	105,553
Waimate	\$2.09	per \$100,000 Capital Value	10,081
<b>Targeted Air Quality Heating Assistance Rate</b>			
Rangiora	nil	per \$100,000 Capital Value	0
Kaipoi	nil	per \$100,000 Capital Value	0
Christchurch	nil	per \$100,000 Capital Value	0
Ashburton	nil	per \$100,000 Capital Value	0
Timaru	\$1.04	per \$100,000 Capital Value	47,174
Geraldine	\$4.73	per \$100,000 Capital Value	29,356
Waimate	\$3.44	per \$100,000 Capital Value	16,538
<b>Targeted Civil Defence Emergency Management Rate</b>			
Kaikoura	\$1.49	per \$100,000 Capital Value	22,219
Hurunui	\$1.48	per \$100,000 Capital Value	100,784
Waimakariri	\$1.42	per \$100,000 Capital Value	223,524
Christchurch	\$1.43	per \$100,000 Capital Value	1,398,034
Selwyn	\$1.47	per \$100,000 Capital Value	305,554
Ashburton	\$1.50	per \$100,000 Capital Value	252,019
Timaru	\$1.39	per \$100,000 Capital Value	187,405
Mackenzie	\$1.40	per \$100,000 Capital Value	54,895
Waimate	\$1.42	per \$100,000 Capital Value	66,873
<b>Targeted Canterbury Water Management Strategy Rate</b>			
Kaikoura	nil	per \$100,000 Capital Value	0
Hurunui	nil	per \$100,000 Capital Value	0
Waimakariri	nil	per \$100,000 Capital Value	0
Christchurch	nil	per \$100,000 Capital Value	0
Selwyn	nil	per \$100,000 Capital Value	0
Ashburton	nil	per \$100,000 Capital Value	0
Timaru	nil	per \$100,000 Capital Value	0
Mackenzie	nil	per \$100,000 Capital Value	0
Waimate	nil	per \$100,000 Capital Value	0
Waitaki	nil	per \$100,000 Capital Value	0
<b>Targeted CWMS Environmental Infrastructure Local Rate</b>			
Selwyn	nil	per \$100,000 Capital Value	0
Ashburton	nil	per \$100,000 Capital Value	0
<b>Targeted Waimakariri River Regional Park Rate</b>			
Waimakariri	\$0.84	per \$100,000 Capital Value	132,087
Christchurch	\$0.85	per \$100,000 Capital Value	792,717
Selwyn	\$0.88	per \$100,000 Capital Value	180,562
<b>Targeted Ashley/Rakahuri River Regional Park Rate</b>			
Waimakariri	\$0.14	per \$100,000 Capital Value	22,224
Christchurch	\$0.14	per \$100,000 Capital Value	128,427
<b>Uniform Targeted Tekapo Regional Park Rate</b>			
Mackenzie	\$0.93	fixed amount per rating Unit	19,341

CATEGORIES OF RATEABLE LAND Subcatergorised as the following targeted rates:	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
Timaru	\$0.93	fixed amount per rating Unit	3,814
<b>Targeted Possum Pest Control Rate</b>			
Banks Peninsula Pest Rating District (Christchurch)	\$7.37	per \$100,000 Land Value	50,014
Banks Peninsula Pest Rating District (Christchurch)	\$0.69	per Hectare of Land	50,014
<b>Targeted Pest Management Rate</b>			
Kaikoura	\$2.91	per \$100,000 Land Value	14,670
Hurunui	\$2.98	per \$100,000 Land Value	110,919
Waimakariri	\$2.88	per \$100,000 Land Value	124,783
Christchurch	\$5.02	per \$100,000 Land Value	113,018
Selwyn	\$3.01	per \$100,000 Land Value	219,364
Ashburton	\$3.04	per \$100,000 Land Value	289,766
Timaru	\$3.02	per \$100,000 Land Value	112,166
Mackenzie	\$2.78	per \$100,000 Land Value	38,518
Waimate	\$2.79	per \$100,000 Land Value	82,778
Waitaki	\$2.50	per \$100,000 Land Value	18,694
<b>Targeted Pest Management Rate</b>			
Kaikoura	\$0.38	per Hectare of Land	34,234
Hurunui	\$0.38	per Hectare of Land	226,348
Waimakariri	\$0.38	per Hectare of Land	65,026
Christchurch	\$0.38	per Hectare of Land	42,526
Selwyn	\$0.38	per Hectare of Land	145,373
Ashburton	\$0.38	per Hectare of Land	150,674
Timaru	\$0.38	per Hectare of Land	78,304
Mackenzie	\$0.38	per Hectare of Land	160,359
Waimate	\$0.38	per Hectare of Land	120,266
Waitaki	\$0.38	per Hectare of Land	101,567
<b>Targeted Catchment Works and Services Rate</b>			
Kaikoura	\$4.91	per \$100,000 Capital Value	73,162
Hurunui	\$0.71	per \$100,000 Capital Value	48,415
Waimakariri	\$1.08	per \$100,000 Capital Value	169,162
Christchurch	\$0.35	per \$100,000 Capital Value	343,466
Selwyn	\$1.10	per \$100,000 Capital Value	228,755
Ashburton	\$1.48	per \$100,000 Capital Value	247,276
Timaru	\$1.95	per \$100,000 Capital Value	263,299
Mackenzie	\$1.90	per \$100,000 Capital Value	74,693
Waimate	\$2.03	per \$100,000 Capital Value	95,537
Waitaki	\$0.38	per \$100,000 Capital Value	8,453
<b>Uniform Targeted Catchment Works Rate</b>			
Little River Wairewa Rating District			
Class A	\$88.86	fixed amount per rating Unit	35,367

CATEGORIES OF RATEABLE LAND Subcatergorised as the following targeted rates:	DIFFERENTIAL RELATIONSHIP BETWEEN CATEGORIES	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
<b>Targeted Differential Clean Heat Loan Rate</b>				
Loan Advanced - Band AD: 1000 to 1200	the provision of service to the rating unit	\$100.00	the extent of provision of service to the rating unit	100
Loan Advanced - Band AC: 1200 to 1400	the provision of service to the rating unit	\$120.00	the extent of provision of service to the rating unit	240
Loan Advanced - Band AB: 1400 to 1600	the provision of service to the rating unit	\$140.00	the extent of provision of service to the rating unit	140
Loan Advanced - Band AA: 1600 to 1800	the provision of service to the rating unit	\$160.00	the extent of provision of service to the rating unit	1,120
Loan Advanced - Band A: 1800 to 2000	the provision of service to the rating unit	\$180.00	the extent of provision of service to the rating unit	1,080
Loan Advanced - Band B: 2000 to 2200	the provision of service to the rating unit	\$200.00	the extent of provision of service to the rating unit	1,600

CATEGORIES OF RATEABLE LAND Subcategorised as the following targeted rates:	DIFFERENTIAL RELATIONSHIP BETWEEN CATEGORIES	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
Loan Advanced - Band C: 2200 to 2400	the provision of service to the rating unit	\$220.00	the extent of provision of service to the rating unit	1,980
Loan Advanced - Band D: 2400 to 2600	the provision of service to the rating unit	\$240.00	the extent of provision of service to the rating unit	12,000
Loan Advanced - Band E: 2600 to 2800	the provision of service to the rating unit	\$260.00	the extent of provision of service to the rating unit	6,760
Loan Advanced - Band F: 2800 to 3000	the provision of service to the rating unit	\$280.00	the extent of provision of service to the rating unit	15,390
Loan Advanced - Band G: 3000 to 3200	the provision of service to the rating unit	\$300.00	the extent of provision of service to the rating unit	20,400
Loan Advanced - Band H: 3200 to 3400	the provision of service to the rating unit	\$320.00	the extent of provision of service to the rating unit	23,040
Loan Advanced - Band I: 3400 to 3600	the provision of service to the rating unit	\$340.00	the extent of provision of service to the rating unit	42,840
Loan Advanced - Band J: 3600 to 3800	the provision of service to the rating unit	\$360.00	the extent of provision of service to the rating unit	26,280
Loan Advanced - Band K: 3800 to 4000	the provision of service to the rating unit	\$380.00	the extent of provision of service to the rating unit	36,100
Loan Advanced - Band L: 4000 to 4200	the provision of service to the rating unit	\$400.00	the extent of provision of service to the rating unit	34,800
Loan Advanced - Band M: 4200 to 4400	the provision of service to the rating unit	\$420.00	the extent of provision of service to the rating unit	45,360
Loan Advanced - Band N: 4400 to 4600	the provision of service to the rating unit	\$440.00	the extent of provision of service to the rating unit	27,720
Loan Advanced - Band O: 4600 to 4800	the provision of service to the rating unit	\$460.00	the extent of provision of service to the rating unit	71,160
Loan Advanced - Band P: 4800 to 5000	the provision of service to the rating unit	nil	the extent of provision of service to the rating unit	0
Loan Advanced - Band Q: 5000 to 5200	the provision of service to the rating unit	\$500.00	the extent of provision of service to the rating unit	34,500
Loan Advanced - Band R: 5200	the provision of service to the rating unit	\$520.00	the extent of provision of service to the rating unit	160,680
<b>Targeted Differential Healthy Homes Canterbury Loan Rate</b>				
for any ratepayer the utilises the service	the provision of service to the rating unit	nil	the extent of provision of service to the rating unit	0
<b>Targeted Differential Rabbit Pest Control Rate</b>				
<b>Banks Peninsula Rabbit Rating District</b>				
Negligible	where the land is situated	\$0.44	per Hectare of Land	3,862
Low Plains	where the land is situated	\$0.72	per Hectare of Land	15,448
Moderate	where the land is situated	\$2.78	per Hectare of Land	19,309
<b>Targeted Differential Catchment Works Rate</b>				
<b>Waimakariri Eyre Cust Rating District</b>				
Class A (Christchurch)	where the land is situated	\$1.99	per \$100,000 Capital Value	7,700
Class B	where the land is situated	\$1.33	per \$100,000 Capital Value	20,632
Class C	where the land is situated	\$0.53	per \$100,000 Capital Value	24,770
Class D	where the land is situated	\$0.40	per \$100,000 Capital Value	315,456
Class E	where the land is situated	\$0.27	per \$100,000 Capital Value	902
Class F	where the land is situated	\$0.13	per \$100,000 Capital Value	9,811
Class A (Waimakariri)	where the land is situated	\$2.01	per \$100,000 Capital Value	51,119
Class B	where the land is situated	\$1.34	per \$100,000 Capital Value	33,106
Class C	where the land is situated	\$0.54	per \$100,000 Capital Value	2,573
Class D	where the land is situated	\$0.40	per \$100,000 Capital Value	2,364
Class E	where the land is situated	\$0.27	per \$100,000 Capital Value	3,492
Class F	where the land is situated	\$0.13	per \$100,000 Capital Value	3,764
Class B (Selwyn)	where the land is situated	\$1.38	per \$100,000 Capital Value	340
Class C	where the land is situated	\$0.55	per \$100,000 Capital Value	557
Class D	where the land is situated	\$0.41	per \$100,000 Capital Value	1,164
Class E	where the land is situated	\$0.28	per \$100,000 Capital Value	6,108



CATEGORIES OF RATEABLE LAND Subcategorised as the following targeted rates:	DIFFERENTIAL RELATIONSHIP BETWEEN CATEGORIES	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
Class F	where the land is situated	\$0.14	per \$100,000 Capital Value	4,676
<b>Waimakariri Flood Protection Project</b>				
Class A (Christchurch)	where the land is situated	\$0.96	per \$100,000 Capital Value	828,789
Class B	where the land is situated	\$0.19	per \$100,000 Capital Value	12,498
Class A (Waimakariri)	where the land is situated	\$0.97	per \$100,000 Capital Value	26,467
Class B	where the land is situated	\$0.19	per \$100,000 Capital Value	13,974
Class A (Selwyn)	where the land is situated	\$1.01	per \$100,000 Capital Value	26,875
Class B	where the land is situated	\$0.20	per \$100,000 Capital Value	6,701
<b>Ashley River Rating District</b>				
Class A	where the land is situated	\$22.52	per \$100,000 Capital Value	134,285
Class B	where the land is situated	\$15.01	per \$100,000 Capital Value	26,037
Class C	where the land is situated	\$11.26	per \$100,000 Capital Value	49,346
Class D	where the land is situated	\$6.00	per \$100,000 Capital Value	442
Class U1	where the land is situated	\$9.01	per \$100,000 Capital Value	328,840
Class U2	where the land is situated	\$9.01	per \$100,000 Capital Value	45,168
Class U3	where the land is situated	\$9.01	per \$100,000 Capital Value	54,141
<b>Selwyn River Rating District</b>				
Class A	where the land is situated	\$63.93	per \$100,000 Capital Value	39,732
Class B	where the land is situated	\$57.54	per \$100,000 Capital Value	68,018
Class C	where the land is situated	\$51.14	per \$100,000 Capital Value	18,646
Class D	where the land is situated	\$38.36	per \$100,000 Capital Value	25,733
Class E	where the land is situated	\$25.57	per \$100,000 Capital Value	18,360
Class F	where the land is situated	\$9.59	per \$100,000 Capital Value	8,671
Class U1	where the land is situated	\$57.54	per \$100,000 Capital Value	4,311
Class U2	where the land is situated	\$25.57	per \$100,000 Capital Value	684
<b>Lake Ellesmere Rating District</b>				
Class A (Christchurch)	where the land is situated	\$84.23	per \$100,000 Capital Value	10,646
Class B	where the land is situated	\$70.19	per \$100,000 Capital Value	1,495
Class C	where the land is situated	\$44.92	per \$100,000 Capital Value	2,575
Class D	where the land is situated	\$11.23	per \$100,000 Capital Value	1,147
Class E	where the land is situated	\$5.62	per \$100,000 Capital Value	456
Class A (Selwyn)	where the land is situated	\$87.83	per \$100,000 Capital Value	43,007
Class B	where the land is situated	\$73.19	per \$100,000 Capital Value	13,555
Class C	where the land is situated	\$46.84	per \$100,000 Capital Value	68,092
Class E	where the land is situated	\$5.86	per \$100,000 Capital Value	8,741
<b>Ashburton Rivers 1999 Stopbank Rating District</b>				
Class A	where the land is situated	\$5.73	per \$100,000 Capital Value	178,094
Class B	where the land is situated	\$2.86	per \$100,000 Capital Value	7,536
Class C	where the land is situated	\$1.43	per \$100,000 Capital Value	5,288
<b>Ashburton Rivers Rating District</b>				
Class AA	where the land is situated	\$43.83	per \$100,000 Capital Value	26,757
Class AB	where the land is situated	\$41.14	per \$100,000 Capital Value	25,262
Class AL	where the land is situated	\$38.45	per \$100,000 Capital Value	181,574
Class BL	where the land is situated	\$27.10	per \$100,000 Capital Value	11,593
Class CL	where the land is situated	\$20.38	per \$100,000 Capital Value	59,368
Class DL	where the land is situated	\$13.65	per \$100,000 Capital Value	34,141
Class EL	where the land is situated	\$6.73	per \$100,000 Capital Value	11,153
Class FL	where the land is situated	\$2.31	per \$100,000 Capital Value	3,463
Class U1	where the land is situated	\$3.65	per \$100,000 Capital Value	101,818
Class AU	where the land is situated	\$223.72	per \$100,000 Capital Value	13,914

CATEGORIES OF RATEABLE LAND Subcategorised as the following targeted rates:	DIFFERENTIAL RELATIONSHIP BETWEEN CATEGORIES	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
Class BU	where the land is situated	\$134.29	per \$100,000 Capital Value	104,235
Class CU	where the land is situated	\$89.43	per \$100,000 Capital Value	2,154
Class DU	where the land is situated	\$67.00	per \$100,000 Capital Value	171
<b>Prices Valley Drainage District</b>				
Class A	where the land is situated	\$221.71	per \$100,000 Capital Value	1,248
Class C	where the land is situated	\$59.12	per \$100,000 Capital Value	146
Class D	where the land is situated	\$29.56	per \$100,000 Capital Value	183
Class E	where the land is situated	\$14.78	per \$100,000 Capital Value	183
<b>Sefton Ashley Rating District</b>				
Class A	where the land is situated	\$21.33	per \$100,000 Capital Value	11,492
Class B	where the land is situated	\$10.66	per \$100,000 Capital Value	3,422
<b>Lower Hinds River Rating District</b>				
Class Main	where the land is situated	\$12.09	per \$100,000 Capital Value	61,030
<b>Upper Hinds River Rating District</b>				
Class A	where the land is situated	\$56.06	per \$100,000 Capital Value	30,033
Class B	where the land is situated	\$50.45	per \$100,000 Capital Value	40,857
Class C	where the land is situated	\$11.21	per \$100,000 Capital Value	2,489
<b>Targeted Differential Catchment Works Rate</b>				
<b>Orari-Waihi-Temuka Rating District</b>				
Class A	where the land is situated	\$70.66	per \$100,000 Capital Value	29,351
Class B	where the land is situated	\$49.46	per \$100,000 Capital Value	75,082
Class C	where the land is situated	\$32.98	per \$100,000 Capital Value	164,948
Class D	where the land is situated	\$16.49	per \$100,000 Capital Value	160,309
Class E	where the land is situated	\$7.07	per \$100,000 Capital Value	48,841
Class F	where the land is situated	\$2.36	per \$100,000 Capital Value	13,124
<b>Opihi River Rating District</b>				
Class A (Timaru)	where the land is situated	\$98.69	per \$100,000 Capital Value	41,673
Class B	where the land is situated	\$93.76	per \$100,000 Capital Value	100,104
Class C	where the land is situated	\$74.02	per \$100,000 Capital Value	133,889
Class D	where the land is situated	\$54.28	per \$100,000 Capital Value	14,720
Class E	where the land is situated	\$19.74	per \$100,000 Capital Value	40,308
Class F	where the land is situated	\$6.91	per \$100,000 Capital Value	32,486
Class U1	where the land is situated	\$98.69	per \$100,000 Capital Value	9,119
Class U2	where the land is situated	\$39.48	per \$100,000 Capital Value	17,829
Class U3	where the land is situated	\$19.74	per \$100,000 Capital Value	4,994
Class U4	where the land is situated	\$6.91	per \$100,000 Capital Value	3,894
Class U4A	where the land is situated	\$13.82	per \$100,000 Capital Value	9,726
Class B (Mackenzie)	where the land is situated	\$94.14	per \$100,000 Capital Value	12,240
Class C	where the land is situated	\$74.32	per \$100,000 Capital Value	115,870
Class D	where the land is situated	\$54.50	per \$100,000 Capital Value	2,033
Class E	where the land is situated	\$19.82	per \$100,000 Capital Value	12,177
Class F	where the land is situated	\$6.94	per \$100,000 Capital Value	73,224
Class U3	where the land is situated	\$19.82	per \$100,000 Capital Value	23,385
<b>Lower Pareora River Rating District</b>				
Class A (Timaru)	where the land is situated	\$140.36	per \$100,000 Capital Value	1,820
Class B	where the land is situated	\$105.27	per \$100,000 Capital Value	3,769
Class C	where the land is situated	\$70.18	per \$100,000 Capital Value	20,254
Class D	where the land is situated	\$42.11	per \$100,000 Capital Value	3,352
Class E	where the land is situated	\$21.05	per \$100,000 Capital Value	1,076
Class F	where the land is situated	\$7.02	per \$100,000 Capital Value	714
Class U1	where the land is situated	\$84.21	per \$100,000 Capital Value	27,584

CATEGORIES OF RATEABLE LAND Subcategorised as the following targeted rates:	DIFFERENTIAL RELATIONSHIP BETWEEN CATEGORIES	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
Class U2	where the land is situated	\$14.04	per \$100,000 Capital Value	6,464
Class B (Waimate)	where the land is situated	\$107.41	per \$100,000 Capital Value	19,232
Class C	where the land is situated	\$71.60	per \$100,000 Capital Value	10,385
Class D	where the land is situated	\$42.96	per \$100,000 Capital Value	8,337
Class E	where the land is situated	\$21.48	per \$100,000 Capital Value	5,539
Class F	where the land is situated	\$7.16	per \$100,000 Capital Value	850
<b>Kapua Drainage District</b>				
Class A	where the land is situated	\$372.00	per \$100,000 Capital Value	595
Class C	where the land is situated	\$186.00	per \$100,000 Capital Value	679
<b>Lower Waitaki River Rating District</b>				
Class A (Waitaki)	where the land is situated	\$71.85	per \$100,000 Capital Value	29,874
Class B	where the land is situated	\$35.92	per \$100,000 Capital Value	9,341
Class U1	where the land is situated	\$35.92	per \$100,000 Capital Value	1,161
Class A (Waimate)	where the land is situated	\$72.83	per \$100,000 Capital Value	70,949
Class B	where the land is situated	\$36.41	per \$100,000 Capital Value	30,731
<b>Waiau River-Bourne Rating District</b>				
Class A	where the land is situated	\$2,883.04	per \$100,000 Capital Value	16,722
<b>Waiau River-Rotherham Rating District</b>				
Class A	where the land is situated	\$315.19	per \$100,000 Capital Value	2,238
Class B	where the land is situated	\$204.87	per \$100,000 Capital Value	29,418
<b>Waiau Township Area Rating District</b>				
Class A	where the land is situated	\$60.04	per \$100,000 Capital Value	43,592
<b>Kaikoura River Rating District</b>				
Class A	where the land is situated	\$78.14	per \$100,000 Capital Value	198,070
Class B	where the land is situated	\$46.89	per \$100,000 Capital Value	2,908
Class C	where the land is situated	\$31.26	per \$100,000 Capital Value	1,414
Class D	where the land is situated	\$19.54	per \$100,000 Capital Value	1,504
Class E	where the land is situated	\$15.63	per \$100,000 Capital Value	7,258
Class F	where the land is situated	\$7.81	per \$100,000 Capital Value	9,699
Class U1	where the land is situated	\$78.14	per \$100,000 Capital Value	34,837
Class U2	where the land is situated	\$19.54	per \$100,000 Capital Value	1,661
Class U3	where the land is situated	\$11.72	per \$100,000 Capital Value	15,555
Class U4	where the land is situated	\$7.81	per \$100,000 Capital Value	27,541
<b>Kowai River - Leithfield Rating District</b>				
Class A	where the land is situated	\$5.27	per \$100,000 Capital Value	5,882
<b>North Kowai Rating District</b>				
Class A	where the land is situated	\$16.41	per \$100,000 Capital Value	2,497
Class B	where the land is situated	\$8.21	per \$100,000 Capital Value	1,534
<b>Conway River Rating District</b>				
Class A	where the land is situated	\$5.26	per \$100,000 Capital Value	5,882
<b>Sefton Town Rating District</b>				
Class A	where the land is situated	\$34.12	per \$100,000 Capital Value	2,249
<b>Washdyke Rating District</b>				
Class A	where the land is situated	\$63.29	per \$100,000 Capital Value	52,261
Class B	where the land is situated	\$37.97	per \$100,000 Capital Value	22,711

CATEGORIES OF RATEABLE LAND Subcategorised as the following targeted rates:	DIFFERENTIAL RELATIONSHIP BETWEEN CATEGORIES	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
<b>Halswell River Drainage District</b>				
Class B (Christchurch)	where the land is situated	\$61.17	per \$100,000 Land Value	146,473
Class C	where the land is situated	\$43.18	per \$100,000 Land Value	36,960
Class D	where the land is situated	\$28.78	per \$100,000 Land Value	18,991
Class E	where the land is situated	\$4.32	per \$100,000 Land Value	8,632
Class F	where the land is situated	\$10.79	per \$100,000 Land Value	12,032
Class U3	where the land is situated	\$14.39	per \$100,000 Land Value	65,140
Class U4	where the land is situated	\$14.39	per \$100,000 Land Value	35,105
Class A (Selwyn)	where the land is situated	\$76.04	per \$100,000 Land Value	13,722
Class B	where the land is situated	\$64.63	per \$100,000 Land Value	169,694
Class C	where the land is situated	\$45.62	per \$100,000 Land Value	90,835
Class D	where the land is situated	\$30.42	per \$100,000 Land Value	17,373
Class E	where the land is situated	\$4.56	per \$100,000 Land Value	24,821
Class F	where the land is situated	\$11.41	per \$100,000 Land Value	10,940
Class U1	where the land is situated	\$76.04	per \$100,000 Land Value	31,803
Class U2	where the land is situated	\$15.21	per \$100,000 Land Value	8,667
<b>Halswell Earthquake Recovery District</b>				
Class B (Christchurch)	where the land is situated	\$4.45	per \$100,000 Land Value	10,660
Class C	where the land is situated	\$3.14	per \$100,000 Land Value	2,782
Class D	where the land is situated	\$2.09	per \$100,000 Land Value	1,382
Class E	where the land is situated	\$0.31	per \$100,000 Land Value	628
Class F	where the land is situated	\$0.79	per \$100,000 Land Value	876
Class U3	where the land is situated	\$1.05	per \$100,000 Land Value	4,741
Class U4	where the land is situated	\$1.05	per \$100,000 Land Value	2,555
Class A (Selwyn)	where the land is situated	\$5.53	per \$100,000 Land Value	999
Class B	where the land is situated	\$4.70	per \$100,000 Land Value	12,350
Class C	where the land is situated	\$3.32	per \$100,000 Land Value	6,611
Class D	where the land is situated	\$2.21	per \$100,000 Land Value	1,264
Class E	where the land is situated	\$0.33	per \$100,000 Land Value	1,806
Class F	where the land is situated	\$0.83	per \$100,000 Land Value	796
Class U1	where the land is situated	\$5.53	per \$100,000 Land Value	2,315
Class U2	where the land is situated	\$1.11	per \$100,000 Land Value	631
<b>North Rakaia River Rating District</b>				
Class A	where the land is situated	\$263.84	per \$100,000 Land Value	102,195
<b>Rangitata River Rating District</b>				
Class A	where the land is situated	\$96.88	per \$100,000 Land Value	164,037
Class B	where the land is situated	\$58.13	per \$100,000 Land Value	41,722
Class C	where the land is situated	\$38.75	per \$100,000 Land Value	14,077
Class D	where the land is situated	\$19.38	per \$100,000 Land Value	5,155
Class AA	where the land is situated	\$1,152.89	per \$100,000 Land Value	5,188
<b>Staveley Storm Channel Rating District</b>				
Class A	where the land is situated	\$2.23	per \$100,000 Land Value	175
Class B	where the land is situated	\$1.79	per \$100,000 Land Value	108
Class C	where the land is situated	\$0.67	per \$100,000 Land Value	35
<b>Upper Chatterton &amp; Hanmer West Rating District</b>				
Class A	where the land is situated	\$36.58	per \$100,000 Land Value	2,346
Class B	where the land is situated	\$23.52	per \$100,000 Land Value	1,360
Class C	where the land is situated	\$15.68	per \$100,000 Land Value	3,564
Class D	where the land is situated	\$44.42	per \$100,000 Land Value	15,511
Class U	where the land is situated	\$71.85	per \$100,000 Land Value	7,037

CATEGORIES OF RATEABLE LAND Subcategorised as the following targeted rates:	DIFFERENTIAL RELATIONSHIP BETWEEN CATEGORIES	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
<b>Makikihi River Rating District</b>				
Class A	where the land is situated	\$70.81	per \$100,000 Land Value	1,253
Class B	where the land is situated	\$28.32	per \$100,000 Land Value	95
Class C	where the land is situated	\$7.08	per \$100,000 Land Value	31
<b>Dry Creek Rating District</b>				
Class A	where the land is situated	\$37.47	per \$100,000 Land Value	5,488
Class B	where the land is situated	\$26.23	per \$100,000 Land Value	4,212
Class C	where the land is situated	\$5.62	per \$100,000 Land Value	895
<b>Lower Pahau River Rating District</b>				
Class A	where the land is situated	\$325.72	per \$100,000 Land Value	10,359
<b>Waihao-Wainono Flood &amp; Drainage District</b>				
Class A	where the land is situated	\$100.88	per \$100,000 Land Value	90,316
Class B	where the land is situated	\$13.11	per \$100,000 Land Value	7,788
<b>Lower Hurunui Rating District</b>				
Class A	where the land is situated	\$8.84	per Hectare of Land	3,455
<b>Lower Flats Groyne Waiau Rating District</b>				
Class A	where the land is situated	\$21.65	per Hectare of Land	158
Class B	where the land is situated	\$15.15	per Hectare of Land	1,263
Class C	where the land is situated	\$10.82	per Hectare of Land	2,129
<b>Lyndon Rating District</b>				
Class A	where the land is situated	\$24.41	per Hectare of Land	439
Class B	where the land is situated	\$14.65	per Hectare of Land	659
Class C	where the land is situated	\$10.74	per Hectare of Land	60
<b>Waiau River Spotswood Rating District</b>				
Class A	where the land is situated	\$20.36	per Hectare of Land	4,887
Class B	where the land is situated	\$18.33	per Hectare of Land	486
<b>Pahau River Rating District</b>				
Class A	where the land is situated	\$1.49	per Hectare of Land	371
Class B	where the land is situated	\$1.36	per Hectare of Land	378
Class C	where the land is situated	\$0.89	per Hectare of Land	182
Class D	where the land is situated	\$0.56	per Hectare of Land	126
Class E	where the land is situated	\$0.53	per Hectare of Land	99
<b>Lower Rakaia River Rating District</b>				
Class A (Ashburton)	where the land is situated	\$350.51	per Hectare of Land	5,212
Class B	where the land is situated	\$17.53	per Hectare of Land	13,651
Class C	where the land is situated	\$14.02	per Hectare of Land	5,655
Class D	where the land is situated	\$10.52	per Hectare of Land	5,932
Class E	where the land is situated	\$7.01	per Hectare of Land	1,440
Class B (Selwyn)	where the land is situated	\$17.53	per Hectare of Land	27,115
Class C	where the land is situated	\$14.02	per Hectare of Land	4,641
Class D	where the land is situated	\$10.52	per Hectare of Land	1,272
Class E	where the land is situated	\$7.01	per Hectare of Land	4,523
Class F	where the land is situated	\$3.51	per Hectare of Land	315
<b>Ashburton-Hinds Drainage District</b>				
Class A	where the land is situated	\$7.63	per Hectare of Land	106,743
Class B	where the land is situated	\$5.34	per Hectare of Land	24,875
Class C	where the land is situated	\$3.82	per Hectare of Land	22,840

CATEGORIES OF RATEABLE LAND Subcategorised as the following targeted rates:	DIFFERENTIAL RELATIONSHIP BETWEEN CATEGORIES	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
Class D	where the land is situated	\$2.29	per Hectare of Land	3,656
Class E	where the land is situated	\$1.53	per Hectare of Land	5,392
Class F	where the land is situated	\$0.76	per Hectare of Land	3,779
Class U1	where the land is situated	\$30.42	per Hectare of Land	5,637
<b>Seadown Drainage District</b>				
Class A	where the land is situated	\$45.89	per Hectare of Land	17,327
Class B	where the land is situated	\$27.53	per Hectare of Land	12,650
Class C	where the land is situated	\$9.18	per Hectare of Land	4,937
Class D	where the land is situated	\$4.59	per Hectare of Land	412
<b>Otaio River Rating District</b>				
Class A	where the land is situated	\$71.39	per Hectare of Land	27,768
Class B	where the land is situated	\$28.56	per Hectare of Land	3,407
<b>Kaikoura Drainage District</b>				
Class A	where the land is situated	\$34.40	per Hectare of Land	44,897
Class B	where the land is situated	\$17.20	per Hectare of Land	1,074
Class C	where the land is situated	\$10.32	per Hectare of Land	860
<b>Cleardale Rating District</b>				
Class A	where the land is situated	\$0.00	per Hectare of Land	0
Class B	where the land is situated	\$0.00	per Hectare of Land	0
Class C	where the land is situated	\$0.00	per Hectare of Land	0
Class D	where the land is situated	\$0.00	per Hectare of Land	0
Class E	where the land is situated	\$0.00	per Hectare of Land	0
Class F	where the land is situated	\$0.00	per Hectare of Land	0
<b>Buttericks Road Drainage District</b>				
Class A (prorated)	where the land is situated	\$2.50	the extent of provision of service to the rating unit	250
<b>Chertsey Road Drainage District</b>				
Class A (prorated)	where the land is situated	\$2.50	the extent of provision of service to the rating unit	250
<b>Green Street Creek Drainage District</b>				
Class A (prorated)	where the land is situated	\$0.00	the extent of provision of service to the rating unit	0
<b>Lower Makikihi River Rating District</b>				
Class A (prorated)	where the land is situated	\$15.18	the extent of provision of service to the rating unit	1,518
<b>Esk Valley Rating District</b>				
Class A (prorated)	where the land is situated	\$6.34	the extent of provision of service to the rating unit	634
<b>Mount Harding Creek Rating District</b>				
Class A (prorated)	where the land is situated	\$5.31	the extent of provision of service to the rating unit	531
<b>Omarama Stream Rating District</b>				
Class A (prorated)	where the land is situated	\$0.00	the extent of provision of service to the rating unit	0
<b>Penticotico River Rating District</b>				

CATEGORIES OF RATEABLE LAND Subcategorized as the following targeted rates:	DIFFERENTIAL RELATIONSHIP BETWEEN CATEGORIES	RATE \$	CALCULATION BASIS	2018/19 REVENUE SOUGHT \$
Class A (prorated)	where the land is situated	\$59.91	the extent of provision of service to the rating unit	5,991
<b>Seadown Road Drain Rating District</b>				
Class A (prorated)	where the land is situated	\$0.00	the extent of provision of service to the rating unit	0
<b>Twizel River Rating District</b>				
Class A (prorated)	where the land is situated	\$26.47	the extent of provision of service to the rating unit	2,647
<b>Rakaia Double Hill Rating District</b>				
Class A (prorated)	where the land is situated	\$462.80	the extent of provision of service to the rating unit	46,280

## Projected capital value

The Canterbury region is made up of ten districts. Each district is valued at different times. It is important to take into account timing differences, so that ratepayers in districts that have been revalued more recently do not unfairly pay more than districts valued two or three years ago. To adjust for timing differences, we annually project all district values to work out an individual district's share of the general rate. This service is done by Quotable Value Ltd under contract to Environment Canterbury.

## General and targeted rate differentiation across the region

District / City	ECV \$	District / City	Valuation	ECV \$	District / City	Valuation
	as at 30/09/17	% of ECV	Revision Date	as at 30/09/16	% of ECV	Revision Date
KAIKOURA	1,587,312,519	0.84%	1-September-2015	1,527,613,537	0.84%	1-September-2015
HURUNUI	7,199,907,684	3.81%	1-September-2016	6,807,433,160	3.76%	1-September-2016
WAIMAKARIRI	15,968,348,707	8.46%	1-August-2016	15,206,147,750	8.41%	1-August-2016
CHRISTCHURCH	99,874,267,417	52.91%	1-August-2016	96,314,741,294	53.26%	1-August-2016
SELWYN	21,828,525,813	11.56%	1-July-2015	20,517,060,128	11.35%	1-July-2015
ASHBURTON	18,003,998,546	9.54%	1-July-2015	17,335,873,553	9.59%	1-July-2015
TIMARU	13,388,059,200	7.09%	1-September-2017	12,748,891,439	7.05%	1-September-2014
MACKENZIE	3,921,661,666	2.08%	1-July-2017	3,647,237,543	2.02%	1-July-2014
WAIMATE	4,777,341,005	2.53%	1-July-2016	4,669,512,200	2.58%	1-July-2016
WAITAKI (pt)	2,203,436,900	1.17%	1-September-2017	2,067,113,167	1.14%	1-September-2014
<b>Total</b>	<b>188,752,859,457</b>			<b>180,841,623,771</b>		

## Projected land value - Halswell River targeted rate differentiation

District / City	ELV \$	District / City	Valuation	ELV \$	District / City	Valuation
	as at 30/09/17	% of ELV	Revision Date	as at 30/09/16	% of ELV	Revision Date
CHRISTCHURCH	710,925,086	34.35%	1-August-2016	688,029,181	34.36%	1-November-2013
SELWYN	1,358,493,195	65.65%	1-July-2015	1,314,445,230	65.64%	1-July-2015
<b>Total</b>	<b>2,069,418,281</b>			<b>2,002,474,411</b>		



## Projected rural land value - targeted rate differentiation across the region

District / City	ERLV \$	District / City	Valuation	ERLV \$	District / City	Valuation
	as at 30/09/17	% of ERLV	Revision Date	as at 30/09/16	% of ERLV	Revision Date
KAIKOURA	525,198,700	1.30%	1-September-2015	525,544,897	1.34%	1-September-2015
HURUNUI	3,971,098,999	9.86%	1-September-2016	3,721,261,000	9.47%	1-September-2016
WAIMAKARIRI	4,467,467,714	11.10%	1-August-2016	4,331,534,300	11.03%	1-August-2016
CHRISTCHURCH	4,046,258,702	10.05%	1-August-2016	3,755,021,660	9.56%	1-August-2016
SELWYN	7,853,603,536	19.50%	1-July-2015	7,707,295,066	19.62%	1-July-2015
ASHBURTON	10,374,145,493	25.76%	1-July-2015	10,288,193,773	26.19%	1-July-2015
TIMARU	4,015,733,950	9.97%	1-September-2017	3,905,922,744	9.94%	1-September-2014
MACKENZIE	1,379,017,200	3.42%	1-July-2017	1,358,629,928	3.46%	1-July-2014
WAIMATE	2,963,614,004	7.36%	1-July-2016	2,970,647,400	7.56%	1-July-2016
WAITAKI	669,261,600	1.66%	1-September-2017	713,365,779	1.82%	1-September-2014
<b>Total</b>	<b>40,265,399,898</b>			<b>39,277,416,547</b>		

## Funding Impact Statements

The funding impact statement must identify the sources of funding to be used, the amount of funds expected to be produced from each source and how the funds are to be applied.

Income and expenditure in the funding impact statements are recognised on a basis consistent with the forecast financial statements. However, transactions with no funding impact, such as depreciation, have been removed. The Regulations also require each group of activity funding impact statement to disclose internal charges and cost allocation and not eliminate these as required by Generally Accepted Accounting Practice (GAAP).

The activity statements exclude all transactions derived by business units. Environment Canterbury's business units include accommodation and fleet services and survey services; these costs do not directly relate to any group of activity. However, business unit transactions have been incorporated into the funding impact statement completed at a Council level.

A reconciliation between the operating funding per the funding impact statement and the statement of comprehensive income has been performed at the end of the Council funding impact statement.

The Revenue and Financing Policy sets out Environment Canterbury's policies with respect to which funding mechanisms are to be used to finance the operating and capital expenditure. Copies are available on our website ([www.ecan.govt.nz](http://www.ecan.govt.nz)) or through Customer Services on tel 0800 324 626.

**Funding impact statement for Council**

	Annual Long-Term											(\$000's)
	Plan 2017/18	Plan 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
<b>Sources of operating funding</b>												
General rates, uniform annual general charge, rates penalties	32,356	61,720	65,240	69,447	73,637	77,107	78,677	80,738	83,130	85,608	88,258	
Targeted rates	62,770	38,074	39,681	41,317	41,778	42,117	43,289	44,155	44,885	45,736	46,633	
Subsidies and grants for operating purposes	35,101	34,430	31,215	34,530	32,621	31,687	32,109	32,698	33,286	33,884	34,381	
Fees and charges	33,972	35,581	35,387	36,782	37,777	39,301	40,498	41,727	43,107	44,535	46,031	
Interest and dividends from investments	618	743	745	710	744	790	857	965	1,082	1,205	1,357	
Local authorities fuel tax, fines, infringement fees, and other receipts	-	251	256	260	261	268	274	281	288	295	303	
<b>Total operating funding (A)</b>	<b>164,817</b>	<b>170,798</b>	<b>172,525</b>	<b>183,046</b>	<b>186,818</b>	<b>191,270</b>	<b>195,705</b>	<b>200,563</b>	<b>205,778</b>	<b>211,263</b>	<b>216,962</b>	
<b>Applications of operating funding</b>												
Payments to staff and suppliers	161,089	164,479	166,306	169,644	174,048	178,571	182,658	186,378	191,797	196,121	201,318	
Finance costs	1,188	1,296	1,482	1,540	1,624	1,648	1,608	1,528	1,426	1,379	1,379	
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-	
<b>Total applications of operating funding (B)</b>	<b>162,277</b>	<b>165,776</b>	<b>167,788</b>	<b>171,184</b>	<b>175,672</b>	<b>180,220</b>	<b>184,266</b>	<b>187,906</b>	<b>193,224</b>	<b>197,500</b>	<b>202,697</b>	
<b>Surplus (deficit) of operating funding (A – B)</b>	<b>2,540</b>	<b>5,022</b>	<b>4,737</b>	<b>11,862</b>	<b>11,146</b>	<b>11,050</b>	<b>11,438</b>	<b>12,658</b>	<b>12,554</b>	<b>13,763</b>	<b>14,266</b>	
<b>Sources of capital funding</b>												
Subsidies and grants for capital expenditure	-	2,912	337	3,570	1,530	-	-	-	-	-	-	
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in debt	4,154	4,726	3,233	4,166	1,015	(801)	(2,065)	(2,416)	(2,951)	(2,940)	(3,104)	
Gross proceeds from sale of assets	300	1,128	1,143	1,158	1,174	1,190	1,206	1,223	1,240	1,257	1,274	
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	
<b>Total sources of capital funding (C)</b>	<b>4,454</b>	<b>8,766</b>	<b>4,713</b>	<b>8,894</b>	<b>3,719</b>	<b>389</b>	<b>(859)</b>	<b>(1,193)</b>	<b>(1,711)</b>	<b>(1,683)</b>	<b>(1,830)</b>	
<b>Application of capital funding</b>												
Capital expenditure												
· to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	
· to improve the level of service	10,672	3,240	-	-	-	-	-	-	-	-	-	
· to replace existing assets	7,899	16,876	11,216	14,440	9,372	6,328	5,408	6,177	10,878	11,103	5,972	
Increase (decrease) in reserves	(4,140)	(1,721)	(2,746)	3,929	3,859	2,327	3,020	4,455	4,586	5,869	5,978	
Increase (decrease) of investments	(7,437)	(4,607)	980	2,388	1,634	2,783	2,151	832	(4,621)	(4,893)	486	
<b>Total applications of capital funding (D)</b>	<b>6,994</b>	<b>13,788</b>	<b>9,450</b>	<b>20,756</b>	<b>14,865</b>	<b>11,439</b>	<b>10,579</b>	<b>11,464</b>	<b>10,843</b>	<b>12,080</b>	<b>12,436</b>	
<b>Surplus (deficit) of capital funding (C – D)</b>	<b>(2,540)</b>	<b>(5,022)</b>	<b>(4,737)</b>	<b>(11,862)</b>	<b>(11,146)</b>	<b>(11,050)</b>	<b>(11,438)</b>	<b>(12,658)</b>	<b>(12,554)</b>	<b>(13,763)</b>	<b>(14,266)</b>	
<b>Funding balance ((A – B) + (C – D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## Air quality

	Annual Plan Long-Term Plan										(\$000's)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	1,295	1,318	1,309	1,363	1,353	1,381	1,408	1,440	1,477	1,513	1,559
Targeted rates	2,170	2,057	2,179	2,268	2,041	2,094	2,146	2,210	2,278	2,342	2,428
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	251	100	79	60	55	55	55	56	56	56	57
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>3,717</b>	<b>3,475</b>	<b>3,567</b>	<b>3,691</b>	<b>3,449</b>	<b>3,530</b>	<b>3,609</b>	<b>3,707</b>	<b>3,812</b>	<b>3,911</b>	<b>4,044</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,559	2,468	2,454	2,404	1,860	1,909	1,976	2,045	2,109	2,177	2,239
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,247	1,263	1,292	1,326	1,331	1,374	1,400	1,431	1,469	1,505	1,552
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,807</b>	<b>3,731</b>	<b>3,746</b>	<b>3,729</b>	<b>3,191</b>	<b>3,283</b>	<b>3,377</b>	<b>3,476</b>	<b>3,578</b>	<b>3,682</b>	<b>3,791</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(90)</b>	<b>(256)</b>	<b>(179)</b>	<b>(39)</b>	<b>258</b>	<b>246</b>	<b>232</b>	<b>231</b>	<b>234</b>	<b>229</b>	<b>253</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	2,501	2,084	1,683	1,317	53	(566)	(1,101)	(1,090)	(1,254)	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>2,501</b>	<b>2,084</b>	<b>1,683</b>	<b>1,317</b>	<b>53</b>	<b>(566)</b>	<b>(1,101)</b>	<b>(1,090)</b>	<b>(1,254)</b>	<b>(1,254)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	144	249	151	154	157	161	165	169	173	177	182
Increase(decrease) in reserves	(234)	1,996	1,754	1,490	1,418	138	(498)	(1,039)	(1,029)	(1,202)	71
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(90)</b>	<b>2,245</b>	<b>1,905</b>	<b>1,644</b>	<b>1,575</b>	<b>299</b>	<b>(334)</b>	<b>(870)</b>	<b>(856)</b>	<b>(1,025)</b>	<b>(1,001)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>90</b>	<b>256</b>	<b>179</b>	<b>39</b>	<b>(258)</b>	<b>(246)</b>	<b>(232)</b>	<b>(231)</b>	<b>(234)</b>	<b>(229)</b>	<b>(253)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The above table excludes the following non cash charges:											
Depreciation expense	201	223	244	251	213	203	189	184	188	186	207

**Biodiversity and Biosecurity**

	Annual Plan Long-Term Plan										(\$000's)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	4,635	7,614	7,909	9,735	10,184	10,472	10,780	11,069	11,117	11,391	11,697
Targeted rates	2,529	2,077	1,710	1,906	2,228	2,319	2,458	2,562	2,398	2,458	2,527
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	106	73	72	38	40	39	39	39	39	39	39
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>7,270</b>	<b>9,763</b>	<b>9,691</b>	<b>11,678</b>	<b>12,452</b>	<b>12,830</b>	<b>13,276</b>	<b>13,670</b>	<b>13,554</b>	<b>13,888</b>	<b>14,263</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	6,167	6,719	7,335	8,901	9,155	9,353	9,593	9,842	10,087	10,339	10,587
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	2,209	2,916	2,960	3,036	3,050	3,146	3,196	3,258	3,343	3,426	3,533
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>8,377</b>	<b>9,636</b>	<b>10,295</b>	<b>11,937</b>	<b>12,206</b>	<b>12,499</b>	<b>12,789</b>	<b>13,100</b>	<b>13,431</b>	<b>13,764</b>	<b>14,120</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1,107)</b>	<b>128</b>	<b>(604)</b>	<b>(259)</b>	<b>246</b>	<b>331</b>	<b>488</b>	<b>570</b>	<b>123</b>	<b>124</b>	<b>142</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
· to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
· to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
· to replace existing assets	11	11	11	11	11	12	12	12	13	13	13
Increase(decrease) in reserves	(1,117)	117	(614)	(270)	235	319	476	558	111	111	129
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(1,107)</b>	<b>128</b>	<b>(604)</b>	<b>(259)</b>	<b>246</b>	<b>331</b>	<b>488</b>	<b>570</b>	<b>123</b>	<b>124</b>	<b>142</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>1,107</b>	<b>(128)</b>	<b>604</b>	<b>259</b>	<b>(246)</b>	<b>(331)</b>	<b>(488)</b>	<b>(570)</b>	<b>(123)</b>	<b>(124)</b>	<b>(142)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The above table excludes the following non cash charges:											
Depreciation expense	74	107	159	201	147	159	136	118	118	119	137

**Freshwater Management**
**Annual Plan Long-Term Plan** (\$000's)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	795	27,150	30,203	30,820	32,175	33,649	33,455	33,178	34,019	34,855	35,851
Targeted rates	24,698	-	15	6	5	5	5	5	5	5	5
Subsidies and grants for operating purposes	400	2,220	332	199	117	115	100	100	100	100	100
Fees and charges	13	919	596	718	598	775	788	796	809	823	838
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>25,906</b>	<b>30,289</b>	<b>31,146</b>	<b>31,744</b>	<b>32,896</b>	<b>34,543</b>	<b>34,349</b>	<b>34,079</b>	<b>34,934</b>	<b>35,783</b>	<b>36,794</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	17,924	19,401	18,760	18,204	20,359	20,654	21,068	20,622	21,136	21,673	22,162
Finance costs	-	40	40	40	40	40	-	-	-	-	-
Internal charges and overheads applied	9,357	10,877	11,136	11,455	11,403	11,761	11,942	12,172	12,492	12,802	13,205
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>27,282</b>	<b>30,319</b>	<b>29,936</b>	<b>29,699</b>	<b>31,803</b>	<b>32,454</b>	<b>33,009</b>	<b>32,794</b>	<b>33,628</b>	<b>34,475</b>	<b>35,366</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1,376)</b>	<b>(29)</b>	<b>1,210</b>	<b>2,045</b>	<b>1,093</b>	<b>2,089</b>	<b>1,339</b>	<b>1,285</b>	<b>1,306</b>	<b>1,307</b>	<b>1,427</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	1,340	(268)	(268)	(268)	(268)	(268)	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>1,340</b>	<b>(268)</b>	<b>(268)</b>	<b>(268)</b>	<b>(268)</b>	<b>(268)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	1,276	2,961	1,147	1,466	763	781	799	819	839	861	884
Increase(decrease) in reserves	(2,652)	(1,650)	(205)	310	62	1,040	272	467	467	447	543
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(1,376)</b>	<b>1,311</b>	<b>942</b>	<b>1,777</b>	<b>825</b>	<b>1,821</b>	<b>1,071</b>	<b>1,285</b>	<b>1,306</b>	<b>1,307</b>	<b>1,427</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>1,376</b>	<b>29</b>	<b>(1,210)</b>	<b>(2,045)</b>	<b>(1,093)</b>	<b>(2,089)</b>	<b>(1,339)</b>	<b>(1,285)</b>	<b>(1,306)</b>	<b>(1,307)</b>	<b>(1,427)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The above table excludes the following non cash charges:											
Depreciation expense	902	1,074	1,322	1,475	1,301	1,390	1,324	1,270	1,291	1,292	1,412

**Hazards, Risk and Resilience**

	Annual Plan Long-Term Plan										(\$000's)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	7,588	7,939	8,536	9,044	9,304	9,377	9,664	9,915	10,188	10,462	10,778
Targeted rates	11,793	10,736	11,990	13,048	13,722	12,892	13,484	13,781	14,202	14,574	15,060
Subsidies and grants for operating purposes	2,995	786	354	362	372	381	391	400	410	421	433
Fees and charges	6,886	7,551	7,164	7,278	7,449	7,635	7,767	7,897	8,031	8,169	8,311
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>29,262</b>	<b>27,013</b>	<b>28,045</b>	<b>29,732</b>	<b>30,846</b>	<b>30,285</b>	<b>31,305</b>	<b>31,993</b>	<b>32,832</b>	<b>33,627</b>	<b>34,583</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	18,903	17,753	17,752	18,510	19,226	19,537	20,508	21,114	21,953	22,311	22,917
Finance costs	820	456	624	624	624	624	624	596	512	512	512
Internal charges and overheads applied	6,076	6,608	6,760	6,908	6,993	7,190	7,332	7,501	7,698	7,888	8,138
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>25,798</b>	<b>24,817</b>	<b>25,137</b>	<b>26,042</b>	<b>26,843</b>	<b>27,351</b>	<b>28,463</b>	<b>29,211</b>	<b>30,163</b>	<b>30,711</b>	<b>31,567</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,464</b>	<b>2,196</b>	<b>2,908</b>	<b>3,690</b>	<b>4,004</b>	<b>2,935</b>	<b>2,842</b>	<b>2,782</b>	<b>2,669</b>	<b>2,916</b>	<b>3,017</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	4,000	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>4,000</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
· to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
· to improve the level of service	4,720	3,240	-	-	-	-	-	-	-	-	-
· to replace existing assets	2,018	(949)	1,177	1,498	1,219	1,240	118	769	102	105	203
Increase(decrease) in reserves	(3,274)	3,906	1,331	1,792	2,385	1,294	2,324	1,613	2,166	2,411	2,414
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,464</b>	<b>6,196</b>	<b>2,508</b>	<b>3,290</b>	<b>3,604</b>	<b>2,535</b>	<b>2,442</b>	<b>2,382</b>	<b>2,269</b>	<b>2,516</b>	<b>2,617</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3,464)</b>	<b>(2,196)</b>	<b>(2,908)</b>	<b>(3,690)</b>	<b>(4,004)</b>	<b>(2,935)</b>	<b>(2,842)</b>	<b>(2,782)</b>	<b>(2,669)</b>	<b>(2,916)</b>	<b>(3,017)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The above table excludes the following non cash charges:											
Depreciation expense	897	852	978	1,050	911	946	883	838	819	812	862

The table above includes Flood Protection and Control Works, the mandatory activity disclosure is shown separately at the end of this section.

**Regional Leadership**
**Annual Plan Long-Term Plan** (\$000's)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	17,236	16,917	16,483	17,668	19,787	21,374	22,497	24,243	25,413	26,449	27,409
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	575	417	73	73	73	73	73	73	73	73	73
Fees and charges	7,588	8,391	8,055	8,331	8,353	8,563	8,643	8,755	8,969	9,182	9,431
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>25,399</b>	<b>25,725</b>	<b>24,611</b>	<b>26,072</b>	<b>28,213</b>	<b>30,010</b>	<b>31,213</b>	<b>33,071</b>	<b>34,455</b>	<b>35,703</b>	<b>36,913</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	15,739	15,183	14,976	14,825	15,517	16,128	16,226	16,814	17,541	17,595	18,091
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	11,156	12,093	12,151	12,588	12,428	12,825	12,902	13,048	13,388	13,715	14,144
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>26,895</b>	<b>27,277</b>	<b>27,126</b>	<b>27,413</b>	<b>27,944</b>	<b>28,953</b>	<b>29,128</b>	<b>29,863</b>	<b>30,929</b>	<b>31,310</b>	<b>32,234</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1,496)</b>	<b>(1,551)</b>	<b>(2,515)</b>	<b>(1,342)</b>	<b>269</b>	<b>1,056</b>	<b>2,085</b>	<b>3,208</b>	<b>3,526</b>	<b>4,394</b>	<b>4,678</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	139	51	63	64	65	67	68	70	72	74	13
Increase(decrease) in reserves	(1,635)	(1,602)	(2,578)	(1,406)	204	989	2,017	3,138	3,454	4,320	4,666
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(1,496)</b>	<b>(1,551)</b>	<b>(2,515)</b>	<b>(1,342)</b>	<b>269</b>	<b>1,056</b>	<b>2,085</b>	<b>3,208</b>	<b>3,526</b>	<b>4,394</b>	<b>4,678</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>1,496</b>	<b>1,551</b>	<b>2,515</b>	<b>1,342</b>	<b>(269)</b>	<b>(1,056)</b>	<b>(2,085)</b>	<b>(3,208)</b>	<b>(3,526)</b>	<b>(4,394)</b>	<b>(4,678)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The above table excludes the following non cash charges:											
Depreciation expense	332	626	841	983	795	856	750	668	664	666	737



Transport and Urban Development	Annual Plan Long-Term Plan										(\$000's)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	806	781	800	817	834	854	873	894	916	938	964
Targeted rates	21,580	23,204	23,787	24,090	23,782	24,808	25,196	25,597	26,002	26,356	26,613
Subsidies and grants for operating purposes	31,130	31,006	30,456	33,896	32,058	31,118	31,546	32,124	32,702	33,290	33,775
Fees and charges	18,464	19,541	20,422	21,328	22,287	23,292	24,337	25,430	26,572	27,766	29,015
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>71,980</b>	<b>74,531</b>	<b>75,464</b>	<b>80,130</b>	<b>78,961</b>	<b>80,072</b>	<b>81,952</b>	<b>84,045</b>	<b>86,192</b>	<b>88,351</b>	<b>90,366</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	69,825	70,713	72,369	73,044	74,328	76,243	78,097	80,141	82,215	84,351	86,414
Finance costs	-	48	48	106	190	214	214	214	214	167	167
Internal charges and overheads applied	2,288	2,461	2,514	2,573	2,603	2,681	2,736	2,801	2,875	2,945	3,040
Other operating funding applications	-	-	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>72,113</b>	<b>73,221</b>	<b>74,931</b>	<b>75,724</b>	<b>77,120</b>	<b>79,138</b>	<b>81,046</b>	<b>83,156</b>	<b>85,304</b>	<b>87,462</b>	<b>89,621</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(133)</b>	<b>1,311</b>	<b>534</b>	<b>4,407</b>	<b>1,841</b>	<b>934</b>	<b>906</b>	<b>889</b>	<b>888</b>	<b>889</b>	<b>745</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	1,326	4,157	2,040	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	1,400	-	3,450	700	(750)	(750)	(750)	(750)	(750)	(750)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>2,726</b>	<b>4,157</b>	<b>5,490</b>	<b>700</b>	<b>(750)</b>	<b>(750)</b>	<b>(750)</b>	<b>(750)</b>	<b>(750)</b>	<b>(750)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
· to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
· to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
· to replace existing assets	3,490	2,754	156	7,458	3,266	-	-	-	-	-	-
Increase(decrease) in reserves	(3,623)	1,283	4,534	2,439	(725)	184	156	139	138	139	(5)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(133)</b>	<b>4,037</b>	<b>4,690</b>	<b>9,897</b>	<b>2,541</b>	<b>184</b>	<b>156</b>	<b>139</b>	<b>138</b>	<b>139</b>	<b>(5)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>133</b>	<b>(1,311)</b>	<b>(534)</b>	<b>(4,407)</b>	<b>(1,841)</b>	<b>(934)</b>	<b>(906)</b>	<b>(889)</b>	<b>(888)</b>	<b>(889)</b>	<b>(745)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The above table excludes the following non cash charges:											
Depreciation expense	876	453	493	550	499	1,747	1,713	1,696	1,695	1,695	1,386

Flood Protection and Control Works	Annual Plan Long-Term Plan										(\$000's)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	1,507	1,254	1,458	1,647	1,747	1,609	1,710	1,755	1,808	1,862	1,919
Targeted rates	8,671	7,353	8,507	9,543	10,137	9,368	9,941	10,171	10,472	10,776	11,116
Subsidies and grants for operating purposes	306	346	354	362	372	381	391	400	410	421	433
Fees and charges	223	857	363	399	329	543	554	562	571	580	590
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>10,707</b>	<b>9,810</b>	<b>10,682</b>	<b>11,951</b>	<b>12,585</b>	<b>11,900</b>	<b>12,596</b>	<b>12,889</b>	<b>13,261</b>	<b>13,639</b>	<b>14,059</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	9,399	9,288	9,387	9,855	10,196	10,340	10,983	11,325	11,882	12,002	12,341
Finance costs	-	456	624	624	624	624	624	596	512	512	512
Internal charges and overheads applied	2,336	2,630	2,676	2,735	2,773	2,852	2,912	2,982	3,059	3,135	3,234
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>11,735</b>	<b>12,374</b>	<b>12,688</b>	<b>13,213</b>	<b>13,593</b>	<b>13,816</b>	<b>14,519</b>	<b>14,902</b>	<b>15,453</b>	<b>15,649</b>	<b>16,087</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1,028)</b>	<b>(2,564)</b>	<b>(2,006)</b>	<b>(1,262)</b>	<b>(1,007)</b>	<b>(1,916)</b>	<b>(1,923)</b>	<b>(2,013)</b>	<b>(2,192)</b>	<b>(2,009)</b>	<b>(2,029)</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	4,000	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(400)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>4,000</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service	4,721	3,240	-	-	-	-	-	-	-	-	-
• to replace existing assets	1,402	(949)	1,177	1,498	1,219	1,240	118	769	102	105	203
Increase(decrease) in reserves	(7,151)	(855)	(3,582)	(3,160)	(2,626)	(3,556)	(2,441)	(3,183)	(2,694)	(2,515)	(2,631)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(1,028)</b>	<b>1,436</b>	<b>(2,406)</b>	<b>(1,662)</b>	<b>(1,407)</b>	<b>(2,316)</b>	<b>(2,323)</b>	<b>(2,413)</b>	<b>(2,592)</b>	<b>(2,409)</b>	<b>(2,429)</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>1,028</b>	<b>2,564</b>	<b>2,006</b>	<b>1,262</b>	<b>1,007</b>	<b>1,916</b>	<b>1,923</b>	<b>2,013</b>	<b>2,192</b>	<b>2,009</b>	<b>2,029</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
The above table excludes the following non cash charges:											
Depreciation expense	38	38	38	38	38	38	38	38	38	38	38

# REVENUE AND FINANCING POLICY



## Revenue and Financing Policy

### Overview

Environment Canterbury's financial policies aim to achieve efficient and effective regional governance. We will prudently manage our finances in such a manner as to protect the public's investment and minimise the exposure to risk. This acknowledges that at all times the Council is managing finances that belong to the Canterbury community.

This revenue and financing policy explains the rationale and process of selecting various funding sources to support the operating and capital expenditure of the Council. For Council to evaluate what funding sources are appropriate, we have created five guiding principles, as summarised below:

Principle	Rationale
<b>Affordability</b>	The Council considers the impact of funding methods on people's ability to pay, to avoid a decision being economically detrimental to the community and its well-being.
<b>Attribution of costs to the beneficiary</b>	The Council seeks to allocate costs to those who benefit from its activities or cause those activities to be undertaken. This is considered economically efficient and equitable. <ul style="list-style-type: none"> <li>• For those activities where there is a region-wide benefit, a form of general rate is used</li> <li>• For those activities related to a defined area of the region, a form of targeted rate is used</li> <li>• Activities that are directly caused by an individual or confer a benefit on an individual are funded by a form of user-pays charge.</li> </ul>
<b>Financial prudence and sustainability</b>	The Council recognises that additional contributions may be required to support debt repayment, manage treasury ratios or comply with our investment and debt management policies. This may also be relevant in determining appropriate funding mixes.
<b>Strategic alignment</b>	The Council is to have regard to its impact on our broader strategies and priorities as set out in our vision, community outcomes and planning documents including rating limits and affordability ratios set in the infrastructure and finance strategies within the Long-Term Plan.
<b>Transparency and accountability of funding activities separately</b>	The Council must consider the costs and benefits of funding activities separately. Transparency of funding enables the users of services to assess whether value for money has been achieved. Accountability makes the Council more efficient in providing these services.
<b>Overall impact on the community</b>	Within these guiding principles there remains inherent conflicts. When the Council applies these principles, and evaluates how activities will be funded, we do so considering the overall impact of any allocation on the community.

### Funding of operating and capital expenditure

In addition to our guiding principles, Environment Canterbury's Revenue and Financing Policy will also provide due consideration to the following:

- funding sources will be at a level to cover our net funding requirements, including an affordable ongoing asset renewal and replacement programme
- the number and costs of projects instigated are acceptable to the community
- the needs of current and future ratepayers are considered
- rates are collected from properties that are the direct beneficiaries of services where these can be identified, with the incidence of rates spread as possible
- limits and ratios set in our Financial Strategy are met.

## Expenditure to be funded

Legislation requires us to make adequate provision in the Long-Term Plan to meet the expenditure needs identified. Generally, this will mean that all expenditure is fully funded. An exception is that depreciation for flood protection assets is unfunded. Council's strategy is to maintain the current service potential of flood protection assets in an 'as new' condition and to standards set out in the asset management plan and infrastructural strategy, therefore existing levels of service are maintained by way of a regular repair and maintenance programme.

Environment Canterbury considers this approach and the consequential impacts on our operating budgets and debt levels is financially prudent, reasonable and appropriate having had regard to our funding principles, the factors in section 100(2) of the Local Government Act 2002 and all other relevant matters.

## Sources of funding: operating and capital expenditure

The sources of funding applied under this policy are limited to those set out under section 103 (2) of the Local Government Act 2002. The Council has determined the funding sources for both operating and capital expenditure below with due consideration given to the funding principles. For the most part funding sources for both operating and capital expenditure are similar. Where the rationales differ, these are separately identified in the table below:

Funding source	Rationale
<b>General rates</b>	<p>General rates are appropriate for funding activities where it is not practicable or cost-effective to identify the individual or group of beneficiaries (or causers of costs) of the service and charge them for the benefits received or costs imposed.</p> <p>It is also appropriate for general rates to partially fund activities where the provision of a private good also generates wider social benefits or where the application of fees and charges either causes affordability issues or compromises the wider objectives of the activity. Refer rating policy (below) and rating funding impact statement for further details.</p> <p><i>Guiding principle: affordability, financial prudence and sustainability</i></p>
<b>Targeted rates</b>	<p>Targeted rates are appropriate for funding operating activities or capital expenditure projects where the activity mainly benefits a specific group of ratepayers or where the action or inaction of that group contributes to the need for the activity. For example, where: the benefit of the activity falls on an identifiable subset of ratepayers; for catchment works that a property near a river receives greater flood protection benefit from than a property further away, so pays more. Refer rating policy (below) and rating funding impact statement for further details.</p> <p><i>Guiding principle: attribution of costs to the beneficiary, transparency and accountability of funding activities separately</i></p>
<b>Fees and charges</b>	<p>Fees and charges can be applied where the users of a service can be identified and charged according to their use of the service. Conversely, those that do not pay are denied access to the service.</p> <p>Fees are also appropriate where an individual's action or inaction creates the need for an activity (cost causation). For example, the cost of obtaining a consent is met by the land owner.</p> <p>Refer Fees and Charges Policy for additional policy rationale and rates.</p> <p><i>Guiding principle: attribution of costs to the beneficiary, transparency and accountability of funding activities separately</i></p>
<b>Grants and subsidies</b>	<p>Grants and subsidies are applied to fund the operating or capital costs of a particular activity that the grant or subsidy is intended to pay for.</p> <p><i>Guiding principle: attribution of costs to the beneficiary, transparency and accountability of funding activities separately</i></p>
<b>Interest and dividends from investments</b>	<p><b>Operating Expenditure:</b> Interest and dividends from investments is allocated to projects related to the purposes for which those balances are held. The interest allocation reduces the amount of funding required from other sources.</p>

Funding source	Rationale
	<p><b>Capital Expenditure:</b> Interest and dividends from investments may be used where appropriate and consistent with the Council's funding principles to fund capital expenditure projects and to reduce the reliance on ratepayer funding.</p> <p><i>Guiding principle: financial prudence and sustainability, strategic alignment</i></p>
<b>Borrowing</b>	<p><b>Operating Expenditure:</b> Borrowing will not generally be used to fund operating expenses.</p> <p><b>Capital Expenditure:</b> Borrowing is used to spread the costs of capital expenditure across multiple years. Given assets deliver benefits throughout their useful life, it is appropriate that the funding is spread across this period.</p> <p><i>Guiding principle: financial prudence and sustainability, strategic alignment</i></p>
<b>Proceeds from asset sales</b>	<p><b>Operating Expenditure:</b> Funds received from the sale of surplus assets will generally be attributed to that activity. For example, proceeds from timber sales by catchment rating districts are used to fund work in those areas.</p> <p><b>Capital Expenditure:</b> Funds received from the sale of surplus assets on a case-by-case basis may be used to fund investment in another asset of higher strategic priority than the asset sold.</p> <p><i>Guiding principle: financial prudence and sustainability, strategic alignment</i></p>
<b>Surpluses from previous financial years</b>	<p><b>Operating Expenditure:</b> A surplus may be available to be carried forward as a reserve. Funding from reserves may be used only for work related to the purpose for which the funds were originally collected. For example, catchment reserves can only be spent on catchment works in the rating district where they were collected.</p> <p><b>Capital Expenditure:</b> Surpluses will not generally be used to fund capital expenditure.</p> <p><i>Guiding principle: financial prudence and sustainability, transparency and accountability of funding activities separately</i></p>
<b>Other sources</b>	<p>Other revenue sources may be used where appropriate and consistent with the council's funding principles to support operational or capital expenditure projects and to reduce the reliance on other funding. An example of this is the income received from endowment land lease rentals. This income is tied to catchment rating districts and is used to fund river protection in the rating district where the land is situated. It cannot be used to fund other work.</p> <p><i>Guiding principle: financial prudence and sustainability, affordability</i></p>

## Rating policy

### General rates

General rates are applied to all rateable land under section 13 of the Local Government (Rating) Act 2002.

Environment Canterbury will use general rates to fund activities which have a 'public good' element, or where we wish to subsidise the provision of services because of the wider community benefits they provide.

### Valuation basis

The general rate will be set based on capital value. This is consistent with the revenue mechanisms that have been provided to us by central government and are based on a land tax principle. Council is of the view that higher capital value properties, generally, are better able to bear the costs. It also assumes that those with more capital consume more resources and so have a greater stake in the management of those resources. Having said that, when appropriate charges for some activities are a fixed amount regardless of the rateable value of the property (see UAGC below).

Relief from rates is available through a rates rebate administered by your territorial authorities (eg Mackenzie or Selwyn District Council) on behalf of central government.

General rates are set differentially based on the location of the rateable properties within the respective territorial authorities' areas, using capital values. We have used projected capital values to arrive at a value for each territorial authority area. A process to consider projected values is undertaken on an annual basis to take account of the different revaluation cycles of the territorial authorities in the region. Its effect is to smooth the impact of increases in the valuation base during the valuation cycle. Without this 'equalisation', each district's share of the Environment Canterbury rating base will increase in the year they revalue the properties in the district, then decrease in the following two years giving a more volatile and less certain rates take.

General rates are collected by a rate in the dollar on the rateable capital value of each rating unit, or by a uniform annual general charge (UAGC) as a fixed amount per rating unit.

### **Application of a uniform annual general charge**

To ensure that the rates burden isn't disproportionately borne by higher value properties the Council has decided to set a uniform annual general charge (UAGC), where one of the following criteria applies:

- the expenditure is a 'public good' to which every ratepayer has equal access
- the expenditure is related to 'people' rather than property
- the expenditure does not directly change the condition of economic value of a property or resource.

Every ratepayer will therefore make a minimum contribution to meeting the Council's costs, as outlined in our funding sources.

The charge will apply to every rating unit.

### **Targeted rates**

The Council mainly uses targeted rates where there is a clearly identifiable group benefiting from a specific Council activity. Targeted rates will apply to properties that receive certain services, or which are located in specified areas. Targeted rates may also apply universally to fund a specific activity where it is important that the community can see the amount being spent specifically on that activity.

The Council does not have a lump sum contribution policy and will not invite lump sum contributions for any targeted rate.

### **Annual adjustments to regulatory fees and charges**

Fees and charges are applied where the users of a service can be identified and charged according to their use of the service. We will review and amend our regulatory fees and charges annually to:

- reflect increases in costs as measured by the Council rate of inflation and/or
- maintain the cost recovery levels underlying the basis for setting the fee levels.

The change to fee levels will be made on a practical basis recognising that the percentage change applied to individual fees may not precisely equal the rate of inflation applied. This also means smaller fees may increase by more material amounts in one year and remain constant for a period before being adjusted again.

**Rates are subject to change based on public consultation or change in policy.**

## Rates collection by territorial authorities

All rates are collected by the territorial authorities within the Canterbury region on behalf of Environment Canterbury. These are the Christchurch City Council and the District Councils of Ashburton, Hurunui, Kaikōura, Mackenzie, Selwyn, Timaru, Waimakariri, Waimate and Waitaki. You will see the Environment Canterbury portion of your rates noted on our rates notice from the territorial authority where your property is located.

Penalties shall be added to the balance of the rates instalments levied in the current financial year that remain unpaid after the date fixed by the territorial authorities collecting rates and to the balance of rates levied in any previous financial year.

## Application of funding principles to the funding of operating and capital expenditure for each activity

Community outcomes activity contributes	Distribution and period of benefits	External factors influencing activity	Rationale of the costs and benefits of distinct funding for the activity
<b>AIR QUALITY OPERATING AND CAPITAL FUNDING SOURCES:</b>			
<b>Environmental monitoring and progress reporting, Cleaner Home Heating, Non-Domestic Emissions</b>			
We can breathe clear air, play and swim in the rivers, gather mahinga kai, benefit from the productive use of our land, and enjoy Canterbury's unique biodiversity taonga and landscapes.	Individuals and the community benefit from improved burning practices by households and better management of odour and dust, reducing air pollution. These benefits will accrue immediately and in future years.	Individual households burning wood for home heating account for at least 50% of emissions, industries discharging pollutants to air, land owners causing odour, nuisance and dust emissions are all contributing to air quality issues across the region.	The provision of the air quality activity is considered to be a public good from which the community as a whole will benefit. There are many high pollutant areas, which require attention to meet clear air standards. Consequently, it is considered equitable for these areas to provide a greater contribution reflecting this. Currently, this is 40% by a uniform annual general charge and 60% by one targeted rate levied across all the polluted areas which include Rangiora, Kaiapoi, Christchurch, Ashburton, Timaru, Geraldine and Waimate. In addition, a separate heating assistance programme focusing on the identified polluted areas will be fully funded by a targeted rate over these areas. All other operating works will be funded from general rates. Capital costs are minor and are funded from general rates or borrowing for efficiency reasons. A home insulation loan scheme has been introduced that ratepayers can access to fund insulation and low emission burners costs via their rates.
<b>BIODIVERSITY AND BIOSECURITY ACTIVITY:</b>			
<b>Biodiversity (Regional Biodiversity, Braided Rivers and Wetlands), Biosecurity</b>			
We can breathe clear air, play and swim in the rivers, gather mahinga kai, benefit from the productive use of our	Individuals and the community benefit from improved image [A1] and retention	Individuals and the community who undertake practises which are detrimental to the environment or	The provision of biodiversity and biosecurity activities is considered to be a public good; however, there can be a private element of benefit, with plant and animal pest monitoring and inspection, incursion response, advocacy,



Community outcomes activity contributes	Distribution and period of benefits	External factors influencing activity	Rationale of the costs and benefits of distinct funding for the activity
<p>land, and enjoy Canterbury's unique biodiversity taonga and landscapes.</p> <p>We can all help shape the future of Canterbury, leaving a legacy for generations to come.</p>	<p>of productive values of land, reducing adverse effects of natural resources.</p> <p>Furthermore, the regional community benefits from protecting biodiversity by the containment of plant and animal pests.</p> <p>Benefits accrue both in the immediate and long term.</p>	<p>who wish to foster and enhance the environment are influencing factors.</p> <p>In addition, the community who benefit from the active control of animal and plant pests and the protection of our region's unique ecosystems.</p>	<p>investigations and pathway management.</p> <p>Therefore, such costs will be funded equally from a mix of general and targeted rates (unless otherwise agreed within rating districts). All other operating activities to be funded from general rates.</p> <p>Capital costs are minor and are funded from general rates or borrowing for efficiency reasons.</p> <p>The majority of pest rates will be levied on a regional basis with 50% funded via a targeted rate based upon land area and land value, the remaining 50% funded via general rates. Existing pest reserves would be used for relevant projects in the future but not replenished by rates. The feasibility of expanding the Banks Peninsula Community Initiative Programme will be investigated to cover all properties, a greater geographic area and a wider range of pests in 2018/19.</p>

FRESHWATER MANAGEMENT ACTIVITY:

**Canterbury Water Management Strategy facilitation, regional water infrastructure support, RMA water framework, environmental monitoring and progress reporting, zone and regional delivery, Te Waihora:**

<p>We can breathe clear air, play and swim in the rivers, gather mahinga kai, benefit from the productive use of our land, and enjoy Canterbury's unique biodiversity taonga and landscapes.</p> <p>We can all help shape the future of Canterbury, leaving a legacy for generations to come.</p> <p>We have access to the information we need to be resilient in the face of short term hazards and well prepared for longer-term change to our region's natural environment.</p>	<p>The benefits of these projects will accrue to water management zones as the study progresses.</p> <p>All benefits accrue immediately and in future years when data is used as input into regional plans and to assist with resource consents.</p> <p>The benefit accrues immediately.</p>	<p>Council is required to carry out environmental works as part of the Resource Management Act 1991.</p> <p>The regional community in general expects a clean and plentiful water supply.</p> <p>Individuals and the community who undertake practises which are detrimental to the environment or who wish to foster and enhance the environment are influencing factors.</p>	<p>An effective water management strategy is a public good. The regional community benefits from improved ecosystem health and water quality and enhanced recreational opportunities by understanding the risks to and the pressures on water resources so that informed resource management decisions can be made in consultation with the community.</p> <p>This work is to be funded by a general rate over the whole region, with targeted rates levied to fund zone specific priorities.</p> <p>Capital costs are minor and are funded from general rates or borrowing for efficiency reasons.</p> <p>Targeted rating areas for each water zone have been established. The purpose of which is to enable the funding of activities which are not delivered under the regional programme and which are specific to that geographic area.</p>
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TRANSPORT AND URBAN DEVELOPMENT:

**Public transport, regional transport and urban development**

Community outcomes activity contributes	Distribution and period of benefits	External factors influencing activity	Rationale of the costs and benefits of distinct funding for the activity
<p>We can live, travel, and move goods with ease, within and to/from the region, facilitating work, leisure and tourism.</p>	<p>The regional community benefits from the provision of an affordable, integrated, safe, responsive and sustainable transport system. When public transport is provided there is community and individual benefit from reduced congestion and improved road safety. Individuals benefit from being able to travel and access the community when they might otherwise not be able to do so. The benefits accrue immediately.</p>	<p>Need is created by the entire community in the desire for an integrated transport network. Need is created to reduce individual vehicle movements to free up the roading network and to create health benefits through reduced vehicles emissions for the community. This service offers a transport option to those individuals without a vehicle. Individuals who are unable to access the public transport services require an alternative door to door service called total mobility.</p>	<p>Regional transport management is a public good. The regional community benefits from an integrated regional transport network and therefore a general rate has been applied. There is an individual fee in the Fees and Charges Policy for stock effluent disposal. For all contracted but services, the aim is for fares to cover at least 50% per cent of the cost of individual services with the balance funded 24% from targeted rates (Waimakariri and Selwyn 29%) and 26% Government grants. Some communities may elect to pay a higher/lower targeted rate in return for greater/lesser services. The total mobility schemes assist eligible people with a permanent disability or impairment to access appropriate transport to enhance their community participation. This assistance is provided in the form of a subsidised door-to-door transport services wherever the scheme transport providers operate. Eligible customers present their Total Mobility smart card to access a 50% discount on eligible door-to-door transport, up to a maximum of \$35 per trip. All other work is to be funded 49% targeted rates over for areas receiving services and 51% from Government grants. This percentage is subject to changes from Government policy. Capital costs are minor and are funded from general rates or borrowing for efficiency reasons.</p>

**HAZARDS, RISK AND RESILIENCE:**

**Climate change integration**

<p>We have access to the information we need to be resilient in the face of short-term hazards and well prepared for longer-term change to our region's natural environment.</p>	<p>The regional community benefits from being informed and educated on how to become more risk literate and resilient to climate change. The benefits accrue immediately and into the future.</p>	<p>Need is created by the community trying to understand climate change and its impact on their current and future environment</p>	<p>Climate change integration is considered a public good. The regional community benefits from being better informed and regional decision making considered climate change effects and therefore a general rate has been applied.</p>
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**Contaminated land, hazardous substances and waste**

Community outcomes activity contributes	Distribution and period of benefits	External factors influencing activity	Rationale of the costs and benefits of distinct funding for the activity
<p>We have access to the information we need to be resilient in the face of short-term hazards and well prepared for longer-term change to our region’s natural environment.</p>	<p>Individuals mainly benefit from reduced contaminates on their land. The community benefit if they are in the vicinity of the site with a cleaner environment. The benefits accrue immediately and into the future.</p>	<p>Individuals and the community who undertake practises which are detrimental to the environment or who wish to foster and enhance the environment are influencing factors.</p>	<p>Identifying, monitoring and responding to contaminated land, hazardous substances and waste inquiries is considered a public good. The regional community benefits from a cleaner environment informed and therefore a general rate has been applied. Where evidence permits, council will seek to charge the exacerbator. Some external grant funding has been obtained for specific projects.</p>
<p><b>Natural hazards</b></p>			
<p>We have access to the information we need to be resilient in the face of short-term hazards and well prepared for longer-term change to our region’s natural environment.</p>	<p>Individuals and the community benefit from reduced risk to property, projection losses and loss of life. The benefits accrue immediately and into the future.</p>	<p>Need is created by the environment, which is subject to natural hazards and by individuals and the communities who live or plan development in at risk areas.</p>	<p>Hazard management is primarily a public good. There is a community wide benefit arising from hazard management activities which includes, hazard identification, climate change integration and risk reduction analysis through the region. This region wide activity is funded via general rate. Where there are clear benefactors who require a higher level of protection there are variety of differential targeted rates for their river or drainage scheme. There are some user pays services which are specific for an individual and these services are detailed in the Fees and Charges policy. Capital costs are minor and are funded from general rates or borrowing for efficiency reasons.</p>
<p><b>Navigation and recreational boating safety</b></p>			
<p>We have access to the information we need to be resilient in the face of short-term hazards and well prepared for longer-term change to our region’s natural environment.</p>	<p>The regional community benefits from safer coastal areas for recreation. Commercial and recreational users benefit from safe water transport. The benefits accrue immediately and into the future.</p>	<p>Need is created by boat users who undertake practises which don’t comply with the Navigation Safety Bylaw.</p>	<p>The provisions of harbour safety and navigation services provide both public and private benefits. The public, including small vessel recreational users benefit from the provisions of these services. User charges are levied on larger vessel and coastal structure owners, who are direct beneficiaries of the services. Recreational boat safety is considered of benefit to everyone in the region and this benefit is not linked to capital value and therefore a uniform annual general charge was considered appropriate. All remaining operational costs are funded from general rates. Capital costs are minor and are funded from general rates or borrowing for efficiency reasons.</p>

Community outcomes activity contributes	Distribution and period of benefits	External factors influencing activity	Rationale of the costs and benefits of distinct funding for the activity
			Recreational Boating safety rates are levied as a uniform annual general charge.
<b>Flood protection and control works</b>			
We have access to the information we need to be resilient in the face of short-term hazards and well prepared for longer-term change to our region’s natural environment.	The community benefits from the reduction in damage to infrastructure. Land owners benefit from reduction in property damage. Furthermore, individuals and the community benefit from the recreation and leisure opportunities regional park areas provide. The community benefits from the protection and enhancement of biodiversity and natural habitat. The benefits accrue immediately and into the future.	Need is created from the public and individuals who benefit from reduced incidence of damage from flood events. In addition, individuals and the community who undertake practises which are detrimental to the environment or who wish to foster and enhance the environment are influencing factors.	Flood protection and control works are considered to be a private and public good. Where specific works are carried out, these works provide a greater benefit to identifiable individuals and groups of individuals. The allocation of general and targeted rates for each rating district will be allocated based on its own funding policy, in consultation with the community. This promotes accountability and affordability as residents and businesses consider the cost of flood protection works against the level of risk. Capital costs may be funded through borrowing for major projects.
REGIONAL LEADERSHIP:			
<b>Governance &amp; engagement, strategy &amp; direction, Ngāi Tahu &amp; regional relationships, long term community planning, plans, consenting &amp; compliance and our information &amp; advice</b>			
We can all help shape the future of Canterbury, leaving a legacy for generations to come.	The community benefit from, and contribute to, the council’s decision-making process. This includes an open and transparent decision-making process. The	The community direct Council through the consultative and election process. Legislative requirements mandate engagement with the community including involving Ngāi Tahu in decision making.	Appropriate engagement with the community ensures a greater awareness and understanding of regional issues, where the Council can make informed decisions. Community representation and engagement is a public good. The cost of engagement, including member fees and election expenses is to be funded from a uniform annual general charge. This is because it is considered this benefit accrues to individuals equally.

Community outcomes activity contributes	Distribution and period of benefits	External factors influencing activity	Rationale of the costs and benefits of distinct funding for the activity
	<p>benefits occur mainly within the year in which the expenditure is incurred. Consent holders benefit directly from gaining compliance and holding a consent. The regional community benefits as there is assurance that activities requiring consent are in accordance with regional policies and the Resource Management Act 1991. The local and regional community benefit from environmental protection via the monitoring, enforcement and clean up action carried out by the council. All benefits accrue immediately once the consent is issued. Although, there are future benefits throughout the life of the consent.</p>	<p>Need is created by applicants seeking consent under the Resource Management Act 1991 or Building Act 2004.</p>	<p>Resource consent applications are a largely private good; therefore, the associated processing costs are to be fully funded by the applicant. The cost of funding any charges that cannot be reasonably passed on to consent applicants including the provision of an administrative framework, is to be fully funded from general rates as the community receives an indirect benefit. Compliance monitoring is required because of the actions or inactions of individuals; compliance provides an indirect benefit to the public. The allocation of costs to those who cause such costs, through fees and charges ensures our environment is maintained in accordance with consent conditions, encouraging sustainable use of resources.</p> <p>All other operational costs are fully funded from general rates. The contribution of the public to the decision-making process is valuable as it ensures public expectations are known and considered and promotes public accountability of council. This funding source is deemed to be the most efficient and equitable.</p> <p>Capital costs are minor and are funded from general rates or borrowing for efficiency reasons.</p>

The following table shows whether the funding principles as per LGA S101 3 (a) generally apply to Groups of Activities and Activities, and which funding mechanism Council has therefore determined to be appropriate.

The table shows the main funding sources for each activity, notwithstanding this, Grant, Interest on Reserves and third-party Other revenue will also be utilised to fund any Activity whenever possible in order to reduce the burden on ratepayers.

SUMMARY OF FUNDING POLICIES					
Portfolio - (Groups of Activities) Programme - (Activities) Sub Activity	Costs and benefits of funding	User/beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Policy
<b>Air quality</b>					
Reducing domestic emissions	√	×	×	×	40% UAGC 60% targeted rate
Cleaner forms of home heating	√	√	×	×	Borrowing Voluntary targeted rate
Non-domestic emissions	√	×	×	×	40% UAGC 60% targeted rate
Air Quality Monitoring and Progress Reporting	√	×	×	×	40% UAGC 60% targeted rate
<b>Biodiversity and biosecurity</b>					
Regional Biodiversity	√	×	×	×	General rate
Biosecurity	√	×	×	×	50% general 50% targeted Grant
Wetlands	√	×	×	×	General rate
Braided rivers	√	×	×	×	General rate
<b>Freshwater management</b>					
CWMS Facilitation	√	×	×	×	General rate Targeted rate
Regional Water Infrastructure	√	×	×	×	General rate Targeted rate
RMA Water Framework	√	×	×	×	General rate Targeted rate
Environmental monitoring and progress rep	√	×	×	×	General rate Targeted rate
Te Waihora	√	×	√	×	General rate Borrowing
Zone and regional delivery	√	×	×	×	General rate Targeted rate

**SUMMARY OF FUNDING POLICIES**

Portfolio - (Groups of Activities) Programme - (Activities) Sub Activity	Costs and benefits of funding	User/beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Policy
<b>Hazards, risk and resilience</b>					
Coastal environment and hazards	√	√	×	√	General rate
Contaminated land, hazardous substances, and waste	√	×	×	√	General rate User pays/Other Grant
Emergency management	√	√	×	×	Targeted rate User pays/Other Grant
Dams	√	×	×	×	User pays/Other General rate
<b>Flood protection and control works</b>					
Comprehensive River Schemes	√	√	√	×	15% general rate 15% uniform targeted rate 70% differential targeted rate Borrowing
Localised River Schemes	√	√	×	×	5% general rate 20% uniform rate 75% differential targeted rate
Drainage Schemes	√	√	×	√	5% general rate 15% uniform targeted rate 80% differential targeted rate
Community Drainage Schemes	√	√	×	√	Various - agreed with community: General rate Targeted rate Differential targeted rate User pays/Other
Land Management	√	√	×	×	User pays/Other
Natural Hazards	√	×	×	×	General rate
Navigation and recreational boating safety	√	×	×	×	General rate

SUMMARY OF FUNDING POLICIES					
Portfolio - (Groups of Activities) Programme - (Activities) Sub Activity	Costs and benefits of funding	User/beneficiary pays principle	Intergenerational equity principle	Exacerbator pays	Policy
Recreational Boating Safety - General	√	×	×	×	UAGC
Climate change integration	√	×	×	×	General rate
<b>Regional leadership</b>					
Our Information and Advice	√	×	×	×	UAGC General rate User pays/Other Grant
Governance and Engagement	√	×	×	×	UAGC
Long-Term Community Planning	√	×	×	×	UAGC
Ngai Tahu and Regional Relationships	√	×	×	×	General rate
Strategy and Direction	√	×	×	×	General rate
Plans, Consenting and Compliance	√	√	×	×	General rate
<b>Transport and urban development</b>					
Community Transport	√	√	×	×	40% Targeted rate 60% Grant
Greater Christchurch Metro South Canterbury Metro	√	√	×	×	50% User pays/Other
Greater Christchurch Urban Development Strategy	√	×	×	×	50% User pays/Other 24% targeted rate (Waimakariri and Selwyn 29%) 26% Grant
Land Transport	√	×	×	×	General rate Grant User pays/Other

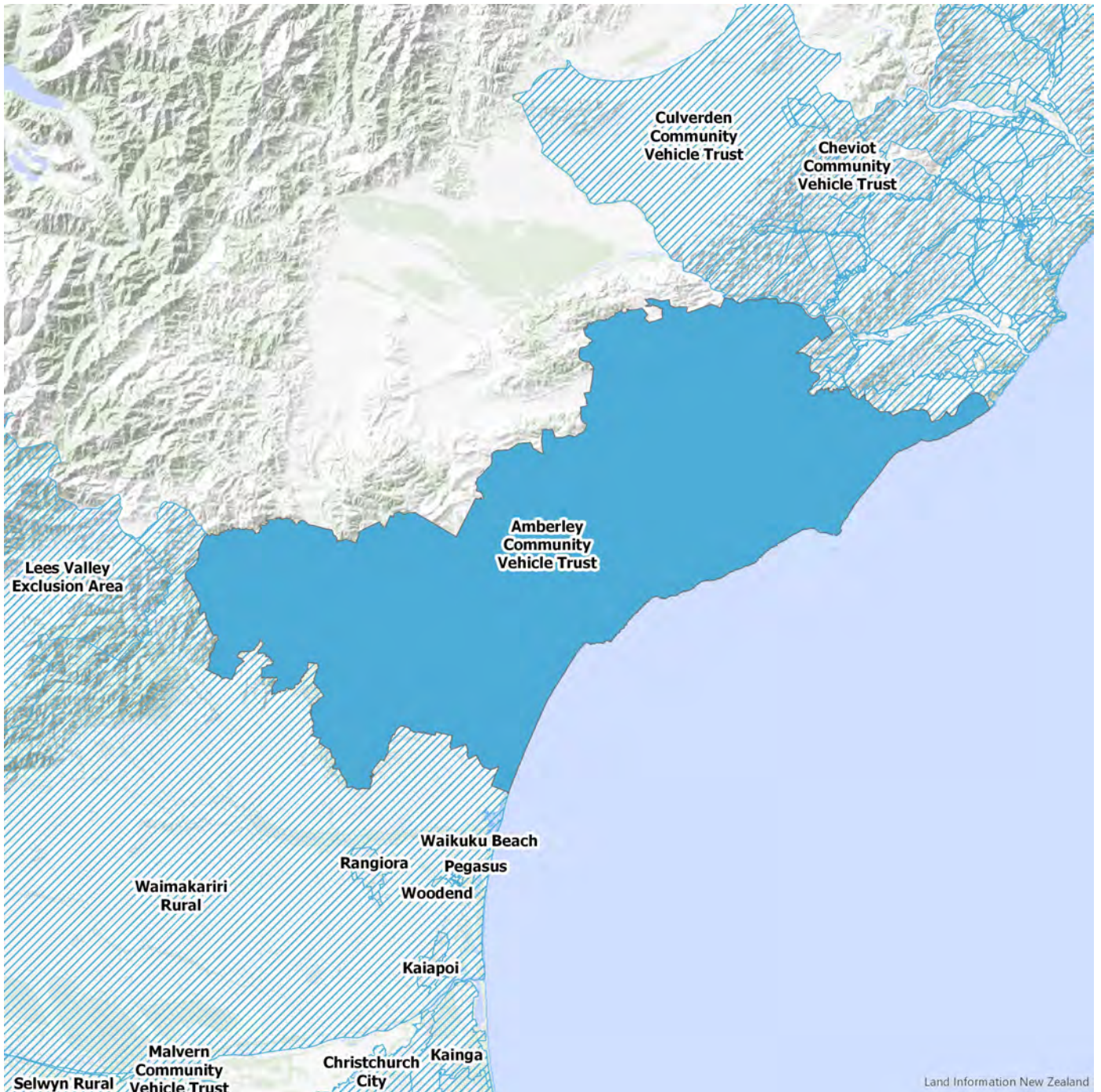


## Changes to Rating Areas

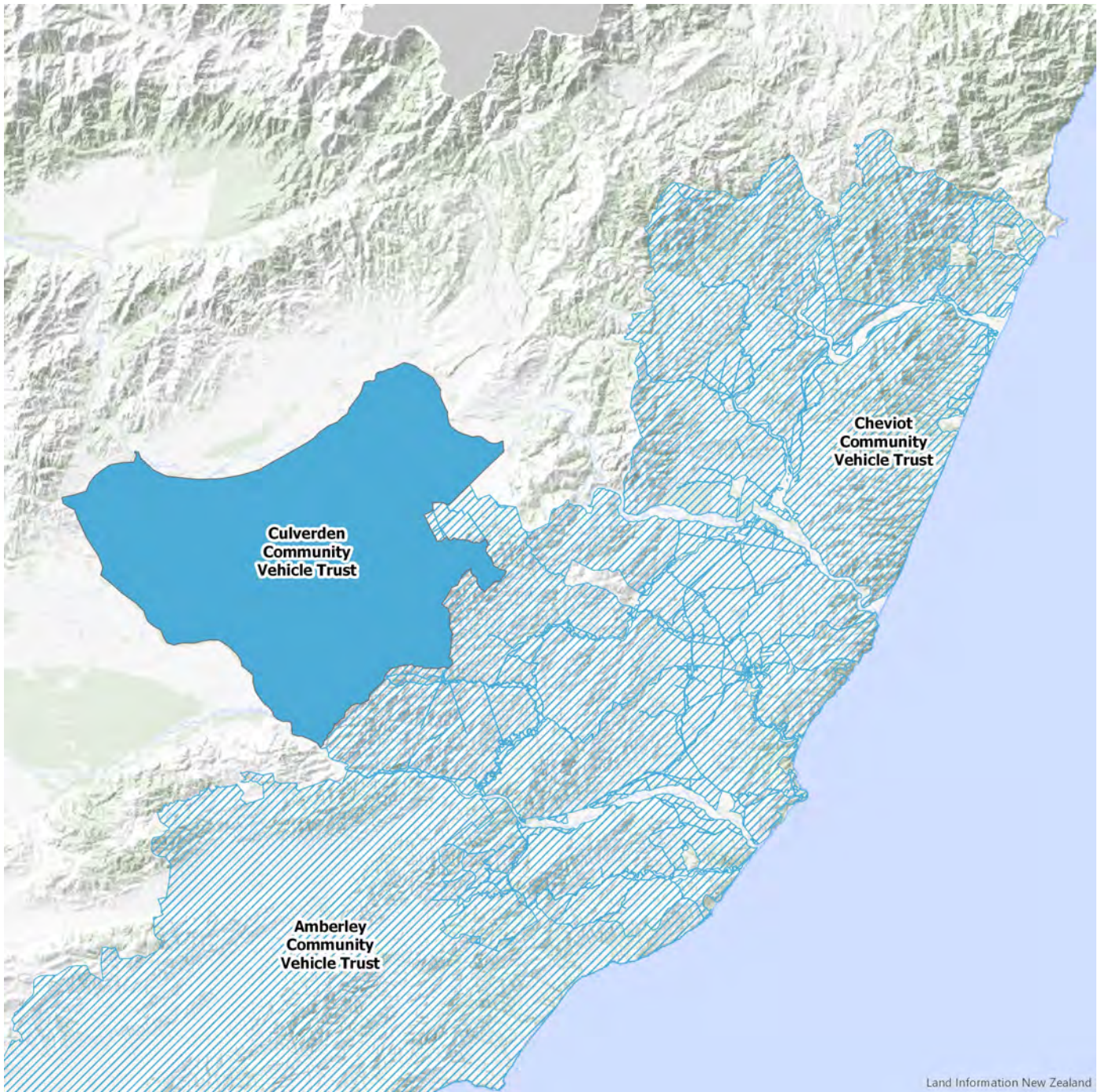
There are some minor changes to rating areas in this Long-Term Plan. These are shown on maps below and more detailed GIS data can be accessed at <https://mapviewer.canterburymaps.govt.nz>.

### Public Transport Rating Areas

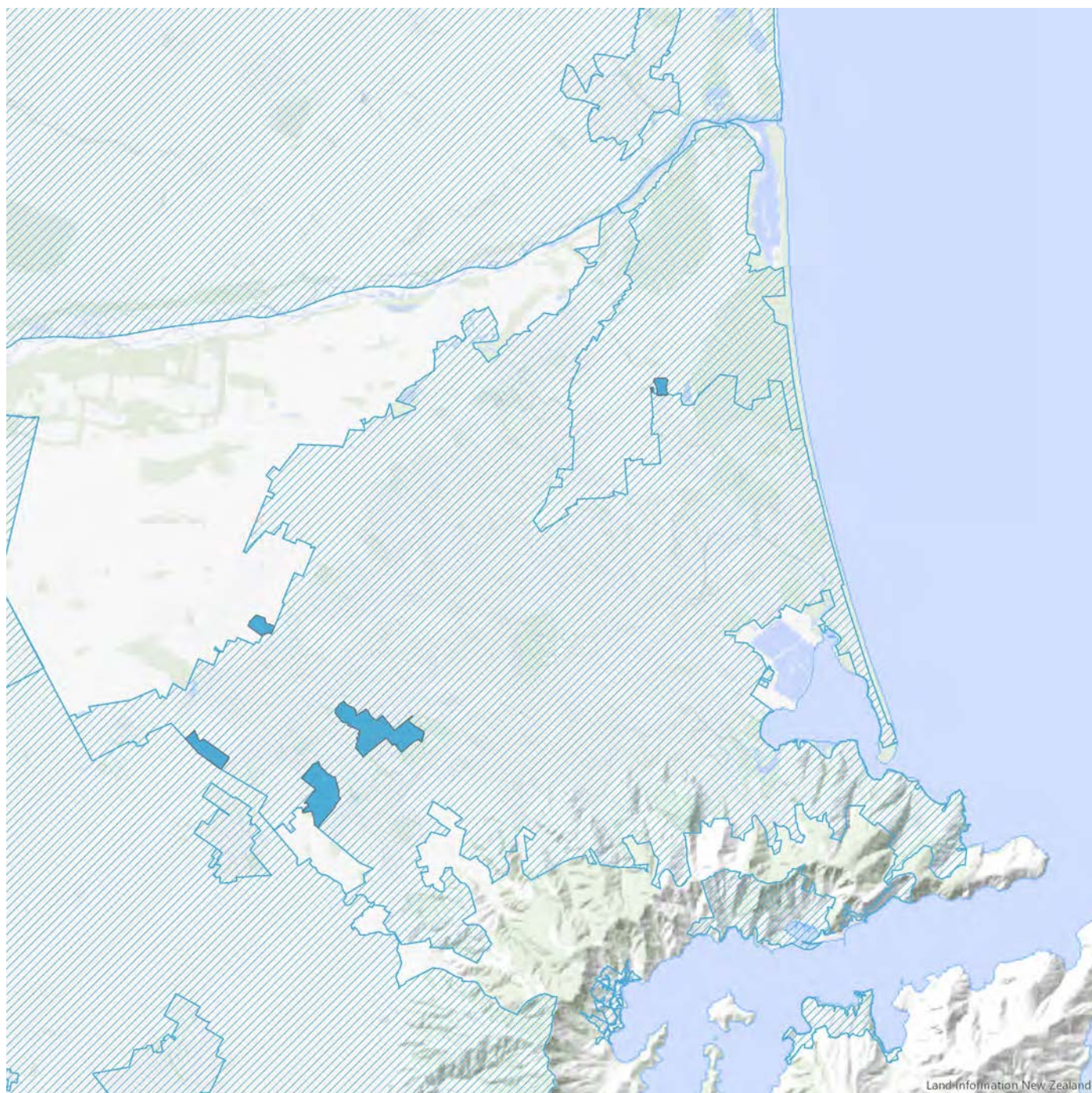
We support community vehicle trusts through grants so they can provide transport in areas outside of our urban public transport network. A new targeted rating area now exists for the Amberley Community Vehicle Trust. Properties in this rating area will be levied at \$1.51 per rating unit (as a uniform targeted rate), total rates revenue of \$5,190.



A new targeted rating area now exists for the Culverden Community Vehicle Trust. The amount to be generated in rates revenue is \$5,216, to be levied as a uniform targeted rate of \$7.12 per rating unit.



The Christchurch Public Transport area has been amended due to property development and now includes the shaded areas below, which were not previously rated. The Christchurch Public Transport rate is levied at \$25.07 per \$100,000 Capital Value.



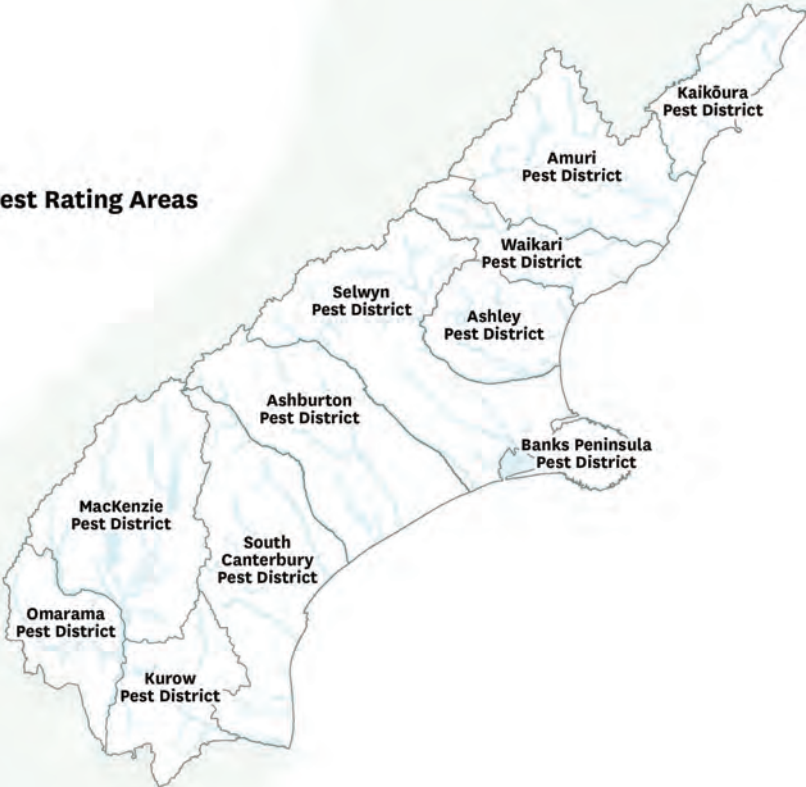
## **Pest Rating Area**

We have consolidated the existing targeted rating areas (where a specific group pays a rate for a direct benefit) into a single targeted rate across all rural land. The rating approach is for 50% through a general rate contribution and 50% to come via a targeted rate (based on 50% land value and 50% land area). This change is in response to the development of the Regional Pest Management Plan which aims to ensure that pest management in Canterbury is future-focused, effective and efficient, better positioning ourselves to meet the future needs of the community.

This is not a new rate. It is an amalgamation of rating areas and a change to the rates calculation.

The former pest rating districts are below. These are now amalgamated into a single region-wide rating district. The amount to be levied per ratepayer will depend upon the location of the property and whether the property category is rural, as set by Quotable Value NZ. Rural ratepayers will pay \$2.43-\$2.95 per \$100,000 land value and \$0.37 per hectare of land in addition to the general rate portion which will be levied across all ratepayers. This replaces the targeted pest rates per pest rating district which have been levied in previous years.

**Former Pest Rating Areas**



## Freshwater Management

Freshwater Management is one of two strategic priorities for Environment Canterbury.

The Revenue and Financing Policy outlines that our freshwater management work is funded through a 'general' rate across all ratepayers. This work has previously been levied as a 'targeted' rate on all ratepayers to fund the Canterbury Water Management Strategy (CWMS).

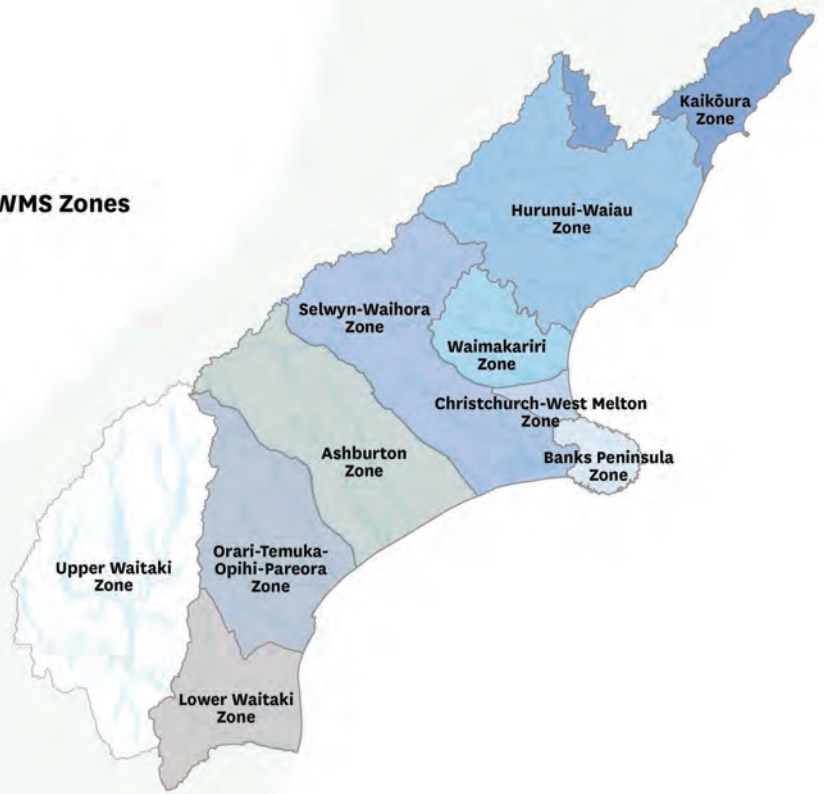
This general rate for freshwater management is not a new rate. It is a change to the categorisation of the CWMS rate from 'targeted' to 'general' – which simply means that the funds collected can be used for all freshwater management work, rather than targeted solely to CWMS tagged activity.

The Revenue and Financing Policy also shows freshwater rating 'zones' and allows for a rate to be targeted to a specific zone or zones for some projects. These freshwater rating areas have been aligned with the CWMS water management zones as closely as possible, to ensure that properties that receive the majority of benefit from the work in one CWMS water management zone are rated in that area. Where a rating unit (property) crosses over more than one zone, it will be rated in only one zone when there is a less than 5% crossover, and where the crossover is less than 20 hectares.

For 2018/19 only two zones have additional targeted rates (zone specific), and these have been rated in the same way in prior years.

CWMS zones have not previously been defined as rating areas. The rating 'zones' have been aligned with topography and property boundaries wherever possible in order to minimise the number of rating units (properties) that cross over more than one zone. Rating units will be rated in only one zone where there is a less than 5% crossover, and where the crossover is less than 20 hectares.

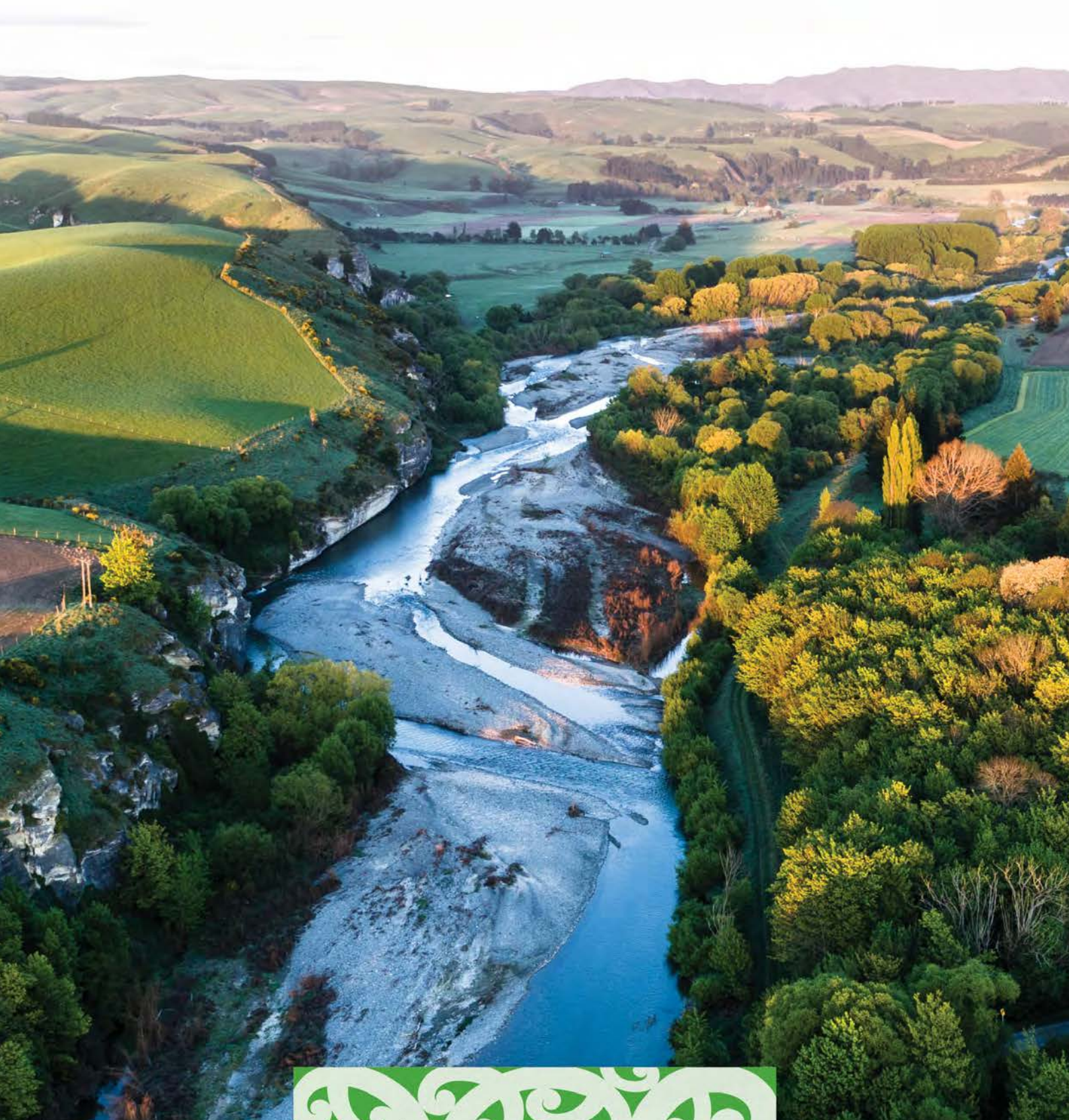
**CWMS Zones**







# FEES AND CHARGES POLICY



# Fees and Charges Policy

## About this document

This document describes and sets our fees and charges set under either section 36 of the Resource Management Act 1991, section 150 of the Local Government Act 2002, section 243 of the Building Act 2004 or Navigation Safety Bylaw 2016. It forms part of Environment Canterbury's Revenue and Financing Policy.

## Recovery of costs

The RMA, LGA and BA allow Environment Canterbury to recover all reasonable costs incurred in respect of the activity to which the charge relates.

### Resource Management Act 1991 (RMA) – section 36

Section 36 of the RMA covers charges relating to resource consents.

### Local Government Act 2002 (LGA) – section 150

Section 150 of the LGA provides for charges to be set for various regulatory functions. These functions include (but are not limited to):

- land improvement agreements
- miscellaneous charges under the Local Government Official Information and Meetings Act 1987 (LGOIMA) charges
- certain RMA functions not covered by section 36 of the RMA
- charges set pursuant to Maritime Transport Act 1994, Navigation Safety Bylaw 2016 and other functions of the Harbourmaster.

### Building Act 2004 (BA) – section 243

Section 243 of the BA covers charges for building consent applications.

## Remission of charges

We may remit any charge referred to in this Policy, in part or in full, on a case by case basis, and solely at our discretion.

## Credit

Credit is not generally available. We will consider staged payments in exceptional circumstances.

## Debtors and unpaid charges

Under this Policy debtors and unpaid charges are treated like any other outstanding amount owed. An outstanding debt will be pursued according to Environment Canterbury's standard debt management procedures which are summarised below:

- Environment Canterbury invoices are due for payment on the 20th of the month following invoice date
- customers with an overdue balance after payment date will be sent a final reminder letter. Final reminder letters are sent in the first week of the month after due date
- if payment is not received within 14 days of the final reminder letter, Environment Canterbury will place the account in the hands of a collection agency and the customer will be charged the full cost of collecting the debt.

### **Minimum amount for invoicing and refunds**

Refunds of charges or invoicing of charges owed for consent applications or consent monitoring shall only occur if the amount is greater than \$34.50 incl GST.

### **Goods and Services Tax**

The charges described in this Policy include GST unless specifically stated otherwise.

## General provisions applicable to charges

### Review

This policy will be reviewed at least annually by 1 July each calendar year in conjunction with the Long-Term Plan and Annual Plan processes.

### When charges are due

#### Application and Additional charges (RMA)

##### Fixed application charge

Fixed application fees cover the total cost of the application or compliance monitoring activity and are due for payment when your application is lodged. We will not commence processing your application until the fixed application charges are paid in full.

Fixed application charges are not supplemented by additional actual and reasonable charges after the consent process is complete.

Fixed application charges are deemed to be 'actual' charges and are not subject to rights of objection and appeal (RMA s357B to s358).

##### Initial fixed application charge

Initial fixed application charges are due for payment when your application is lodged. We will not commence processing your application until the initial fixed application charges are paid in full.

If your application is notified, the initial fixed fees for notification are due for payment on the date stipulated on the invoice. We will not begin processing your notified application until the initial fixed application charges are paid in full.

If a hearing is required to determine the application, a further initial fixed application charge will be invoiced for the first hearing day and any additional hearing days (if required). The initial fixed charges for the first hearing day and any additional hearing days are due for payment 5 days before the hearing is scheduled to start. If a hearing is scheduled and payment is not received 5 days before the scheduled hearing start date, the hearing will be cancelled.

Initial fixed charges are not subject to the rights of objection and appeal (RMA s357B to s358).

Initial fixed application charges are able to be supplemented by additional actual and reasonable charges on completion of the application process (or compliance monitoring activity).

##### Additional charges

In instances where the total cost of processing an application (or completing a compliance monitoring activity) exceeds the initial fixed charge, additional charge(s) will be made to recover the actual and reasonable costs incurred (RMA s36(5)). Additional charges are subject to the rights of objection and appeal (RMA s357B to s358).

Additional charges are determined by deducting the initial fixed charge from the total costs incurred for the completed activity in question.

Additional charges are invoiced on completion of processing your consent (or compliance monitoring activity). In some cases, we may invoice at regular intervals during the processing of your consent.

Additional charges are due for payment on the 20th of the month following invoice date.

### Consent monitoring charges

Consent monitoring charges are calculated from the date of granting your consent.

### Other charges

All other charges are due for payment on the 20th of the month following the invoice date.

### Your right of objection and appeal

If you consider any additional charge (that is any charge which exceeds the initial fixed fees specified in Tables F, G, H, I, J and K is unreasonable, you may object to Environment Canterbury in accordance with s357 of the RMA. You need to make your objection in writing to Environment Canterbury within 15 working days of receiving your account. Environment Canterbury will consider your objection and make a decision on whether to uphold it.

If you are still not satisfied then you may appeal Environment Canterbury's decision to the Environment Court.

You may not object to any of the fixed charges listed in Table E.

### Staff charge out rates

**Table A: Charge-out rates for processing applications and providing pre-application advice**

Hourly charge out rate	Charge
Customer services advisory officer	\$105.00
Consent planning officer/consents hearing officer	\$135.00
Consents senior planning officer/specialist officer/management officer	\$155.00

Key notes to Table A:

- The charge-out rates are based on the annual number of chargeable hours for the relevant categories of staff
- Overhead costs relevant to the consent planning section or customer services section within Environment Canterbury are included in the relevant staff charge-out rates.

**Table B: Charge-out rates for consent monitoring**

Hourly charge out rate	Charge
Resource management officer - desktop monitoring	\$100.00
Resource management officer - monitoring and compliance	\$120.00
Science Technician	\$105.00
Senior Scientist	\$125.00

Key notes to Table B:

- a. The charge-out rates have been calculated based on the annual number of chargeable hours for the above categories of staff
- b. Overhead costs relevant to running the monitoring section within Environment Canterbury are included in the staff charge-out rates. Included in the overhead cost, is a recovery for maintaining your permanent consent file and providing routine monitoring correspondence.

**Table C: Charge-out rates for building consents and monitoring**

Hourly charge out rate	Charge
Administration officer	\$80.00
Building consent authority co-ordinator	\$120.00

Key notes to Table C:

- a. The charge-out rates have been calculated based on the annual number of chargeable hours for the above categories of staff
- b. Overhead costs relevant to running the building consents and monitoring section within Environment Canterbury are included in the staff charge-out rates.

**Vehicle charge-out rates**

**Table D: Environment Canterbury vehicle charge-out rates**

Vehicle type	Per km charge
Petrol/diesel	\$0.73
Hybrid	\$0.73
Electric	\$0.81

Environment Canterbury uses the mileage rates published by Inland Revenue Department (IRD) to recover our vehicle costs. These rates will change in line with the IRD annual review.

## Application charges (RMA)

### Introduction

This section describes our charges for your:

1. Application for a resource consent, application to change an existing consent, and certificates of compliance
2. Application for the preparation or change of a regional plan or the Regional Policy Statement.

### Applications for resource consents

Charges in this section have been set taking into account the criteria in section 36AAA of the RMA.

#### Types of resource consent and resource consent application process.

Resource consents permit you to do something that would otherwise contravene the RMA. They are classified by the RMA (section 87) as follows:

- water permit
- discharge permit
- land use consent
- coastal permit
- subdivision consent.

Subdivision consents are administered by district and city councils and are not covered by this Policy.

Our staff are happy to assist you in making your resource consent application. Our aim is to ensure your application is processed quickly and simply, while meeting all the legal requirements.

### Charges for processing applications

Environment Canterbury charges consent applicants for any costs incurred when assessing and making decisions on resource consents. Charges include the costs of technical assessment, peer review work and basic administration costs. We may also charge for travel time associated with site visits.

#### We charge the actual and reasonable costs for processing a resource consent application.

The charge-out rates for processing an application are identified in Table A.

Before beginning to process an application we require either a fixed application charge or an initial fixed application charge. These application charges are shown in Tables E, F and G. Where consent processing costs exceed the initial fixed application charge, an additional charge for actual and reasonable costs is made.

#### We will not begin to process any consent application until the fixed or initial fixed application charge is paid.

Please note that application charges apply **even if your consent application is declined or you withdraw your application**. Where you withdraw your application, we will calculate the cost of processing the application up to its withdrawal and make a refund or additional charge as appropriate if the amount exceeds \$34.50.

## Charges associated with pre-application advice

Environment Canterbury provides a pre-application advice service as getting things right early in the process can save considerable time and expense later on. We believe it is important you know how to make an application and how it will be processed, so the first hour of our pre-application advice service is free of charge.

After the first hour, we will charge for this service. We will always advise you before we start charging for application advice. For larger projects we may invoice before and during the resource consent process.

The charge-out rates for pre-application advice (after the first free hour) are identified in Table A.

## Application charges for resource consents, existing use certificates, certificates of compliance and deemed permitted activities

### Schedule of charges

Resource consent applications are processed as 'non-notified' if their effects are minor and those who might be affected by the activity agree to the consent being granted. This 'non-notified' classification means the application is not advertised and submissions are not called for.

The fixed application fees for resource consent applications are outlined in Table E and the initial fixed application fees for resource consent applications are outlined in Table F.

These charges are based on the average cost of processing standard non-notified consents of these types.

**Table E: Fixed application fees for resource consent applications:**

Consent type	Fixed charge
Install a bore/gallery	\$583.00
Certificate of existing use	\$650.00
Notification of a partial surrender of a resource consent	\$270.00
Notification of a partial transfer of a water permit or discharge permit	\$270.00

#### Key notes to Table E:

- If you have not paid your fixed application charge by the due date, we will not begin processing your consent application until the fee has been paid in full (RMA s36AAB(2))
- Table E fixed application charges are not subject to additional charges and will be the total application cost you pay for these consent types. The fixed application charge is deemed to be the actual processing cost and is not subject to refund
- A compliance monitoring fee is also payable per bore. Please refer to Table J.



**Table F: Initial fixed application charges for resource consent applications**

Consent type	Initial fixed charge
Discharge sewage from single domestic on-site wastewater system to land	\$1,700.00
Discharge dairy effluent to land	\$2,700.00
Stockpile dairy effluent to ground (when applied for with a discharge of dairy effluent to land)	\$937.00
Groundwater take	\$2,950.00
Discharge water from an aquifer test	\$621.00
Place a swing mooring	\$575.00
Discharge to air from domestic pellet burner	\$345.00
Discharge to air from a small-scale burner	\$1,300.00
Discharge storm water - residential	\$2,650.00
Discharge storm water - industrial	\$3,100.00
Take surface water	\$3,150.00
Consent for other activity	\$2,350.00
Authorisation to transfer a holder's interest in a water permit to another site in the same catchment or aquifer	\$2,450.00
Authorisation to partially transfer a holder's interest in a water permit to another site in the same catchment or aquifer	\$1,900.00
Change or cancel conditions of a resource consent for groundwater or surface water	\$2,150.00
Change or cancel the conditions on a land use consent to install a bore or gallery	\$287.50
Change or cancel conditions of any other resource consent	\$1,200.00
Certificate of compliance	\$390.00
Notice of deemed permitted activity	\$390.00

Key notes to Table E:

- a. If you have not paid your initial fixed application charge by the due date, we will not begin processing your consent application until the charge has been paid in full (RMA s36AAB(2))
- b. These consent types require an initial fixed application fee because the processing costs can vary significantly between applications
- c. Table F initial fixed application charges maybe subject to additional charges
- d. Should processing costs be less than the Initial fixed application fee by \$34.50 or more, you will receive a refund.

**Application charges for publicly and limited notified resource consents**

**Schedule of charges**

A resource consent is publicly notified if its effects are more than minor, and/or if its effects are widespread. A publicly notified application is advertised and submissions are called for. Where the effects on the environment are considered to be minor but it is not possible to obtain the written agreement of all those who may be affected by a proposed activity, the application is limited notified.

The initial fixed application charges for notified resource consents are as follows:

**Table G: Initial fixed application charges for notified resource consents**

Resource consent process	Initial fixed charge
Notified application fee (up to hearing stage)	\$1,150.00
Application fee for first day of scheduled hearing or part thereof	\$11,500.00
Application fee for each additional day of scheduled hearing or part thereof <i>Based on the following calculation:</i> \$7,360.00 x # additional hearing days x # of commissioners ÷ # of applications. Eg If a hearing were to extend for an additional three days with two commissioners for ten applications the cost would be \$7,360.00 x 3 x 2 ÷ 10 = \$4,416.00 per application.	\$Variable

Key notes to Table G:

- a. The actual costs of resource consent applications, less any initial fixed charges already paid will be invoiced as additional costs
- b. The initial fixed notification fees are due for payment on the date stipulated on the invoice. We will stop processing your application until the initial fixed charges are paid in full

- c. If a hearing is required to determine the application, a further initial fixed application charge will be invoiced for the first hearing day and any additional hearing days (if required). The initial fixed charges for the first hearing day and any additional hearing days are due for payment 5 days before the hearing is scheduled to start. We will stop processing your application until all initial fixed charges are paid in full
- d. The initial fixed notification fee usually provides for:
- initial processing of the application
  - advertising and calling for submissions
  - assessment of submissions.
- e. Depending on the nature of submissions received, the initial fixed hearing charge will cover:
- pre-hearing meeting costs
  - initial assessment of the application and report to the hearing panel
  - production of draft consent conditions.
- f. The initial fixed hearing fee rarely covers the costs of:
- a full assessment of the application and report to the Hearing Panel (including peer review of the report and input by technical or science experts if required)
  - hearing costs (including disbursements)
  - assistance to the hearing panel to draft its decision (including decision deliberations).

## Resource consent hearings

Environment Canterbury appoints Independent Hearing Commissioners to decide your application.

The costs of the Independent Hearing Commissioners are passed on to the applicant. This will include any disbursements incurred by the Independent Hearings Commissioners such as meals, travel and accommodation.

## Joint hearings

Where Environment Canterbury is the lead authority in a joint consent application hearing with another consent authority (e.g. district or city council), a portion of the joint costs incurred by Environment Canterbury to hold the hearing will be invoiced to that other authority. The apportionment will recover those costs incurred by Environment Canterbury to process the additional consents for the other authority. Apportioned joint costs may include Independent Hearing Commissioner costs, equipment and venue costs, organisation costs and any other costs directly related to the processing of their consent applications. These costs may or may not be passed on to the applicants by the other consent authority. Applicants should check the charging policies of other local authorities.

## Cost estimates and regular invoicing

For notified resource consent applications we will provide you with a detailed cost estimate which we will update where necessary.

If you wish, we can also arrange for instalment or pay as you go billing so you do not receive a large account at the end of the process.

## Charges for resource consent reviews

### Schedule of charges

**Table H: Charges for non-notified and notified resource consent reviews**

Resource consent reviews	Charge
<b>Initial fixed charge per non-notified consent lodged</b> Review resource consent conditions to address adverse effects or for any other purposes specified in the consent per consent	\$1,265.00
<b>Initial fixed notification charge per consent requiring notification</b> Notification of consent review requiring notification per consent (up to hearing stage)	\$1,150.00
<b>Initial fixed charge per consent for first hearing day</b> Consent review fee for first day of scheduled hearing or part thereof per consent	\$11,500.00
<b>Initial fixed charge per consent for each additional hearing day</b> Consent review fee for each additional day of scheduled hearing or part thereof <i>Based on the following calculation:</i> $\$7,360.00 \times \# \text{ additional hearing days} \times \# \text{ of commissioners} \div \# \text{ of consents}$	\$Variable

#### Key notes to Table H:

- Charges for resource consent reviews apply to each consent and not each proposal
- Additional costs will be charged where the total cost to process the consent review exceed the initial fixed application charges due
- Resource consent reviews will take place regardless of whether the consent holder pays the initial fixed charges or not. The consent holder will be liable for the actual and reasonable costs incurred at the end of the review.

Application charges where application is called in by Environment Protection Agency

Where an application is a proposal of national significance, the Minister for the Environment can direct that it be processed by the Environment Protection Agency. In these cases all actual and reasonable costs incurred by Environment Canterbury will be passed on to the applicant.

## Application charges for the preparation or change of a Regional Plan or the Regional Policy Statement <sup>(1)</sup>

### Receiving, accepting or adopting a request

When Environment Canterbury receives a request to prepare or change a regional plan or to change the Regional Policy Statement, we may treat the request in one of three ways.

<sup>1</sup> Only Ministers of the Crown or local authorities can apply to change the Regional Policy Statement.

Environment Canterbury may decide to:

1. decline the request. In this case, the request would go no further
2. accept the request, but to charge the applicant the cost of processing the application
3. adopt the request. In this case we will meet the cost of making the change after the initial assessment.

A request may be adopted if Environment Canterbury considers the benefit of the change accrues wholly to the community as distinct from the person or persons making the request.

In all cases, we charge the actual and reasonable costs for the initial assessment of the merits of the request. The actual costs of this assessment will vary depending on the nature and complexity of the request.

The charge out rate for any actual and reasonable costs are the same as those outlined in Table A.

### Schedule of charges

The charges levied by Environment Canterbury in relation to a regional plan or the Regional Policy Statement changes are set out in Table I.

**Table I: Initial fixed application fee for the preparation or change of a Regional Plan or the Regional Policy Statement**

	Charge
Charge for assessing a formal written request before deciding to decline, accept or adopt it, and	\$1,150.00
Charge for processing a request which is accepted, or	\$3,450.00
Charge for processing a request which is adopted.	No charge

The charge for processing a change which Environment Canterbury has accepted (but not adopted) is intended to provide for:

- public notification of the change and calling for submissions
- preparation of a summary of submissions
- advertising for further submissions.

The actual cost will vary depending on the number and complexity of submissions received.

The charge does not include any cost associated with processing the change after the receipt of further submissions. This is because the amount of work necessary to take the proposed change through the remainder of the process laid down in the First Schedule to the RMA may vary considerably depending on the magnitude or complexity of the proposal and the number of submissions received.

This can best be estimated once the public has demonstrated its interest in the change through the public submission and further submission process.

We will recover any actual and reasonable costs that exceed the amounts shown in this section by way of an additional charge (RMA s36).

We will advise you when we have assessed your application for change to a regional plan or the Regional Policy Statement change application if the cost of processing it is likely to exceed \$3,450.00.

We will provide an estimate of the total cost of the application when the period for submissions on the requested change has closed.

If the cost of processing a request which has been accepted is less than the initial fixed fee (i.e. \$3,450.00) by more than \$34.50, we will refund the difference.

## Charging basis

To process your resource consent application or request to change a regional plan or the Regional Policy Statement we charge for our actual and reasonable costs in the following way:

### Staff services

- Staff time is charged on the basis of actual time spent. The charge-out rate is dependent on the services provided as outlined in Table A
- The costs of staff time in hearings (excluding any staff member providing assistance to the Hearing Panel) and pre-hearing meetings is chargeable
- Charge-out rates are based on the annual number of chargeable hours for the above categories of staff. Overhead costs relevant to running the consents planning section within Environment Canterbury are also included in the staff charge-out rates.

### Consultant costs

- Where Environment Canterbury uses an external consultant where its staff would normally provide services but they are not available, the charge out rate is the same as those in Table A
- Where Environment Canterbury uses a consultant because the applicant has occasioned the use of the consultant, the full cost of the consultant is charged to the applicant. This may include instances where the applicant makes a request for urgency, the application involves complex and/or technical matters or a peer review for an unorthodox application is necessary
- Where Environment Canterbury uses a consultant to commission a report under section 92(2) of the RMA, the full cost of the consultant is charged to the applicant as a disbursement
- Where the full costs of the consultant are charged, Environment Canterbury will also charge the applicant for time spent managing the consultant. The Consent Planning Officer hourly rate per Table A will be applied in these instances.

### Disbursements

- Disbursements include advertising expenses, laboratory analysis, consultants (expert advice), photocopying and hearing costs (other than staff time)

### Travel

- We charge for the travel costs of our staff when making site visits
- The travel cost will be the hourly charge out rate of the staff member and the vehicle cost which is calculated in accordance with Table D. The actual time spent on site will also be charged at the appropriate hourly rate in Table A.

# Resource Management (Discount on Administrative Charges) Regulations 2010

## Introduction

The Resource Management (Discount on Administrative Charges) Regulations 2010 commonly called the 'Discount Regulations', sets a default discount policy for resource consents that are not processed within statutory timeframes.

Environment Canterbury's policy adheres to the Discount Regulations.

## Value and scope of Discount Regulations

The Discount Regulations set out a discount of 1% for each day an application is processed over the statutory timeframes specified in the RMA, up to a maximum of 50% (i.e. 50 working days).

The Discount Regulations apply to the processing of most resource consent applications or applications to change consent conditions. They do not apply to the following:

- applications to extend consent lapsing periods (RMA s125)
- consent reviews (RMA s128)
- certificates of compliance (RMA s139)
- replacement consent applications when application are processed prior to the expiry of a resource consent.
- when an applicant withdraws a resource consent application.

If your application is not processed within statutory timeframes, a discount will be identified accordingly in line with the Discount Regulations.

## Your right of objection and appeal

If you consider any additional charge (that is any charge which exceeds the initial fixed fees specified in Tables F, G, H, I, J and K is unreasonable, you may object to Environment Canterbury in accordance with s357 of the RMA. You need to make your objection in writing to Environment Canterbury within 15 working days of receiving your account. Environment Canterbury will hear your objection and make a decision on whether to uphold it.

If you are still not satisfied then you may appeal Environment Canterbury's decision to the Environment Court.

You may not object to any of the fixed charges listed in Tables E.

## Compliance monitoring

**Summary: Your compliance monitoring programme is tailored to your individual circumstances. You pay the cost of monitoring your consent.**

This section of the Policy sets the charges which Environment Canterbury levies annually in relation to resource consents.

Environment Canterbury may charge for costs associated with our ongoing consent management responsibilities, which includes the costs for ongoing maintenance and monitoring of consents (RMA s36(c)).

Where the charges set in this section are inadequate to cover actual and reasonable costs, we may impose an additional charge (RMA s36(5)).

### What we do to monitor your consent

The purpose of compliance monitoring is to confirm consent holders are meeting the conditions of their consents. The conditions on resource consents are designed to control any adverse effects on the environment arising from the exercise of the consent.

We need to know consents are being complied with. In this way we can ensure the resource you are using remains fit for you and other consent holders to use.

We tailor a compliance monitoring programme based on the risk of the activity on the environment. Consents with an ongoing effect on the environment have a monitoring programme, though it is important to note that the monitoring programme may not always require inspections of the site. Consents with a finite effect, e.g.: installation of a culvert may only need one site visit.

The programme is initially determined at the time your consent is granted. How much compliance monitoring is required varies according to the nature of your activity, its size and frequency, and its potential environmental impact.

Your compliance programme can be reduced where you establish a good compliance record (for some consents), or where you hold two or more consents at the same location. It may also be increased where you establish a poor compliance record.

Consents that require inspections will receive an initial site visit to ensure the consent is being appropriately implemented. More than one visit may be required if the consent is for an activity with a lengthy construction period (e.g. a sizeable structure).

After this visit we will advise you on the status of your consent compliance. As part of the compliance monitoring programme for a consent, we:

- carry out site visits and inspections (where required)
- review the results of any monitoring carried out by you or your consultants
- advise you on the outcome of the compliance visit
- carry out tests and analyse samples at a laboratory (where relevant).

Occasionally, we may also need to use outside expertise to assist with the monitoring of some consents. The costs of these experts may be included as part of your consent monitoring charge. In most cases, however, Environment Canterbury staff will carry out compliance checks.



## The basis for compliance monitoring charges

The basis for the compliance monitoring charge is the actual and reasonable cost of carrying out your compliance monitoring programme. Each consent has a separate monitoring programme. You pay the cost of monitoring compliance for your consent.

Environment Canterbury has considered the criteria in section 36 of the RMA before setting this charge. We consider that the need for this type of monitoring arises only because of consent holders' activities and that the benefits accrue entirely to consent holders. It is appropriate, then, for consent holders to bear the actual and reasonable cost of this monitoring.

The charge consists of the cost of staff time to carry out an inspection, audit any monitoring information provided by you, reporting back to you on outcomes of any compliance monitoring, and, where necessary, laboratory costs (e.g. to test water quality). You will also be charged for the costs of travel, consultants and disbursements.

The staff charge-out rate is dependent on the service provided as outlined in Table B.

## Consultants and disbursements

If Environment Canterbury needs to use an external consultant due to staff shortage, the relevant staff charge-out rate listed in Table B will be applied and charged to the consent holder as a disbursement.

In instances where, Environment Canterbury utilise an external consultant due to the complexity/technical nature of the activity being monitored, or where the consent holder agrees, the full cost of the consultant is charged to the consent holder as a disbursement.

Where the full costs of the consultant are charged, Environment Canterbury will charge the consent holder for staff time spent managing the consultant. The most appropriate charge-out rate in Table B will be applied in these instances.

Other disbursements include advertising expenses, laboratory analysis, photocopying.

## Travel

We charge for the travel costs of our staff when making site visits.

The travel cost will be the hourly charge out rate of the staff member and the vehicle cost which is calculated in accordance with Table D. The actual time spent on site will also be charged at the appropriate hourly rate per Table B.

## Fixed consent monitoring fees for bore installations

Environment Canterbury charges a fixed compliance monitoring fee for bore installation. The fixed fee is per bore (to a maximum of 5 bores) and is payable at the time you lodge your consent application.

**Table J: Initial fixed bore monitoring compliance charge**

Bore monitoring and compliance	Initial fixed charge
To carry out compliance monitoring and administration requirements of a bore installation (per bore to a maximum of five bores)	\$66.13

If the installation is for more than five bores, an additional charge will be payable for staff time, disbursements and travel.

## Reduction in compliance monitoring charges – reward for good compliance

Some consent holders may become eligible for a decrease in the level of compliance monitoring required for their consent. This typically occurs when consent holders comply with all their consent conditions, resulting in a reduced need for frequent inspection. In these cases, we can pass on some savings to those consent holders. Compliance with your consent conditions can result in significantly reduced monitoring charges.

## Incident notifications, compliance with enforcement orders and compliance with abatement notices

Where we carry out an inspection as a result of an **incident notification** (for example, a complaint about water pollution or odour release), the consent holder is only charged if the consent is breached and non-compliance is observed.

Where we carry out an inspection to determine compliance with **an enforcement order or abatement notice** for a consented activity, we will charge the consent holder actual and reasonable costs for any follow up visit to confirm that the required action has been taken and full compliance with the notice and your resource consent is achieved.

## Maritime New Zealand Fees

Section 89A of the Resource Management Act 1991 requires Environment Canterbury to engage Maritime New Zealand (MNZ) to assess applications affecting the safety of navigation made under the Act. Environment Canterbury will recover related MNZ charges from the applicant.

Maritime New Zealand fees		1 July 2018 onwards
Assessment of applications under Resource Management Act 1991 affecting navigation	Office based	\$235.00 per hour
	Off-site (first visit)	\$313.00 per hour

### Notes on MNZ fees:

1. the charges quoted are as required under the Shipping (Charge) Regulations 2014 and are likely to change in accordance with amendments made to these regulations
2. as these charges are not set by Environment Canterbury they are included as a guideline only and you will pay the actual charges of MNZ.

## Harbourmaster, Maritime Transport Act 1994, Navigation Safety Bylaw 2016 and other fees and charges

The port safety function of the Environment Canterbury Regional Harbourmaster are fully funded by user pay fees to port companies, facility owners and shipping companies. There are also some fees and charges for recreational boating activities. Fees and charges are provided below:

Permission of the Harbourmaster	Bylaw 2016
Permission of the Regional Harbourmaster to undertake Hot work on a vessel carrying liquid or gas hydrocarbons in bulk (i.e. a fuel, oil, or gas tanker)	\$287.50
Any other exemption, permission or authorisation of the Regional Harbourmaster or Regional On-Scene Commander not otherwise specified	\$213.33 per hour

Suspensions, exemptions, reservations	Bylaw 2016
Application to the Harbourmaster for a suspension or exemption under clause 45(1) of the Canterbury Regional Council Navigation Safety Bylaw 2016	\$287.50
Application to the Harbourmaster for a reservation, regulation, prohibition, permission or authorisation under any of clauses 7(3), 8(2)(e), 12(1)(b), 21(2), 24(1) of the Canterbury Regional Council Navigation Safety Bylaw 2016	\$287.50

Port charges	Bylaw 2016
For <u>Kaikōura</u> , payable per quarter by the Kaikōura District Council	\$818.80
For <u>Lyttelton Port</u> , payable per quarter by Lyttelton Port of Christchurch	\$51,750.00
For <u>Akaroa Harbour</u> , payable per quarter by the Christchurch City Council	\$3,450.00
For the <u>Port of Timaru</u> , payable per quarter by Prime Port Timaru Ltd	\$19,831.75

Swing mooring charges	Bylaw 2016
Swing mooring annual fee for administration, supervision and monitoring	\$115.00
Fee for receiving and processing of a mooring inspection report not provided to the Harbourmaster in accordance with clause 27(4), 27(6), 27(2)	\$115.00
Charge for processing an application for approval of a swing mooring, or variation to an existing mooring authorisation	\$287.50
Rental or use of an Environment Canterbury owned/administered mooring suitable for a vessel up to 12.0 metres length overall	\$57.50 per week
Rental or use of an Environment Canterbury owned/administered mooring suitable for a vessel over 12.0 metres length overall	\$115.00 per week

<b>Akaroa harbour and Kaikōura ship charges</b>	<b>Bylaw 2016</b>
Fees for vessel calls to Akaroa and Kaikōura for costs of chart updates, operation and maintenance of navigation aids, and operation and maintenance of Safety Management systems, per vessel call (based on ship length (LOA)):	
- less than 100m	\$1,265.00
- 100m or greater, but less than 200m	\$1 495.00
- 200m or greater, but less than 300m	\$1,955.00
- 300m or greater	\$2,300.00
Charge for cancellation of a vessel booking when undertaken less than seven days prior to the scheduled visit	\$57.50

<b>Harbourmaster services and Regional On-Scene Commander services charges</b>	<b>Bylaw 2016</b>
Examination of a candidate for a Masters Pilotage Exemption Certificate	\$460.00
Review or Approval of a Tier 1 Marine Oil Spill Response Plan including an initial audit	\$1,150.00
Attendance at Tier 1 Plan site visit, exercise or audit	\$213.33 per hour
Charge for travel to or from any location to undertake a site visit, audit or examination	\$213.33 per hour
For an application for an exemption, permission or authorisation of the Regional On-Scene Commander not otherwise specified	\$213.33 per hour
Notification of change of ownership of a boatshed or slipway	\$115.00

## Farm Environment Plan Auditor Certification Programme

Plan Change 5 to the Land and Water Regional Plan (LWRP), known as the Nutrient Management Plan Change, proposes to introduce a requirement that Farm Environment Plans (FEPs) be audited by Certified FEP Auditors.

The Certification Programme has two key components:

1. the criteria and process to certify an individual FEP Auditor, including the process to recognise individuals already certified under Primary Industry Certification Programmes;
2. the criteria and process to approve ISO Accredited Audit Programme (ISO Programme), to allow all farms belonging to that ISO Programme to have one audit only.

### Individual FEP Auditor Certification

The process and cost recovery framework to certify an FEP Auditor includes:

1. registration supported by a registration fee;
2. one annual Spot-Check, to check ongoing proficiency in the application of the auditing standards, supported by an annual fee:
  - (1) The annual fee will be at a discounted rate as Environment Canterbury recognises that there is some benefit for the farming community to check the ongoing proficiency of the auditor in applying the auditing standards
3. re-registration, every three years, supported by a re-registration fee.

Refer to Table 1 (FEP Auditor Certification) for details.

### Recognition of Primary Industry Certification Programmes and Approval of ISO Programmes

As mentioned, the Certification Programme includes recognition of Primary Industry Certification Programmes and approval of ISO Programme.

The purpose of recognising Primary Industry Certification Programmes is to integrate and support Primary Industry Certification Programmes. Applicants holding a Recognised Primary Industry Certification would meet some of the Certification criteria.

The purpose of approving ISO Programmes is to allow all farms belonging to that ISO Programme to have one audit only.

The recognition of Primary Industry Certification Programmes and approval of ISO Programme process and cost recovery framework includes:

1. registration supported by a registration fee;
2. re-registration, every three years, supported by a re-registration fee.

Please refer to:

- table 2 (Recognition of Primary Industry Certification Programmes) for details; and
- table 3 (Approval of ISO Programmes) for details. The proposed fees and charges also take into account the costs to retain and issue ISO Certification.

## FEP Audit Disputes

The FEP Disputes Programme describes how Environment Canterbury will deal with a farmer over a disputes about an audit grade given by an Individual Certified FEP Auditor. Disputes related to an assessment undertaken by a FEP Auditor belonging to an approved ISO Programme will be dealt by that ISO Programme.

The disputes process and cost recovery framework includes the submission of a dispute supported by a fee which will be paid by:

1. farmer paying a submission fee upfront. This fee will be refunded if the complaint is substantiated. The fee would be retained if the dispute is unsubstantiated; and
2. auditor if dispute is substantiated.

Please refer to Table 4 (FEP Audit Disputes) for details.

**Table 1: FEP Audit Certification fees and charges**

	Charge
<b>Registration</b> <ul style="list-style-type: none"> <li>• Desktop study (not required for applicants holding a Recognised Primary Industry Certification)</li> <li>• On Farm assessment.</li> </ul>	\$152.50
Maximum fee: For applicants <b>not</b> holding a recognised primary industry certification. For applicants holding a recognised primary industry certification.	\$2,570.00 \$2,440.00
<b>Annual Fee</b> <ul style="list-style-type: none"> <li>• Covering one annual checks - on farm assessment</li> <li>• (Discounted Rate - Environment Canterbury recognises that there is some benefit for the farming community to check the ongoing proficiency of the auditor in applying the auditing standards.</li> </ul>	\$76.50
Maximum fee	\$650.25
<b>Re-registration</b> <ul style="list-style-type: none"> <li>• Every three years</li> <li>• 1 on farm audit.</li> </ul>	\$152.50
Maximum fee: For applicants <b>not</b> holding a recognised primary industry certification. For applicants holding a recognised primary industry certification.	\$1,525.00 \$1,297.00

**Table 2: Recognition Primary Industry Certifications fees and charges**

	Charge
<b>Registration</b>	
<ul style="list-style-type: none"> <li>Desktop study.</li> </ul>	\$152.50
Maximum fee	\$1,068.00
<b>Re-registration</b>	
<ul style="list-style-type: none"> <li>Every three years</li> <li>Desktop study.</li> </ul>	\$152.50
Maximum fee	\$1,068.00

**Table 3: Approval of ISO Programmes fees and charges**

	Charge
<b>Registration</b>	
<ul style="list-style-type: none"> <li>Desktop study.</li> </ul>	\$152.50
Maximum fee	\$1,525.00
<b>Re-registration</b>	
<ul style="list-style-type: none"> <li>Every three years</li> <li>Desktop study.</li> </ul>	\$152.50
Maximum fee.	\$1,525.00

**Table 4: Disputes**

	Charge
<b>Registration</b>	
<ul style="list-style-type: none"> <li>Desktop assessment</li> <li>Interviews.</li> </ul>	\$152.50
Maximum fee:	
Initial fee paid by farmer	\$1,000.00
Substantiated dispute fee paid by FEP Auditor.	\$4,880.00

## Building Act 2004 charges

The Building Act 2004 (BA) gives responsibilities relating to dams to Regional Authorities (s13).

Provisions in the BA relating to dams include:

- Building control functions - building consents, Code Compliance Certificates (CCC), Project Information Memoranda (PIM)
- Dam Safety Scheme - potential impact categories, dam safety assurance programmes, annual compliance certificates, dangerous dams.

Building control functions and the dam safety scheme only apply to large dams. A large dam has a height of 4 or more metres, and holds 20,000 cubic metres or more of water or other liquid. Construction of dams that are not large do not require a building consent, but are still required to comply with the building code.

**Note:** Dam construction may also require resource consent under the Resource Management Act 1991 (RMA).

### Charges

Environment Canterbury may recover the costs for performing its functions under the Building Act (s243). Our cost recovery policy is based on the principle of 'user pays', which means the dam owner will be charged all costs associated with their dam project including future monitoring.

A combination of 'Deposits', 'Processing Fees' and 'Levies' will be used. Environment Canterbury will not issue a building consent until total payment is received from the applicant / dam owner, unless agreed otherwise.

### Deposits

Deposits listed in Table L are payable by the applicant at the time the application is lodged, and will be treated as a part payment against total costs.

### Processing fees

Due to the scale, complexity and specialist design features associated with each dam project, the costs associated with processing individual building consents will vary greatly and in many instances, the total cost of processing an application or performing a monitoring duty will exceed the deposit. In these instances, a processing fee will be charged to recover all actual costs incurred.

*Processing fee = (staff hours x hourly rate) + (external processing consultant hours x hourly rate) + disbursements*

Table C contains our staff charge-out rates for building control functions, dam safety activities and monitoring.

Disbursements may include such items as travel costs.

### Levies

Ministry of Business, Innovation and Employment (MBIE) and Building Research Association of New Zealand (BRANZ) levies apply to building consent applications where the estimated value of building work is **greater than \$20,444**.

Environment Canterbury is required to collect these levies from the applicant on behalf of MBIE and BRANZ. The levies quoted are as required by regulation on 1 March 2008 and may change in accordance with amendments made to regulations.



**Note:** Prior to 1 July 2012, the MBIE levy was known as the Department of Building and Housing (DBH) levy.

## Dam safety

The Building (Dam Safety) Regulations 2008 were revoked under the Building (Dam Safety) Revocation Order 2015, with effect from 30 June 2015. The Government have decided dam safety is better suited to being managed under the RMA rather than the Building Act 2004. No further information is available at this time. Environment Canterbury will continue to operate on a cost recovery 'user pays' basis in relation to dam safety activities, unless directed otherwise.

**Table L: Charges for building control functions and dam safety activities**

Activity	Levies	Deposit	Processing fee
Project Information Memorandum (PIM)		\$257.50	Based on charge formula
Building consent application - estimated value of building work <b>under \$20,444</b>		\$575.00	Based on charge formula
Building consent application - estimated value of building work <b>above \$20,444</b>	<b>MBIE building levy:</b> \$2.01 (incl GST) per \$1,000 (or part of \$1,000) of estimated value of building work <b>BRANZ levy:</b> \$1.00 per \$1,000 (or part of \$1,000) of estimated building work	\$2,875.00	Based on charge formula
Certificate of Acceptance - estimated value of building work <b>under \$20,444</b>		\$575.00	Based on charge formula
Certificate of Acceptance - estimated value of building work <b>above \$20,444</b>		\$2,875.00	Based on charge formula
Code Compliance Certificate (CCC) for building consent applications		Nil	Based on charge formula
Review Potential Impact Classifications submitted by dam owners		\$172.50	Based on charge formula
Review Dam Safety Assurance Programmes		Nil	Based on charge formula
Review Warrant of Fitness (dams)		Nil	Based on charge formula
Any other activity under the Building Act 2004		Nil	Based on charge formula

Key notes to Table L:

- a. Charge formula = (staff hours x hourly rate) + (external processing consultant hours x hourly rate) + disbursements.
- b. Staff charge-out rates for building control functions, dam safety activities and monitoring are contained in Table C.
- c. Disbursements may include such items as travel costs.

## Other charges under the Local Government Act 2002

### Property information

The Land Information Requests (LIR) system contains important information on consents, wells, water resources, natural hazards, pests, contaminated land and air quality.

A flood hazard assessment provide site-specific flood information for most areas in the Canterbury region. The information may relate to property transactions, subdivision, valuations, insurance, resource consent applications and plan changes.

The administration of specific aspects of Land Improvement Agreements (LIA) are made under the Soil Conservation and Rivers Control Act 1941. LIA tend to relate to soil and water conservation, erosion control, firebreaks, sediment control and berm protection.

Property information charges	Charge
Applications for information on a specific property (RMA s35 and LGOIMA s13):	
- through the formal Land Information Request (LIR) system	\$235.00
- for flood hazard assessment	\$172.50
Application to terminate a Land Improvement Agreement (LIA) or part thereof based on the Revised Council Policies for LIA Management (26 August 2011) - Policy 3	\$408.25
Application to obtain written consent for the acceptance of a substantive proposal (Crown Pastoral Land Act 1998 s60(4))	\$483.00

Note: Environment Canterbury has a policy that no cancellations will be accepted 24 hours after the application is received.

### Authorised clean air zone fuel-burning equipment and classes of fuel

Clean air zone: Fuel-burning equipment and classes of fuel	Charge
Processing the application for authorisation in a clean air zone for the use of any class of fuel (s30(1) RMA)	\$5,750.00
Processing an application for authorisation in a clean air zone for the use of and installation of any class of fuel-burning equipment (s30(1) RMA)	Based on charge formula
Monitoring and supervision of fuel-burning equipment that has been authorised (s30(1) RMA)	Based on charge formula.

### Miscellaneous charges

Miscellaneous charges	Charge
Processing an application for a reclamation survey plan approval (RMA s245)	\$172.50
Monitoring of a dairy shed or piggery discharge authorised as a permitted activity by a rule in a regional plan or a proposed regional plan, to determine compliance with the conditions of the relevant rule	\$299.00

Miscellaneous charges	Charge
Monitoring of compliance with the requirements for water measurement and reporting as prescribed within the Resource Management (Measurement and Reporting of Water Takes) Regulation 2010	Based on charge formula

**Key notes:**

- a. *Charge formula* = (staff hours x hourly charge-out rate) + disbursements
- b. Hourly charge-out rates are shown in Tables A and B
- c. Disbursements may include such items as travel costs.

**Authorised/permitted river-based gravel extraction charges**

The below charges apply to authorised and permitted river-based gravel extraction. Resource consent charges for river-based gravel extraction are contained in Table F of this Policy under 'consent for other activity'.

River-based gravel extraction	Charge
Gravel management fee (payable by the holder of a gravel extraction authorisation/permit/consent)	\$0.11 per cubic metre
Authorised/Permitted activity for river-based gravel extraction (up to 12 months):	
- 1500 cubic metres or less	\$345.00 + \$0.11 per cubic metre
- Over 1500 cubic metres	\$850.00 + \$0.11 per cubic metre
Monitoring of compliance with the requirements of the authorisation/permit to remove river-based gravel	Based on charge formula

**Key notes:**

- a. The gravel management fee applies to all authorisations/permits and consents
- b. *Charge formula* = (staff hours x hourly charge-out rate) + disbursements
- c. Hourly charge-out rates are shown in Table B
- d. Disbursements may include such items as travel costs.

## Provision of information charges

Environment Canterbury documents, plans and reports are generally published in electronic form at no charge on the Environment Canterbury website: [www.ecan.govt.nz](http://www.ecan.govt.nz)

Many Environment Canterbury brochures, guides and information documents are also available at our offices for no charge.

However, we are able to charge for providing information under the Resource Management Act 2002 (RMA) and Local Government Official Information and Meetings Act 1987 (LGOIMA).

### Information provided under the RMA

Environment Canterbury may charge for the provision of information in relation to resource consents and Regional Plans and Policies (RMA section 36(1)(e) and (f)).

We recognise that we have a significant advisory and information role and our aim is to assist you to have access to the information you need to make effective use of your resource consent. To this end, we provide a reasonable amount of information free of charge, as listed below. If more time is spent, or more photocopying required than is allowed for here, the provision of information may be subject to the following charges.

Any charge for information includes the following components:

- a. **Staff time** spent in making printed information available is charged at \$46 per hour
- b. **All other disbursements** are charged at cost. We may pass on charges to the person requesting the information where the information held by us is subject to agreements
- c. with commercial data suppliers who may require us to levy charges.

We will provide you with an estimate of cost of producing the information and may require you to make payment before the information is released to you.

**Copying** charges are:

Copying charges	Charge
CD (if available)	No charge
Statutory recipients:	
- first copy	No charge
Other recipients:	
- documents less than 100 pages	\$20.00
- documents more than 100 pages	\$20.00+ \$0.10 per side over 100 pages
Fixed charges for resource consent applications:	
- up to 10 pages	No charge

Copying charges	Charge
- over 10 pages – black	\$0.10 per side
- over 10 pages – colour	\$1.00 per side
Technical, planning & general printed reports and documents:	
- less than 100 pages	\$20.00+ \$0.10 per side over 100 pages
On demand photocopying and reproduction	
- up to 10 pages	No charge
- over 10 pages – black	\$0.10 per side
- over 10 pages – colour	\$1.00 per side
Documents with special production requirements	Charged at cost

**Printed copies of specific plans and statements** are charged as follows:

Charges for specific plans and statements	Reference	Charge
Regional Policy Statement.	PU1C/8438-1	\$118.00
Regional Policy Statement – Appendix 5	PU1C/8438-2	32.00
Canterbury Air Regional Plan	PU1C/8468	\$65.00
Canterbury Land and Water Regional Plan	PU1C/8466	\$156.00
Canterbury Land and Water Regional Plan - Map Volume	PI1C/8467	\$98.00
Regional Coastal Plan Volume 1.	PU1C/7509-1	\$97.00
Regional Coastal Plan Volume 2.	PU1C/7510-1	\$47.00
Regional Coastal Plan Volume 3.	PU1C/7511-1	\$74.00
Hurunui Waiau River Regional Plan.	PU1C/7773-1	\$39.00
Opihi River Regional Plan	PU1C/5885	(B/w Price \$26.00)
-Pareora Catchment Plan	PU1C/7597-1	\$30.00
Waimakariri River Regional Plan	PU1C/8469	\$56.00
Waipara Catchment Plan	PU1C/7595-1	\$30.00
Waitaki Catchment Plan	URI 3053789	\$36.00

Charges for specific plans and statements	Reference	Charge
Canterbury Regional Land Transport Plan	PU1C/8365-1	\$35.00
Canterbury Regional Public Transport Plan	PU1C/7910-1	\$29.00

## Information provided in response to a LGOIMA request

Information provided in response to requests under this Act may be charged for under section 13(1A) of the Local Government Official Information and Meetings Act 1987.

In summary:

- the first hour of time spent searching, abstracting, collating, copying, transcribing should be free.
- charges for each subsequent hour of time are below.
- 20c per page after the first 20 pages.
- actual costs may be recovered for:
  - provision of data on disc
  - retrieval of information off-site
  - provision of maps, plans or other documents larger than foolscap size.

## Charge-out rates for provision of information

Hourly charge out rate	Charge
Administration officer	\$105.00
Consent planning officer/consents hearing officer	\$135.00
Consents senior planning officer/specialist officer/management officer	\$155.00
Senior Leadership Team member	\$175.00
Executive Management Team member	\$295.00

## Miscellaneous

Replacement or duplicate copy of any licence, certificate, exemption, permission or approval document - \$23.00.







# FINANCIAL POLICIES

*Excluding the:*

- *Revenue and Financing Policy*
- *Fees and Charges Policy*



# Liability Management and Investment Policy

## Introduction

Environment Canterbury ('Council') undertakes borrowing (**Liability Management Policy**) and investment activities (**Investment Policy**), which in total are referred to as treasury activity. These are covered by this Treasury Policy. Environment Canterbury's treasury activities are carried out within the requirements of the Local Government Act 2002 (LGA 2002), its related amendments and other relevant local authority legislation.

This Treasury Policy provides the policy framework for all of Environment Canterbury's borrowing and investment activities and defines key responsibilities and the operating parameters within which borrowing, investment and related risk management activities are to be carried out.

Key borrowing and investment objectives form the basis of the policies. These objectives, while consistent with corporate best practice, are subject to overall Council objectives, as stated in the Annual Plan and the Long-Term Plan (LTP).

The Liability Management Policy and the Investment Policy within this Treasury Policy shall be reviewed and, where necessary, amended at least every three years. The Local Government Act 2002 Amendment Act 2010 states that Council does not need to go through the special consultative process to amend the Liability Management Policy and the Investment Policy.

This Treasury Policy covers:

- Liability management
- Investments
- Foreign exchange.

Environment Canterbury acknowledges that there are various financial risks such as interest rate risk, currency risk, liquidity and funding risk, and credit risk arising from its treasury activities. We operate as a risk averse entity, and do not wish to incur unnecessary risks from our treasury activities.

Environment Canterbury's Chief Executive has overall responsibility for the operations of Council. The Director of Finance and Corporate Services (DFCS) has responsibility for the day-to-day operation of the treasury function and is assisted by other finance personnel as appropriate.

Environment Canterbury does not undertake any treasury activity that is unrelated to its underlying cash flows or which is purely speculative in nature.

## Legislative Requirements

The Liability Management and Investment Policies of the Treasury Policy are in compliance with the requirements of the LGA 2002.

## Liability Management Policy

### Introduction

The Council has large infrastructural assets with long economic lives yielding long-term benefits. The Council also has significant strategic investments. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to the Council's assets and investments.

## Purpose

Environment Canterbury borrows for the following primary purposes:

- general debt to fund Council's capital works primarily on infrastructure assets. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to Council's assets and investments
- specific debt associated with significant 'one-off' projects
- borrowing through hire purchase, credit, deferred payment or lease arrangements in the ordinary course of Council business
- borrowing to manage timing differences between cash inflows and outflows and to maintain the Council's liquidity.

## Local Government Act 2002 Requirements

Section 104 of the LGA 2002 provides that the Liability Management Policy required to be adopted under section 102(4)(b) must state the local authority's policies in respect of liability management, including:

- interest rate exposure
- credit exposure
- liquidity
- debt repayment
- specific borrowing limits
- the giving of security.

## Objectives

The objectives of the Liability Management Policy are consistent with market best practice and will take into account Environment Canterbury's 10-year plan as set out in the LTP. The key Liability Management objectives in relation to borrowings are to:

- prudently manage Environment Canterbury's borrowing activities to ensure the ongoing funding of Council by ensuring that appropriate liquidity and funding risk management practices are adopted
- borrow only under Council approved facilities and as permitted by this policy
- minimise borrowing costs within prudent risk management control limits
- manage exposure to adverse interest rate movement
- ensure operational controls and procedures to protect Environment Canterbury against financial loss, opportunity cost and other inefficiencies are maintained.

## Funding

Environment Canterbury may obtain funding utilising the following methods:

- bank debt
- capital markets issuance comprising Fixed Rate Bonds, Medium Term Notes, Floating Rate Notes and Commercial Paper
- other sources of debt finance following the specific approval of Council
- New Zealand Local Government Funding Agency (LGFA).

Despite anything earlier in this Liability Management Policy, the Council may borrow from the LGFA and, in conjunction with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a change over the Council's rates and rates revenue.

## **Borrowing Management and Internal Controls**

Council approves policy parameters in relation to borrowing activities.

Council approves, by resolution, the borrowing requirement for each financial year in the annual plan or LTP or by later resolution during the year.

Debt is defined as the Council's net external public debt, calculated as the Council's gross public debt less any reserves held for the specific purpose of repayment of debt.

To measure performance, the actual borrowing performance of the Council shall be compared with the following external benchmark which is predicated off the midpoints of the risk control bands contained in the list below.

25.0% Average 90-day bank bill rate for the reporting month;

12.5% Average 1-year swap rate for the reporting month;

12.5% Average 1-year swap rate for the reporting month, 1 year ago;

12.5% Average 3-year swap rate for the reporting month;

12.5% Average 3-year swap rate for the reporting month, 3 years ago;

12.5% Average 7-year swap rate for the reporting month;

12.5% Average 7-year swap rate for the reporting month, 7 years ago.

The Council is not required to benchmark its borrowing activities if external debt is less than \$10.0 million.

Council considers the impact on its borrowing limits (section 2.11) as well as the size and the economic life of the asset that is being funded and its consistency with Council's LTP.

Finance leases and hire purchase agreements will be used for specific operating assets only, not for infrastructural assets. No finance lease or hire purchase arrangement will be more than \$500,000 unless approved at a meeting of Council

A resolution of Council is not required for hire purchase, leased, credit or deferred purchase of goods if:

- the period of indebtedness is less than 365 days; or
- the goods or services are obtained in the ordinary course of operations on normal commercial terms for amounts not exceeding in aggregate \$500,000.

Environment Canterbury's borrowing activities are managed centrally through its accounting function. The accounting function is broadly charged with the following responsibilities:

- manage Environment Canterbury's borrowing programme to ensure funds are readily available at margins and costs favourable to Council
- raise authorised and appropriate borrowing, in terms of both maturity and interest rate strategies
- manage the impact of interest rate risks by undertaking appropriate hedging activity in the financial markets
- minimise adverse interest rate related increases on ratepayer charges and maintain overall interest costs within budgeted parameters
- provide timely and accurate reporting of treasury activity and performance.

Council's systems of internal controls over borrowing activity include:

- adequate segregation of duties among the core borrowing functions of deal execution, confirmation, settling and accounting/reporting

There are a small number of people involved in Environment Canterbury's borrowing activity, however the risk from this will be further minimised by the following processes:

- a documented approval process for borrowing activity
- regular management reporting and review
- regular operational risk control reviews by an independent audit function

Organisational, systems, procedural and reconciliation controls to ensure:

- all borrowing activity is bona fide and properly authorised
- reviews in place to ensure Environment Canterbury's accounts and records are updated promptly, accurately and completely.

Environment Canterbury is prohibited from borrowing in a foreign currency by section 113 of the LGA 2002.

## Interest Rate Risk Management

Interest rate risk management refers to managing the impact that movements in interest rates can have on Environment Canterbury's cash flows. This impact can be both favourable and unfavourable.

The following interest rate risk management instruments are authorised for interest rate risk management activity.

**Note:** Interest Rate Risk Management Instruments are only used to hedge an underlying asset or borrowing.

- forward rate agreements
- interest rate swaps. Purchase of interest rate options products including caps, floors, bond options and swaptions
- interest rate collar-type option strategies
- fixed Rate Term Loans.

The following interest rate risk management instruments are not permitted for use:

- selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature
- structured or leveraged interest rate option strategies
- interest rate futures contracts.

Interest is incurred on any bank funding facility, issuance of debt instruments and other borrowing arrangements. This policy recognises that the longer the term of borrowing, the greater the interest rate risk. A balance is achieved through having variable terms with regard to interest rate resets. The following table details the interest rate risk management parameters that Environment Canterbury is required to adhere to for all externally sourced debt.

Fixed Rate Hedging percentages		
	Minimum Fixed Rate	Maximum Fixed Rate
0 to 2 years	50%	100%
2 years to 5 years	25%	80%
5 years to 10 years	0%	60%

Any fixed rate hedging beyond 10 years shall be carried out in conjunction with, or aligned with, any underlying debt.

Any hedging outside of these parameters must be approved by the Chair of Performance Audit & Risk Committee before being initiated and then reported accordingly.

Details of Environment Canterbury’s overall interest rate risk management position shall be reported to the Performance Audit & Risk Committee.

The hedging parameters are cumulative. For example if total debt was a \$25 million portfolio, \$5 million of hedging entered into for a period of 5 years would increase the hedging profile for all time buckets [A1] up to 5 years, by 20% (\$5m/\$25m). Fixed rate debt is defined as any debt that has an interest rate reset beyond 3 months.

Environment Canterbury decides the interest rate risk management strategy by monitoring the interest rate markets on a regular basis, evaluating the outlook for short-term rates in comparison to the rates payable on fixed rate borrowing. Council may use interest rate risk management products to convert fixed rate borrowing into floating rate and floating rate borrowing into fixed or hedged borrowing.

## Counterparty Exposure

Interest rate hedging can only be undertaken with New Zealand Registered Banks with a minimum Standard and Poor’s long-term rating of ‘A+’ or the Moody’s Investors Service or Fitch Ratings equivalents. An up-to-date list of New Zealand Registered Banks and current credit ratings can be obtained from the Reserve Bank of New Zealand’s website.

### ***The Council will:***

- ensure that all investment, cash management, interest rate risk management and any foreign exchange transactions are undertaken in accordance with the respective Liability and Investment Policies
- rigorously monitor compliance against set prudential limits
- apply the prudential limits for the Market Investment Portfolio, and the Working Capital Fund as defined in the guidelines respectively (to be read exclusively of one another). Note that the amount allocated to the portfolio or the fund is to be determined by the DFSC taking into account forecast cashflow needs
- use the approved hedging instruments defined in Section 2.6
- exclude equity investments at this stage as having too great a risk in terms of return on investment and capital protection. This does not however preclude the future inclusion of equity investments that meet predetermined credit rating levels

- exclude first mortgages over commercial or residential property
- benchmark the Financial Market Investment Portfolio on a quarterly basis against the ANZ Corporate A Grade Index or a combination of the ANZ Corporate A Grade Index and the ANZ 90 Day Bank Bill Index in a ratio to be determined by the TOC in consultation with the Councils Treasury Advisor.

## Liquidity and Funding Risk

Liquidity management refers to the timely availability of funds when needed, without incurring penalty costs. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and terms than that of existing facilities. A key factor of funding risk management is to reduce the concentration of risk at any one point in time so that if one-off internal or external negative credit events occur, the overall interest cost is not unnecessarily increased.

The following guidelines have been established to provide Environment Canterbury with appropriate levels of liquidity at all times, as follows:

- cash flow forecasts will be produced to assist with the matching of operational and capital expenditure to revenue streams and borrowing requirements
- environment Canterbury will maintain its financial market investments in liquid instruments.

The following guidelines have been established to control funding risk:

- to avoid a concentration of debt maturity dates, no more than 50% of debt subject to refinancing in any 12 month period.

Liquidity shall be maintained at a minimum of 10% of projected external debt over the next twelve months.

Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

## Debt Repayment

Repayment of debt (interest and principal) is governed by:

- affordability of debt servicing costs
- intergenerational equity principles
- maintenance of prudent debt levels and borrowing limits.

Environment Canterbury repays borrowings from general or targeted rates, general funds or renewal loans. Proceeds from the sales of assets shall be used to finance replacement assets via a capital reserve, or to further develop or enhance existing assets.

## Borrowing Limits

In managing its borrowings, Environment Canterbury will adhere to the following financial covenants:

- net debt will not exceed the lower of \$300 per capita or \$660 per ratepayer across the region
- net annual interest expense cannot exceed 25% of total annual revenue\*
- Council will only borrow externally for projects where the total required is more than \$1 million
- net debt shall not exceed 175% of total annual revenue.

\*Local Government Funding Agency – Lending Policy Covenants

## Security

All loans are secured over either the separate general and targeted rates of the Council assets.

Formal security over either the separate general and targeted rates of the Council assets requires prior Council approval.

The Council in general will not offer assets, other than special rates, as security for general liability management programmes without a separate Council resolution, other than for Financing Leases or Hire Purchase arrangements.

## Borrowing Mechanisms

In developing strategies for new borrowing (in relation to source, term, size and pricing) Council takes into account the following:

- available and Council-approved sources, terms and types of borrowing
- Environment Canterbury's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
- prevailing interest rates, margins and total cost relative to term and nature of the borrowing
- the market's and Council's outlook on future interest rate movements
- legal documentation and financial covenants.

## Investment Policy

### Introduction

The Council's philosophy regarding the management of investments is to optimise returns in the long-term while balancing risk and return considerations. The Council is a risk adverse entity and acknowledges that there are various financial risks such as interest rate risk, liquidity risk and credit risk arising from investment activities and wishes to minimise the exposure to such risk through prudent treasury activities.

The Council recognises that as a responsible public authority any investments that it holds should be low risk. It also recognises that lower risk generally means lower returns. The Council also recognises that being a non-tax entity improves the returns available from fixed interest investments.

The Council will practise an ethical investment approach.

Ethical investment involves avoiding investing in a company whose business activities or products are deemed to be inappropriate, eg. arms manufacture, gambling, fossil fuels, alcohol or pornography.

Environment Canterbury holds financial investments which include:

- special funds and reserves
- funds set aside for approved future expenditure
- proceeds from the sale of assets
- forestry
- temporary surpluses and working capital funds.

Council holds equity investments which include:

- marlborough Forestry Corporation



- civic Assurance (Local Government Insurance Corporation)
- New Zealand Local Government Funding Agency.

## Local Government Act 2002 Requirements

Section 105 of the LGA 2002 provides that the Investment Policy required to be adopted under section 102(4)(c) must state the local authority policies in respect of investments, including:

- the mix of investments
- the objectives in terms of which financial and equity investments are to be managed
- the acquisition of new investments
- an outline of the procedures by which investments are managed and reported on to the local authority
- an outline of how risks associated with investments are assessed and managed.

## Objectives

The objectives of this investment policy are consistent with market best practices and will take into account the requirements of Environment Canterbury's Annual Plan and LTP. The key investment policy objectives are to:

- prudently manage Environment Canterbury's investment assets in the interests of the Council's district and its inhabitants and ratepayers, only for lawful purposes and so as to safeguard against loss
- manage investments in accordance with the LGA 2002 and the Trustee Act 1956; administer, manage and account for its funds and exercise the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others
- maximise investment income within a prudent level of investment risk. Council recognises that as a responsible public authority any investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means lower returns
- ensure the integrity of Environment Canterbury's financial market investments by only investing in appropriate organisations and financial market instruments as specified in this policy
- ensure investments are maintained at an appropriate level of liquidity to enable the provision of cash flow when required
- manage the potential risk due to adverse interest rate movements
- maintain relationships with financial market participants, to enable Environment Canterbury to carry out its financial market investment activities in an efficient and practical way
- regularly review the performance and credit-worthiness of all investments
- maintain operational controls and procedures to best protect Council against financial loss, opportunity cost and other inefficiencies.

## Investment Management and Internal Controls

Council approves policy parameters in relation to investment activities.

Environment Canterbury's investment activities are managed centrally through an accounting function and takes the following into consideration when deciding on the suitability of any investment:

- the desirability of diversifying investments
- the nature of existing investments
- the risk of capital loss or depreciation
- the potential for capital appreciation
- the likely income return

- the length of the term of the proposed investment
- the marketability of the proposed investment
- the effect of the proposed investment in relation to tax liability
- the likelihood of inflation affecting the value of the proposed investment.

Council's systems of internal controls over investment activity include:

- adequate segregation of duties among the core investment functions of deal execution, confirmation, settling and accounting/reporting. There are a small number of people involved in investment activity, however the risk from this will be further minimised by the following processes:
  - a documented approval process for investment activity
  - regular management reporting and review
  - regular operational risk control reviews by an independent audit function.
- organisational, systems, procedural and reconciliation controls to ensure:
  - all investment activity is bona fide and properly authorised
  - reviews are in place to ensure Environment Canterbury's accounts and records are updated promptly, accurately and completely
  - the Council's transactional banking relationships will be reviewed at least every three years
  - overall assessment of performance of funds management.

## Financial Market Risk Management

Environment Canterbury's primary objective when investing is the protection of its capital. Accordingly, only creditworthy counterparties are acceptable. Specifically, Environment Canterbury minimises its credit exposure by ensuring that all financial market investments meet the criteria outlined in the table on the following page. These limits are cumulative and relate to the combined 'short- and long-term' funds portfolios.

Liquidity risk is managed by ensuring that all investments are readily tradable on the secondary market. In practice this is achieved by the credit rating and financial market instrument criteria contained in the investment table.

Counterparty risk shall be managed by only permitting financial market transactions with New Zealand Registered Banks with a minimum Standard and Poor's longterm rating of 'A+' or the Moody's Investors Service or Fitch Ratings equivalents and full members of the New Zealand Stock Exchange.

## Cash Management

The Council will maintain sufficient liquidity to cover for emergency disaster requirements.

- Cashflow surpluses will be invested in approved financial investment instruments amounts invested must be within limits specified
- An optimal daily range of \$0 to +1,500,000 is targeted for in the Council's main bank account, with amounts realised from the Council's money market lines if required
- The Council will not maintain an overdraft facility at this stage
- The undertaking of interest rate risk management activities on cash management balances is not permitted.

## Authorised Investment Criteria

Authorised Asset Classes	Overall portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor’s (or Moody’s or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government or Government Guaranteed	100%	Government Stock Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities*	70%	Commercial Paper	Short-term S&P rating of A1 or better	\$2.0 million
		Bonds/MTNs/FRNs	Long-term S&P rating of A- or better long-term S&P rating of A+ or better long-term S&P rating of AA or better	\$1.0 million \$2.0 million \$3.0 million
Local Authorities where rates are used as security*	60%	Commercial Paper Bonds/MTNs/FRNs	Not Applicable	\$2.0 million \$1.0 million
New Zealand Registered Banks	100%	Call/Deposits/Bank Bills/Commercial Paper	Short-term S&P rating of A1 or better	\$15.0 million*
		Bonds/MTNs/FRNs	Long-term S&P rating of A- or better Long-term S&P rating of A+ or better Long-term S&P rating of AA or better	\$1.0 million \$2.0 million \$3.0 million
State Owned Enterprises	70%	Commercial Paper	Short-term S&P rating of A1 or better	\$2.0 million
		Bonds/MTNs/FRNs	Long-term S&P rating of A- or better long-term S&P rating of A+ or better Long-term S&P rating of AA or better	\$1.0 million \$2.0 million \$3.0 million
Corporates**	60%	Commercial Paper	Short-term S&P rating of A1 or better	\$2.0 million
		Bonds/MTNs/FRNs	Long-term S&P rating of A- or better long-term S&P rating of A+ or better Long-term S&P rating of AA or better	\$1.0 million \$2.0 million \$3.0 million
Financials**	30%	Commercial Paper	Short-term S&P rating of A1 or better	\$2.0 million
		Bonds/MTNs/FRNs	Long-term S&P rating of A- or better long-term S&P rating of A+ or better Long-term S&P rating of AA or better	\$1.0 million \$2.0 million \$3.0 million

\* Short-term investments in any one New Zealand Registered Bank shall not exceed 70% of the portfolio or \$15.0 million whichever is the greater.

\*\* The combined holding of Corporates and Financials shall not exceed 70% of the portfolio

## **New Zealand Local Government Funding Agency (LGFA)**

Despite anything mentioned earlier in this Investment Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- obtain a return on the investment; and
- ensure that the LGFA has sufficient capital to become and remain viable, meaning that it contuse as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

## **Interest Rate Risk Management**

Interest rate risk refers to the impact that movements in interest rates can have on Environment Canterbury's cash flows. Environment Canterbury's financial investments give rise to direct exposure to interest rate movements. Interest rate risk is managed by Council as part of its overall investment strategy.

The following interest rate risk management instruments in relation to investment are approved by Council:

- interest Rate Swaps
- interest rate options
- forward Rate Agreements.

Council does not enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

## **Duration Control for Investment Portfolio**

Duration calculates the effective average term of an investment portfolio by combining all individual investments and weighting all the cash flows using a series of net present value calculations. Duration is then reported as the average life of the portfolio as if it was effectively one investment instrument, e.g. 2.9 years.

The duration for the investment portfolio shall be controlled by referencing its duration against an appropriate external benchmark. Environment Canterbury is able to vary the duration of the portfolio by no more than 25% either side of the benchmark portfolio's duration. Compliance with the duration control is not required if the nominal value of the portfolio is less than \$10 million.

## **Benchmarking**

Benchmarking measures the performance of a portfolio against an appropriate external benchmark, thus providing Environment Canterbury with an indication as to the effectiveness and suitability of the current investment parameters and the manner in which the parameters are being implemented at an operational level.

Environment Canterbury shall benchmark the performance of the LTFP[A1] against the performance of an appropriate external benchmark portfolio. Compliance with the benchmarking standard is not required if the nominal value of the portfolio is less than \$10 million.

## Equity Investments

Significant dispositions and acquisitions require Council approval.

All income is reflected in Environment Canterbury accounts with dividend income reflected in the Environment Canterbury accounts as revenue.

It is not contemplated that Environment Canterbury will make any future equity investments, to do so would require a specific Council resolution.

## Loans and Advances

These are made to:

Community organisations [A1] to facilitate the ongoing provision of community services or recreational opportunities. These are usually at a lower than commercial interest rate.

Council sets the criteria to apply for any other loans or advances as they are granted. Environment Canterbury as a rule is not a lender of money.

The Council must be satisfied that the potential for capital loss is minimal.

- where possible, securing a charge over collateral security realisable on default;
- ensuring the organisation is financially stable and the ongoing cashflow is sufficient to service the loan;
- ensuring that the return on capital is market related;
- the total value of Non-Commercial Loans and guarantees shall not exceed 2% of the Council's investment portfolio.

## Foreign Exchange Policy

Environment Canterbury may incur minor foreign exchange exposures through the occasional purchase of foreign exchange denominated plant, equipment and services. All significant commitments defined as an exposure in excess of NZD\$100,000 equivalent are hedged using foreign exchange contracts.

The council shall not borrow or enter into incidental arrangements within or outside New Zealand, in currency other than New Zealand currency.

## Guidelines & Procedures

The following guidelines should be read in conjunction with the Treasury Policy. These guidelines provide background information on how the Treasury Policy should be applied.

### Liability Management Policy

#### Approving new debt

##### Guidance

In approving new debt the Council considers the impact on its liability management limits as well as the size and economic life of the asset that is being funded and its consistency with Council's long-term financial strategy. Generally, only large infrastructural assets would be funded by debt.

- the objectives of the treasury function in so far as it relates to the Council's borrowing activities should be consistent with the Council's overall corporate objectives and strategic plans.

Due to the current healthy status of the Council's Balance Sheet the only debts are as follows:

- finance leases (for mainly computer equipment)
- committed cash advance facility with a trading bank
- LGFA debt for long-term fixed and infrastructural assets.

Authorised borrowing mechanisms which Council is able to utilise to source external debt are as follows:

- bank debt
- capital markets issuance comprising Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes
- finance leases and hire purchase agreements.

Interest rate risk is the risk that the Council's interest expense will rise due to adverse movements in interest rates impacting on its total borrowing costs.

Environment Canterbury's Treasury Oversight Committee sets interest rate risk management strategy by monitoring interest rate markets on a regular basis and evaluating the outlook for short-term rates in comparison to the rates payable on its fixed rate borrowing, together with any internal factors such as budgeted interest rates which may have an impact on the overall strategy.

An appropriate floating rate/fixed rate profile is determined by the Treasury Oversight Committee on an as required basis with the assistance of the Treasury Advisor and approved by the Director of Finance & Corporate Services (DFCS) as chairman of the Treasury Oversight Committee.

Management may implement an interest rate risk management strategy as determined by the Treasury Oversight Committee through the use of the following mechanism:

Using interest rate risk management instruments (refer (i) below) to convert floating rate borrowing into a fixed rate or fixed rate borrowing into floating rate.

1. The use of interest rate risk management instruments is approved by the Council only to facilitate and maintain interest costs within budget parameters.

A current list of approved interest rate risk management instruments with appropriate definitions is included in the list below. Additions to, and deletions from, this list are recommended by the Treasury Oversight Committee and approved by the Council. The DFCS as chairman of the Treasury Oversight Committee has delegated authority to authorise the use of Council approved interest rate risk management instruments as appropriate to effectively manage Council's interest rate risks.

The following interest rate risk management instruments are authorised for interest rate risk management activity.

**Note:** Interest Rate Risk Management Instruments are only used to hedge an underlying asset or borrowing.

- forward rate agreements
- interest rate swaps
- purchase of interest rate options products including caps, floors, bond options and swaptions
- interest rate collar-type option strategies
- fixed Rate Term Loans.
  
- the following interest rate risk management instruments are not permitted for use:
  - selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature
  - structured or leveraged interest rate option strategies
  - interest rate futures contracts.

## New Borrowing Consideration

Matters for the Treasury Oversight Committee to take into account for evaluating strategy for new borrowing (in relation to source, term, size and pricing):

- current approved liability management mechanisms
- available terms from banks and capital markets
- the Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
- prevailing interest rates and margins relative to term for capital markets and bank borrowing
- the market's outlook on future interest rate movements
- ensuring that the implied finance terms within the specific debt (e.g. project finance) are at least as favourable as the Council could achieve in its own right.

Liquidity risk is the risk that an unforeseen event or miscalculation in the required liquidity level may lead to the Council being unable to meet its obligations. Funding risk is the risk that, after the expiry of existing borrowing facilities, funds will not be available at the price or terms required.

The Council minimises its liquidity and funding risks by:

- matching expenditure closely to its revenue streams and managing cash flow timing differences to its favour
- avoiding concentration of debt maturity dates
- maintaining a mixture of committed and uncommitted credit lines with its relationship banks
- the use of internal debt management to assist in funding the purchase of new and replacement assets is at the discretion of the Treasury Oversight Committee and will be reviewed every three years during the LTP process.

Reserves may be used to reduce external borrowings in order to avoid the negative spread on [A1] interest rates between borrowed and invested money

The use of incidental arrangements is confined to managing interest rate risk of the Council borrowings and is to be within the confines of the parameters specified in Section 2.6 of the liability management policy.

The use of incidental arrangements requires formal prior approval of the Director Finance & Corporate Services (DFCS).

## Investment policy guidelines

### Guidance

Within the credit constraints contained in authorised investment criteria listed in the investment policy, the Council also seeks to:

- optimise investment return
- ensure investments are liquid
- manage potential capital losses due to interest rate movements if investments need to be liquidated prior to maturity
- preserve the capital invested and where possible promote capital growth.

### Equity Asset Holdings

With respect to investments, Environment Canterbury's overall policy on dealing with assets it holds is dependent on the particulars of the assets as follows:

<b>Strategic Assets</b>	Land or buildings identified as a Strategic Asset in Environment Canterbury's policy on significance will be retained by Environment Canterbury[A1].
<b>Reserve Land</b>	Land held by Environment Canterbury as the administering authority under the Reserves Act 1977 will be retained by Environment Canterbury and be used for the particular purpose gazetted for the land.
<b>Endowment Land</b>	Land held by Environment Canterbury under the terms of the document creating the endowment will generally be retained and utilised for the best and highest value, subject to any constraints related to the purpose for which the land is vested. Where alternative opportunities arise to increase best and highest values endowment land may be disposed of subject to Sections 140 and 141 of the Local Government Act 2002 and any overriding provisions of a particular Local Act.
<b>Land subject to a particular Local Act</b>	Will generally be retained by Environment Canterbury unless proceeds of disposal can be applied to further enhance or advance the specific statutory purpose for which the land is held.
<b>Regional Park</b>	Land held as a regional park will be retained by Environment Canterbury.
<b>Beneficially held land</b>	Acquisition, construction, retention, abandonment or disposal of beneficially held land will be determined by reference to maximising ratepayer benefit.



Investment	Guidance
<b>Civic Financial Services formerly Local Government Insurance Corp</b>	Due to the limited transferability of shares and limited risks, the Council's policy is to retain shares in Civic Financial. If required in connection with the investment, the Council may also subscribe for further shares in Civic Financial.
<b>Marlborough Forestry Corp (MFC)</b>	Due to the limited transferability of the holding and limited risks, the Council's policy is to retain the holding shares in MFC.
<b>Forestry</b>	The Council will invest in forestry for the primary purposes of flood protection and soil conservation. Within these constraints, these stands will be managed in a commercial manner, in order to optimise the return on investment.
<b>Tuam Street &amp; Timaru Offices</b>	<p>The following policies will be applied by the Council in the management of its investment in these properties:</p> <ul style="list-style-type: none"> <li>• decisions on future ownership will be driven by the requirement to maximise ratepayer benefit and will be reviewed at valuation time by the Treasury Oversight Committee who will make recommendations to Council</li> <li>• the Council will continue to exercise governance over these properties to ensure the value of these assets is protected through planned maintenance</li> <li>• the Council will continue to rely on the advice of its property consultants with respect to all property matters relating to these properties</li> <li>• the Council will evaluate offers of purchase in light of its requirement and maximising ratepayer benefit.</li> </ul>
<b>Clean Heat Loan Scheme</b>	Council approved the Clean Heat Loan Scheme as an amendment to the 2004-14 Long-Term Council Community Plan. The scheme is limited to Christchurch, Timaru, Ashburton, Rangiora and Kaiapoi. Scheme was closed to new entrants in 2012.
<b>Non-Commercial investments</b>	<p>Non-commercial investments may occur where there are clearly defined social benefits to the community as a consequence of making such a loan or providing a guarantee. As this is a departure from normal investment policy the following criteria should be applied. The Council must be satisfied that the potential for capital loss is minimal. This is to be achieved by:</p> <ul style="list-style-type: none"> <li>• Where possible, securing a charge over collateral security realisable on default</li> <li>• Ensuring the organisation is financially stable and the ongoing cash flow is sufficient to service the loan</li> <li>• Ensuring that the return on capital is market related.</li> </ul> <p>The total value of Non-Commercial Loans and guarantees shall not exceed 2% of the Council's investment portfolio.</p>
<b>Property investments</b>	<p>Those properties retained for Council use will be assessed as to appropriateness on an annual basis to maximise ratepayer benefit. All properties will be maintained.</p> <p>The following practices will be applied by the Council in the consideration of Commercial property development:</p> <ol style="list-style-type: none"> <li>1. the Council will consider the advice of its property consultants or steering group with respect to all property development matters</li> </ol>

Investment	Guidance
	<ol style="list-style-type: none"> <li>2. the required rate of return for such development projects will be set by the property consultants or steering committee and will reflect the level of risk associated with such projects</li> <li>3. any proposal for commercial property development will require a rate of return equal to or greater than the required rate of return before it is put forward as a recommended course of action</li> <li>4. consideration will be given to 3 types of development being; block lease (low risk ), subdivision of land (moderate risk), subdivision and build (high risk)</li> <li>5. in considering options put forward, and to be consistent with its overall investment philosophy, the Council will place priority on the maintenance of Capital by focussing on investments with a lower risk profile. This means that the sub-divide and build option is unlikely to be the option adopted.</li> </ol>
<b>Local Government Funding Agency</b>	<p>Despite anything earlier in this document, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment. The Council's objective in making any such investment will be to:</p> <ul style="list-style-type: none"> <li>• obtain a return on the investment; and</li> <li>• ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.</li> </ul> <p>Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.</p> <p>If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.</p>

## Authorised Investment Criteria

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria - Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	70%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
Unrated Local Authorities	50%	Commercial Paper	Not Applicable	\$2.0 million
New Zealand Registered Banks	100%	Call/Term Deposits/Bank Bills/Commercial Paper	Short-term S&P rating of A1 or better	\$15.0 million
State Owned Enterprises	50%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
Corporates **	50%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria - Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
Financials **	30%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
<p>* Short-term investments in any one New Zealand Registered Bank shall not exceed 70% of the portfolio or \$15.0 million whichever is the greater</p> <p>** The combined holding of Corporates and Financials shall not exceed 70% of the portfolio</p>				

## Treasury organisational structure

### Council

- Approve the Liability Management Policy and Investment Policy
- Evaluate and approve amendments to the above policies
- Review treasury activity through annual reporting, supplemented by exception reporting
- Approve annual borrowing programme contained in the Long-Term Plan (LTP) or Annual Plan
- Approve budgets and high-level performance reporting
- Approve interest rate risk management instruments contained in Appendix III and all subsequent additions/deletions.

### Performance Audit and Risk Committee

- Appoint and review the Treasury Advisor
- Review investment performance annually.

### Chief Executive

- In conjunction with the DFCS, approve the opening/closing of bank accounts and new banking facilities
- Review, and if required change, the composition of the Treasury Oversight Committee
- In conjunction with the DFCS, approve register of cheque and electronic banking signatories.

### Director Finance & Corporate Services (DFCS)

- Overall responsibility for treasury function
- Primary responsibility for managing relationships with the Treasury Advisor, financial institutions and the capital markets
- Negotiate borrowing facilities
- Approve new borrowing undertaken in line with Council resolution and approved borrowing strategy
- Authorise the use of Council-approved interest rate risk management instruments within discretionary authority
- Recommend policy changes to Council for approval.

### Treasury Oversight Committee (TOC)

- Recommend policy changes to the DFCS as Chairman of the TOC
- Evaluate and approve borrowing, investment and risk management strategies
- Review borrowing and investment management activity through regular meetings as required and quarterly reporting

- Recommend performance measurement criteria for all borrowing and investment and risk management activity
- Monitor monthly performance against benchmarks
- Ongoing risk assessment of treasury activity.

### **Treasury Advisor**

- Assist with the review of the LMP and IP
- Provide advice on developments in both the domestic and international financial markets insofar as they relate to Council's treasury activities
- Evaluate available borrowing options for Council
- Formulate appropriate interest rate risk management strategies for Council's external debt
- Provide quarterly reports which detail relevant aspects of Council's borrowing and financial market investment activities.

### **Finance Operations Manager**

- Day-to-day responsibility for treasury function
- Secondary responsibility for managing relationships with the Treasury Advisor, financial institutions and the capital markets
- Assist in the negotiation of borrowing facilities
- Review funding requirements, develop borrowing and risk management strategy, and provide recommendations to the TOC
- Review cash flow requirements, develop financial investment strategy with the Funds Manager [A1] (including performance measures) and provide recommendations to the TOC
- Responsible for maintaining operational and accounting systems to record and report treasury activity
- Approve all amendments to the Council's records arising from checks to counterparty confirmations
- Report treasury activity to the TOC
- Prepare cash flow forecasts and undertake cash management activity within policy guidelines
- Update treasury system/spreadsheets for all new, re-negotiated or maturing transactions
- Maintain loan repayment records.

### **Assistant Accountant**

- Reconcile treasury system/spreadsheets to general ledger
- Execute approved borrowing, investment, and interest rate risk management strategies
- Review and approve bank reconciliations
- Maintain loan repayment records.

### **Independent Audit**

- Verify accuracy of outstanding treasury transactions by undertaking independent confirmation checks
- On-going review of treasury procedures and controls
- Consideration of the internal audit charter.

### **Treasury Oversight Committee (TOC) - Composition**

- The composition of the TOC is approved by the Chief Executive. The following table details the positions within the Council that form part of the TOC, as well as the input they are expected to add

Position	Input Value
Director Finance & Corporate Services	Overall responsibility for treasury functions. Chairman of TOC.
Property Manager	Perspective from the Council's largest asset manager.
Chairman of PARC ex-officio	Providing political perspective to treasury decision making as required.
Finance Operations Manager/Chief Financial Officer	Management of treasury function. Development of strategy. Analysis of treasury performance. Compliance monitoring.
Operational Section Manager	Provide input from the operations group of Environment Canterbury.
Risk Advisor	Oversight on risk
Treasury Advisor	Technical expertise, outlook on market movements, new investment tools, investment and borrowing recommendations, reporting on market conditions and overall advice.

### Managing Cash Surpluses and/or Deficits

The Finance Section is responsible for managing the Council's cash surpluses and/or deficits.

The Council maintains monthly and annual cash flow projections which form the basis of its cash management activity. The Council maintains one main bank account for its operating cash flows as well as other bank accounts for specialist activities. Individual sections within the Council do not maintain separate bank accounts.

The Council manages its working capital balances by matching expenditure closely to its revenue streams, and managing cash flow appropriately. Daily bank balances are extracted by the Finance Operations Manager. Daily cash requirements are determined by reference to the Daily Cash Flow Position Report and appropriate adjustments are made to money market balances.

Cash flow surpluses from timing differences will be invested at the best possible rate on the short-term money market.

If any counterparty's credit rating falls below the minimum specified in the investment policy then all practical steps are taken to reduce the credit exposure to that counterparty to zero as soon as possible.

### Approved Financial Investment Instruments

Investment instruments available in the market (excluding equities and property) can be categorised under four broad categories relating to the issuer of these instruments.

1. New Zealand Government Treasury Bills
2. Local Authorities Stock
3. Registered Banks Term Deposits
4. Corporates Bonds & Commercial Paper.

'Local Authority' means any City, District or Regional Council or wholly owned subsidiary of such a body and the NZ Fire Services Commission.

'Registered Bank' means as defined in Section 2 of the Reserve Bank of New Zealand Act 1989.[A1]

## Treasury Management Suppliers

The Council's preference in the treasury management area is to deal with preferred suppliers. The Council's choice of relationship banks is determined by its desire to benefit from long-term relationships rather than seeking the best returns in the short-term.

Each financial institution must be capable of providing the Council with:

- comprehensive treasury services in NZD products
- proven expertise and a track record in arranging local capital markets facilities
- a desire to accommodate the Council with funding without additional security requirements
- the Council's cash management and interest rate risk management activities are undertaken with its relationship bank ASB.

## Treasury Reporting

Report Name	Frequency	Prepared by	Recipient
Treasury Exceptions Report	Daily	Finance Operations Manager	Treasury Oversight Committee
Treasury Report listing investments and debt with maturity dates	Quarterly (detailed)	Finance Operations Manager	Director Finance & Corporate Services TOC
Limits Report	Daily – reported on an exceptions basis	Finance Operations Manager	Director Finance & Corporate Services TOC
Debt Maturity Profile	Quarterly	Finance Operations Manager	Director Finance & Corporate Services TOC
Statement of Council Public Debt	Quarterly	Finance Operations Manager	Director Finance & Corporate Services -TOC
Treasury Performance	Quarterly	Funds Manager & Finance Operations Manager	Director Finance & Corporate Services -PARC

## Approvals

Activity	Delegated to:
Approve policy document	Council (by resolution)
Alter policy document	Council (by resolution)
Open/close bank accounts	Chief Executive, Director Finance & Corporate Services
Approval and appointment of the Treasury Advisor	Performance Audit and Risk Committee
Acquire and dispose of investments other than financial investments	Council (by resolution)

Activity	Delegated to:
Approve borrowing programme for the year	Council (by resolution)
Approve charging assets as security over borrowing	Council (by resolution)
Approve new loans in accordance with Council resolution	Chief Executive, Director Finance & Corporate Services
Negotiate debt in relation to interest rate, term and maturity date.	Director Finance & Corporate Services
Approve cheque signatories	Chief Executive, Director Finance & Corporate Services
Approve Electronic Banking funds transfer signatories	Chief Executive, Director Finance & Corporate Services
Manage borrowing strategy	Director Finance & Corporate Services (approve strategy as Chair of TOC) TOC (recommend strategy) Finance Operations Manager (execute approved strategy, daily management)
Approve interest rate risk management instruments contained in the Risk Management Tool Kit in Appendix IV and subsequent additions and deletions	Council (by resolution)
Authorise use of the Council approved interest rate risk management instruments	Director Finance & Corporate Services
Manage the Council cash requirements	Finance Operations Manager

## Internal Controls

The internal controls for the operation of the Council's treasury function are noted below:

### Organisational controls

The Director Finance & Corporate Services (DFCS) has responsibility for establishing appropriate structures, procedures and controls to support treasury activity. Detailed procedures supporting the key controls contained in this document are contained in these policies.

All borrowing, investment, cash management and risk management activity is undertaken in accordance with approved delegations authorised by the Council.

The Council's systems of internal controls over treasury activity include:

1. Adequate segregation of duties among the core treasury functions of deal, confirmation, settling and accounting/reporting. There are a small number of people involved in the Finance Section. Accordingly, strict segregation of duties is not always achievable. The risk from this will be minimised by the following processes:
  - Utilising the services of Council's Treasury Advisor
  - A documented discretionary approval process for treasury activity

- Regular management reporting
- Regular operational risk control reviews.

2. Organisational, systems, procedural and reconciliation controls to ensure:

- All treasury activity is bona fide and properly authorised
- Checks are in place to ensure the Council's accounts and records are updated promptly, accurately and completely.

Personnel with dealing responsibilities cannot perform bank reconciliations or act as a sole cheque signatory.

New Cheque/Electronic banking signatories approved by the Chief Executive on recommendation of Director Finance & Corporate Services (DFCS).

Dual signatures are required for all cheques and electronic transfers.

Authorised personnel - all counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.

## Settlement

Payment batches for treasury payments are set up on desk bank and checked by the accountant to ensure settlement details are correct. Payment details are authorised by two approved signatories as per delegations.

## Investments

Investment activity is undertaken within limits specified in Section 3.6a of the Investment Policy.

NZ Government stock, Treasury bills, local authority stock and debentures are registered with the relevant registry or custodian. The Council receives notice of the stocks transferred into its name from the registry. This notice is checked to the Council's treasury system/spreadsheets.

## Internal Debt Management

The Finance Section is responsible for administering the Council's internal debt portfolio. Loans are set up within the debt portfolio based on planned loan funded capital expenditure, and allocated to the area incurring the capital expenditure. The following operational parameters apply to the management of the Council's debt portfolio.

Where debt is incurred for general capital works:

- capital expenditure details are extracted by the Finance Section each month end
- a notional internal loan is set up for all new capital expenditure and allocated in the debt portfolio to the area incurring the expenditure
- interest is charged by financial services to areas on month-end loan balances at an agreed rate
- the interest rate, where the external debt has not been specifically raised for that project, will be based on the Council's weighted opportunity cost of funds, and a margin which provides for certainty in the charging rate and avoids frequent adjustments. The rate is reviewed by the TOC and is set for the next financial year in the Long-Term Plan and Annual Plan.

Where debt is raised for a specific asset/project:



- the interest rate when the external debt has been raised specifically for that project will be the rate of that external debt. All costs related to incurring that debt, including interest are charged to the project
- for calculating effect on rating requirements, the Council will use the repayment and interest costs for the year. The finance section will, for every loan, maintain a record of its repayments, identifying principal and interest portions; this will be used for rating calculations and cashflow across the life of the loan.

### Authorised Investment Criteria – Financial Market Investment Fund

Authorised Asset Classes	Overall portfolio limit as a percentage of the total portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor’s (or Moody’s or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	Government Stock Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	70%	Commercial Paper Bonds/MTNs/FRNs	Short-term S&P rating of A1 or better Long-term S&P rating of A- or better Long-term S&P rating of A+ or better Long-term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million
Unrated Local Authorities	50%	Commercial Paper Bonds/MTNs/FRNs	Not Applicable	\$2.0 million \$1.0 million
New Zealand Registered Banks	100%	Call/Term Deposits/Bank Bills/Commercial Paper Bonds/MTNs/FRNs	Short-term S&P rating of A1 or better Long-term S&P rating of A- or better Long-term S&P rating of A+ or better Long-term S&P rating of AA or better	\$7.5 million* \$1.0 million \$2.0 million \$3.0 million
State Owned Enterprises	50%	Commercial Paper Bonds/MTNs/FRNs	Short-term S&P rating of A1 or better Long-term S&P rating of A- or better Long-term S&P rating of A+ or better Long-term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million
Corporates * *	50%	Commercial Paper Bonds/MTNs/FRNs	Short-term S&P rating of A1 or better	\$2.0 million \$1.0 million

Authorised Asset Classes	Overall portfolio limit as a percentage of the total portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor’s (or Moody’s or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
			Long-term S&P rating of A- or better Long-term S&P rating of A+ or better Long-term S&P rating of AA or better	\$2.0 million \$3.0 million
Financials* *	30%	Commercial Paper Bonds/MTNs/FRNs	Short-term S&P rating of A1 or better Long-term S&P rating of A- or better Long-term S&P rating of A+ or better Long-term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million

#### Authorised Investment Criteria – Working Capital Fund

Authorised Asset Classes	Overall portfolio limit as a percentage of the total portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor’s (or Moody’s or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	70%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
Unrated Local Authorities	50%	Commercial Paper	Not Applicable	\$2.0 million
New Zealand Registered Banks	100%	Call/Term Deposits/Bank Bills/Commercial Paper	Short-term S&P rating of A1 or better	\$15.0 million*
State Owned Enterprises	50%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
Corporates* *	50%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million

Authorised Asset Classes	Overall portfolio limit as a percentage of the total portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor’s (or Moody’s or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
Financials* **	30%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million

\* Short-term investments in any one New Zealand Registered Bank shall not exceed 70% of either fund or \$15.0 million whichever is the greater.

\*\* The combined holding of Corporates and Financials shall not exceed 70% of either fund (Financial Markets or Working Capital)

## Interest Rate Risk Management Instruments and Terms – Definitions

**BKBM:** The bank bill mid-market settlement rate as determined each business day and displayed on the New Zealand Financial Markets Authority website. This is the standard rate for the settlement of interest rate swaps, forward rate agreements and interest rate caps and collars.

**Bond Options:** The Council, when purchasing a bond option, has the right but not the obligation to buy or sell a specified Government stock maturity on an agreed date and time and at an agreed rate.

**Forward Rate Agreement:** An agreement between the Council and a counterparty (usually a bank) protecting the Council against a future adverse interest rate movement for a specified period. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark rate (usually BKBM).

**Interest Rate Collar Strategy:** The combined purchase (or sale) of a cap or floor with the sale (or purchase) of another floor or cap.

**Interest Rate Options:** The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date for a specified period. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark rate (usually BKBM). Interest rate option products include caps, floors, bond options and swaptions.

**Interest Rate Swap:** An Interest Rate Swap is an agreement between the Council and a counterparty (usually a bank) whereby the Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties to the contract agree notional principal, start date of the contract, duration of the contract, fixed interest rate and the benchmark rates (usually BKBM).

**Swaption:** The purchase of a swaption gives the Council the right but not the obligation to enter into an interest rate swap, at a future date, at a specific interest rate.

**Repurchase Agreements:** A simultaneous sale and repurchase of a fixed interest security for different settlement dates. Repurchase agreements are also known as Lending.

## Standard and Poor Definitions

### Long-Term Issuer Credit Ratings Definition

#### Category

AAA	An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P Global Ratings.
AA	An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.
A	An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
BBB	An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
BB; B; CCC; and CC	Obligors rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.
BB	An obligor rated 'BB' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.
B	An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.
CCC	An obligor rated 'CCC' is currently vulnerable, and is dependent upon favourable business, financial, and economic conditions to meet its financial commitments.
CC	An obligor rated 'CC' is currently highly vulnerable. The 'CC' rating is used when a default has not yet occurred, but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.
R	An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favour one class of obligations over others or pay some obligations and not others.
SD and D	An obligor rated 'SD' (selective default) or 'D' is in default on one or more of its financial obligations including rated and unrated financial obligations but excluding hybrid instruments classified as regulatory capital or in non-payment according to terms. An obligor is considered in default unless S&P Global Ratings believes that such payments will be made within five business days of the due date in the absence of a stated grace period, or within the earlier of the stated grace period or 30 calendar days. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively

defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.

NR An issuer designated 'NR' is not rated.

\*The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

### Short-Term Issuer Credit Ratings Definition

#### Category

A-1 An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by S&P Global Ratings. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.

A-2 An obligor rated 'A-2' has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.

A-3 An obligor rated 'A-3' has adequate capacity to meet its financial obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

B An obligor rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitments.

C An obligor rated 'C' is currently vulnerable to non-payment that would result in a 'SD' or 'D' issuer rating, and is dependent upon favourable business, financial, and economic conditions for it to meet its financial commitments.

R An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favour one class of obligations over others or pay some obligations and not others.

SD & D An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated), excluding hybrid instruments classified as regulatory capital or in non-payment according to terms, when it came due. An obligor is considered in default unless S&P Global Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations, excluding hybrid instruments classified as regulatory capital, but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.

NR An issuer designated 'NR' is not rated.





DEVELOPMENT OF  
**FINANCIAL CONTRIBUTIONS**  
**POLICY**



## **Development of Financial Contributions Policy**

### **Introduction**

This policy has been prepared in accordance with the Local Government Act 2002.

This document provides guidelines for when the powers to recover development or financial contributions will be used.

### **Policy**

Environment Canterbury does not have any capital expenditure identified in its Annual Plan or this Long-Term Plan that will be funded by development contributions or financial contributions.

In the event that such expenditure is identified, this policy will be developed to determine the appropriate level of development and financial contributions.





POLICY OF THE  
**REMISSION AND POSTPONEMENT  
OF RATES ON MĀORI  
FREEHOLD LAND**



# Policy on the Remission and Postponement of Rates on Māori Freehold Land

## Introduction

Environment Canterbury carries out its rating function in accordance with the requirements of the Local Government (Rating) Act 2002 and the Local Government Act 2002.

This document provides the policy framework for postponing the payment of rates. These policies incorporate postponements for Māori freehold land.

## Legislative summary

Section 102(3) of the Local Government Act 2002 states that a local authority may adopt a rates postponement policy.

Section 87 of the Local Government (Rating) Act 2002 allows a local authority to postpone all or part of the rates on a rating unit if the local authority has adopted a postponement policy, the ratepayer has applied in writing for a postponement and the local authority is satisfied that the conditions and criteria in the policy are met. The remainder of sections 87 to 90 of the Local Government (Rating) Act 2002 address issues relating to notice, postponement fees, recording postponed rates and registering postponed rates.

Section 110 of the Local Government Act 2002 states what a rates postponement policy must contain.

## Postponement policy

The Canterbury Regional Council has decided to postpone all or part of the rates of rating units covered by this postponement policy provided that the conditions within this policy have been met. Rates postponement may be provided for the following categories of rating units or under the following circumstances:

- postponement of rates due to extreme financial circumstances
- postponement of rates on Māori freehold land.

The Council intends the policy to operate equitably over its entire region and has a primary concern to ensure wherever possible that the postponement policy is consistent with the postponement policy adopted by the territorial authority that has been appointed by the Council to collect the rates.

## General provisions relating to the postponement of rates

All applications for rates postponement under this policy must be made in writing by the ratepayer or the ratepayer's authorised agent.

Applications may be forwarded to the territorial authority that has been appointed by the Council to collect the rates. Where an application is forwarded to the territorial authority or where an application for a postponement is made directly to the territorial authority that has been appointed by the Council to collect the rates for the Canterbury Regional Council, a postponement will only be granted by the territorial authority in relation to the Canterbury Regional Council rates where it is consistent with this policy.

Any postponed rates will be postponed until:

- the death of the ratepayer(s)
- until the ratepayer(s) ceases to be the owner or occupier of the rating unit

- until the ratepayer(s) ceases to use the property as his/her residence
- until the date specified by the Council.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Where the Council decides to postpone rates, the ratepayer may still be required to make arrangements for payment of rates in accordance with the requirements of the territorial authority acting as a collector on behalf of the Council.

A postponement fee may be charged on the amount of the postponed rates. The calculation and conditions for this fee will be in accordance with those imposed by the territorial authority acting as collector on behalf of the Council.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit. Penalty charges will not be added to postponed rates.

The Council will consider postponement for each individual application according to the circumstances of that application. When considering each application, the Council will take into account any information provided to the territorial authority acting as collector on behalf of the Council.

DELEGATION: The Chief Executive or Director Finance and Corporate Services is to approve postponement of rates on applications that meet the criteria of this policy.

## **Postponement of rates due to extreme financial circumstances**

The Council may provide rates postponement to all ratepayers who meet the objectives, conditions and criteria of this policy.

### **Objective**

The postponement of rates is to enable the Council to assist ratepayers experiencing extreme financial circumstances that affect their ability to pay rates.

### **Conditions and criteria**

Other than in exceptional circumstances, only rating units used solely for residential purposes will be eligible for consideration for rates postponement under extreme financial circumstances.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant, including the following factors: age, physical or mental disability, injury, illness and family circumstances.





# RATES REMISSION **POLICY**



# Rates Remission Policy

## Introduction

Environment Canterbury carries out its rating function in accordance with the requirements of the Local Government (Rating) Act 2002 and the Local Government Act 2002.

This document provides the policy framework for granting remission of the payment of rates.

## Legislative summary

Section 102(3) of the Local Government Act 2002 states that a local authority may adopt a rates remission policy.

Section 85 of the Local Government (Rating) Act 2002 allows a local authority to remit all or part of the rates on a rating unit if the local authority has adopted a remission policy and the local authority is satisfied that conditions and criteria in the policy are met.

Section 109 of the Local Government Act 2002 states what a rates remission policy must contain.

## Remission policy

The Canterbury Regional Council has decided to make provision for remission of all or part of the rates of rating units in accordance with this remission policy provided that the conditions within this policy have been met. Rates remission will be provided for the following categories of rating units or under the following circumstances:

- remission of rates for community, sporting and other organisations
- remission of rates on land protected for natural, historical or cultural conservation purposes
- remission of rates for other purposes
- remission of penalties.

## General provisions relating to the remission of rates

The Council intends the policy to operate equitably over the entire region and to ensure wherever possible that the remission policy is consistent with the remission policy adopted by the territorial authority that has been appointed by the Council to collect the rates.

Applications may be forwarded to the territorial authority that has been appointed by the Council to collect the rates. Where an application is forwarded to the territorial authority or where an application for a remission is made directly to the territorial authority that has been appointed by the Council to collect the rates for the Canterbury Regional Council, a remission will only be granted by the territorial authority in relation to the Canterbury Regional Council rates where it is consistent with this policy.

When the Council is considering any other application for a remission of rates, it will take into consideration the remission policy of the territorial authority acting as collector on behalf of the Council, to ensure there is consistency.

All applications for rates remission under this policy must be made in writing by the ratepayer or the ratepayer's authorised agent. Applications may be forwarded to the territorial authority that has been appointed by the Council to collect the rates.

The Council will consider remission for each individual application according to the circumstances of that application. When considering each application, the Council will take into account any information provided to the territorial authority acting as collector on behalf of the Council.

Any ratepayer granted rates remission is required to meet all remaining and applicable rates in full after the application of the rates remission.

All remissions are at the discretion of the Council and will be assessed on a case-by-case basis.

DELEGATION: The Chief Executive Officer or Director Finance and Corporate Services is to approve remissions of rates on applications that meet the criteria of this policy.

## **Remission of rates for community, sporting and other organisations**

The Council may provide rates remission to ratepayers who meet the objectives, conditions and criteria of this policy.

### **Objective**

The remission of rates for community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities.

The purpose of granting rates remission to an organisation is to:

1. recognise the public good contribution made by such organisations
2. assist the organisation's survival
3. make membership of the organisation more accessible to the general public, particularly disadvantaged groups, including children, youth, young families, aged people and economically disadvantaged people.

### **Conditions and criteria**

The remission of rates may apply to land, which is used *exclusively or principally* for sporting, recreation or community purposes. The policy does not apply to organisations operated for private pecuniary profit. The policy will also not apply to groups or organisations that have the primary purpose of addressing the needs of adult members (over 18 years) for entertainment or social interaction, or that engage in recreational, sporting or community services as a secondary purpose only.

## **Remission of rates on land protected for natural, historic or cultural conservation purposes**

The Council may provide rates remission to ratepayers who met the objectives, conditions and criteria of this policy.

### **Objective**

Rates remission is provided where it is necessary to preserve and promote natural resources and heritage by encouraging the protection of land held for a natural, historic or cultural purpose.

### **Conditions and criteria**

Ratepayers who own rating units with some feature of cultural, natural or historic heritage that is voluntarily protected may qualify for remission of rates under this policy.

Applications should be supported by documentary evidence of the protected status of the rating unit, for example, the copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of this policy, the Council will consider the following criteria:

1. The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit
2. The degree to which features of natural, cultural or historic heritage are present on the land
3. The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

In granting remissions under this policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

### **Remission of rates for other purposes**

The Council may provide rates remission for other purposes, if these remissions ensure ratepayers are treated equitably by the Council and the territorial authority where the rating unit is situated.

Examples of other purposes are remissions on dwellings in commercial zones, contiguous properties in common usage and rating units that are used for residential purposes that include a separately inhabited part occupied by a dependent family member.

### **Remission of penalties**

The Council may provide rates remission of penalties to ratepayers who meet the objectives, conditions and criteria of this policy.

#### **Objective**

The remission of penalties is to enable the Council to act fairly and reasonably in its consideration of rates that the Council has not received by the penalty date due to circumstances outside the ratepayer's control.

#### **Conditions and criteria**

Remission of penalties may be considered where payment has been late due to a significant family disruption. Remission will be considered in the case of death, illness or accident of a family member, as at the due date.

Remission of penalties may be considered where a ratepayer chooses to make payments different from the instalment dates, typically in full on an annual one-payment basis.

Remission of penalties may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.

Remission of penalties may be granted where the ratepayer has established a history of regular automatic payments or direct debit that have been continuous throughout the year.

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.





# RATES POSTPONEMENT **POLICY**



# Rates Postponement Policy

## Introduction

Environment Canterbury carries out its rating function in accordance with the requirements of the Local Government (Rating) Act 2002 and the Local Government Act 2002.

This document provides the policy framework for postponing the payment of rates. These policies incorporate postponements for Māori freehold land.

## Legislative summary

Section 102(3) of the Local Government Act 2002 states that a local authority may adopt a rates postponement policy.

Section 87 of the Local Government (Rating) Act 2002 allows a local authority to postpone all or part of the rates on a rating unit if the local authority has adopted a postponement policy, the ratepayer has applied in writing for a postponement and the local authority is satisfied that the conditions and criteria in the policy are met. The remainder of sections 87 to 90 of the Local Government (Rating) Act 2002 address issues relating to notice, postponement fees, recording postponed rates and registering postponed rates.

Section 110 of the Local Government Act 2002 states what a rates postponement policy must contain.

## Postponement policy

The Canterbury Regional Council has decided to postpone all or part of the rates of rating units covered by this postponement policy provided that the conditions within this policy have been met. Rates postponement may be provided for the following categories of rating units or under the following circumstances:

- postponement of rates due to extreme financial circumstances
- postponement of rates on Māori freehold land.

The Council intends the policy to operate equitably over its entire region and has a primary concern to ensure wherever possible that the postponement policy is consistent with the postponement policy adopted by the territorial authority that has been appointed by the Council to collect the rates.

## General provisions relating to the postponement of rates

All applications for rates postponement under this policy must be made in writing by the ratepayer or the ratepayer's authorised agent.

Applications may be forwarded to the territorial authority that has been appointed by the Council to collect the rates. Where an application is forwarded to the territorial authority or where an application for a postponement is made directly to the territorial authority that has been appointed by the Council to collect the rates for the Canterbury Regional Council, a postponement will only be granted by the territorial authority in relation to the Canterbury Regional Council rates where it is consistent with this policy.

Any postponed rates will be postponed until:

- the death of the ratepayer(s)
- until the ratepayer(s) ceases to be the owner or occupier of the rating unit

- until the ratepayer(s) ceases to use the property as his/her residence
- until the date specified by the Council.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Where the Council decides to postpone rates, the ratepayer may still be required to make arrangements for payment of rates in accordance with the requirements of the territorial authority acting as a collector on behalf of the Council.

A postponement fee may be charged on the amount of the postponed rates. The calculation and conditions for this fee will be in accordance with those imposed by the territorial authority acting as collector on behalf of the Council.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit. Penalty charges will not be added to postponed rates.

The Council will consider postponement for each individual application according to the circumstances of that application. When considering each application, the Council will take into account any information provided to the territorial authority acting as collector on behalf of the Council.

DELEGATION: The Chief Executive or Director Finance and Corporate Services is to approve postponement of rates on applications that meet the criteria of this policy.

## **Postponement of rates due to extreme financial circumstances**

The Council may provide rates postponement to all ratepayers who meet the objectives, conditions and criteria of this policy.

### **Objective**

The postponement of rates is to enable the Council to assist ratepayers experiencing extreme financial circumstances that affect their ability to pay rates.

### **Conditions and criteria**

Other than in exceptional circumstances, only rating units used solely for residential purposes will be eligible for consideration for rates postponement under extreme financial circumstances.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant, including the following factors: age, physical or mental disability, injury, illness and family circumstances.



PARTICIPATION AND  
**ENGAGEMENT POLICIES**



# MĀORI PARTICIPATION POLICY



## Māori Participation Policy

The Local Government Act 2002 provides principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes. This is to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes. The requirement for 'participation of Māori' recognises and respects the mana whenua (customary tribal authority) status of Ngāi Tahu Whānui within the Canterbury region, as set out in section 5 of the Te Rūnanga o Ngāi Tahu Act 1996.

In addition to Local Government Act obligations, the Resource Management Act 1991 gives regional councils specific obligations regarding kaitiakitanga, the principles of the Treaty of Waitangi, and the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga. To give effect to the obligations under both the Local Government Act and the Resource Management Act, Environment Canterbury must continue to develop its relationships with all ten Ngāi Tahu Papatipu Rūnanga in Canterbury and with Te Rūnanga o Ngāi Tahu – the iwi authority.

The principles and requirements for participation are outlined as follows:

- *Opportunities for Māori* - a local authority should provide opportunities for Māori to contribute to its decision-making processes.
- *Local authority decision-making* - where, in the course of the decision-making process, a significant decision relates to land or a body of water, the local authority must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga (see below).
- *Contributions to decision-making processes* – a local authority must establish processes to provide opportunities for Māori to contribute to decision-making processes, and also to consider ways to foster the development of Māori capacity.
- *Consultation with Māori* – a local authority must ensure that it has in place processes for consulting with Māori that are in accordance with the principles of consultation as set out in section 82 of the Local Government Act.
- *Working with Māori* – a local authority must work with Māori to further community outcomes.
- *Development of Māori capacity* – a local authority must develop Māori capacity to contribute to the decision-making processes of the local authority.

Environment Canterbury has a number of processes and projects that give effect to these obligations and facilitate participation by Ngāi Tahu Papatipu Rūnanga. These include:

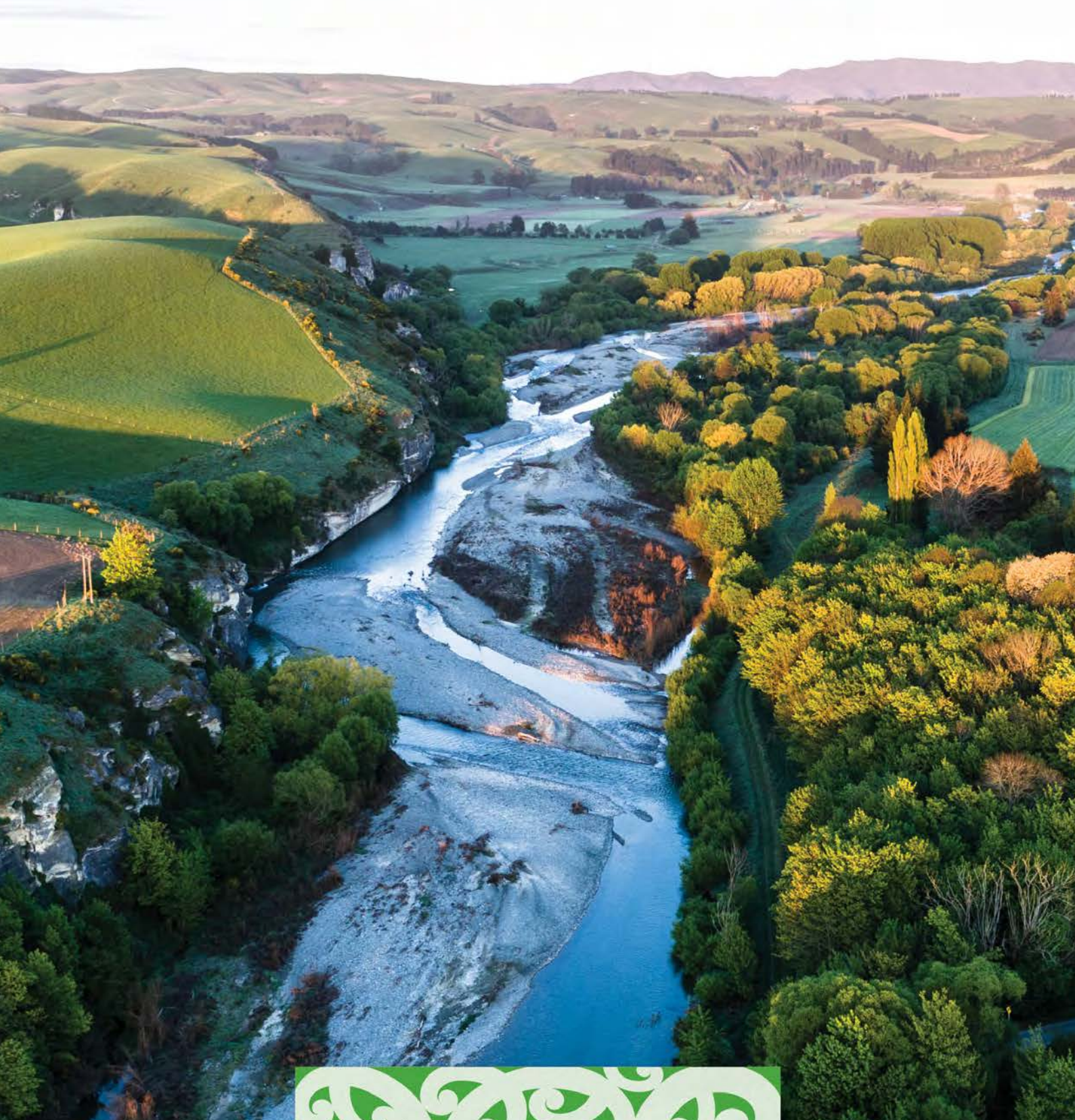
- Having two Ngāi Tahu-nominated Councillors
- Meeting regularly at staff and governance level with ngā Rūnanga to share information, discuss key issues and receive Rūnanga advice concerning work programmes across the Council's functions
- utilising and supporting Rūnanga technical advisory services which support the ability of Rūnanga to respond in a timely and effective way to resource consents and other work that requires mana whenua input
- Developing an agreed joint work programme between Ngā Rūnanga, Te Rūnanga o Ngāi Tahu and Environment Canterbury
- Ensuring Ngāi Tahu members on the Canterbury Water Management Zone Committees are supported in their roles, including through assistance from tangata whenua facilitators
- Establishing Rūnanga working groups to ensure genuine involvement in RMA plan development
- Providing a small fund to assist Rūnanga in their marae-based projects that contribute to Councils functions

- Providing information to assist in the effective contribution to the decision-making processes of Environment Canterbury including making available resources and information such as maps and technical reports.
- Undertaking ongoing promotion and education of staff and governors to develop skills in Māoritanga and Tikanga Māori, and gain an appreciation of the needs and expectations of Māori in relation to the Local Government Act and the Resource Management Act 1991
- Undertaking effective and efficient consultation to improve existing relationships, processes and protocols related to local government and resource management issues.





# SIGNIFICANCE AND ENGAGEMENT POLICY



# Significance and Engagement Policy

## Introduction

The purpose of this Significance and Engagement Policy is to:

- enable Environment Canterbury and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities
- provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters
- inform Environment Canterbury from the beginning of a decision-making process about:
  - the extent of any public engagement that is expected before a particular decision is made
  - the form or type of engagement required.

Public input into significant decisions, policies or programmes undertaken by Environment Canterbury is essential to ensure they reflect the aspirations and priorities of communities, Ngāi Tahu and interested groups throughout the Canterbury region.

This policy is a revision of the Significance and Engagement policy adopted in 2014 to meet legislative requirements under the Local Government Act 2002 (the Act).

**Interpretation:** Section 5 of the Act provides the following definitions:

- **significance**, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—
  - a. the district or region;
  - b. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
  - c. the capacity of the local authority to perform its role, and the financial and other costs of doing so
- **significant**, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance
- **strategic asset**, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community.

## General approach to determining significance and making decisions

On every issue requiring a policy or strategy decision, Environment Canterbury will consider the degree of significance of the issue and the corresponding level of engagement. Matters which require processes specified under other legislation and formal systems are outlined in Section 5.

The significance of the issue and appropriate forms of engagement will be considered in the earliest possible stages of a proposal or process, before decision-making occurs. If necessary, significance and engagement will be reviewed as the proposal develops and as community views, preferences and values become better known.

In making any decision, Environment Canterbury will be satisfied that:

- it has sufficient information on the relevant issues and options
- it knows enough about and has given adequate consideration to the views and preferences of affected and interested parties.

The significance of the issue, proposal or decision will determine how much time, money and effort Environment Canterbury will invest in exploring and evaluating options and obtaining the views of affected and interested parties.

In some instances, there may be particular requirements to learn about the implications of an issue or decision for Ngāi Tahu as mana whenua and kaitiaki of the Canterbury region.

There may also be issues or decisions where there are diverse groups within the community with different concerns, interests, views and preferences, where multiple processes will be appropriate to distinguish and recognise the range of positions.

The commitment to invest in exploring options and obtaining the views of communities and affected and interested parties does not mean that Environment Canterbury will have to fully consult with the public for every decision it makes, nor does it bind Environment Canterbury to the views of communities and interested or affected parties.

As well as the views of communities and affected and interested parties, there are a wide range of information sources, considerations and perspectives that will inform Environment Canterbury’s decisions, including the requirements of Government policy, technical matters and the financial implications.

### Criteria for assessing significance

In considering the degree of significance of proposals and decisions in relation to issues, assets and other matters, Environment Canterbury will be guided by the following:

<p><b>Policy and outcomes:</b></p>	<ul style="list-style-type: none"> <li>• the potential effects on delivery of Environment Canterbury’s policy and strategies</li> <li>• the degree to which the decision or proposal contributes to promoting and achieving particular community outcomes</li> <li>• the magnitude of the overall benefits that will be achieved for the region, its communities and present and future interests</li> <li>• the magnitude of the net costs of the proposal or decision to Environment Canterbury and / or to affected communities or groups</li> <li>• any impact on Environment Canterbury’s capacity to undertake its statutory responsibilities</li> <li>• the extent to which the proposal or decision flows logically and consequentially from a decision already made or from a decision in the Long-Term Plan or the Annual-Plan</li> <li>• any inconsistencies with any existing policy, plan or legislation.</li> </ul>
<p><b>Communities:</b></p>	<ul style="list-style-type: none"> <li>• the level of community interest in the proposal, decision or issue</li> <li>• the extent to which the proposal or decision impacts upon community members or groups, and the numbers of people or groups affected</li> <li>• the extent to which the community’s views on the matter are already known</li> </ul>

	<ul style="list-style-type: none"> <li>the timeframes for community engagement with the issues and information, including any concurrent engagement processes on other matters involving the same, similar or contiguous groups or communities</li> <li>any wider interest or concerns at national or international levels.</li> </ul>
<b>Ngāi Tahu:</b>	<ul style="list-style-type: none"> <li>the values and interests of Ngāi Tahu whānau, hapū and rūnanga, as mana whenua for the region</li> <li>where proposals or decisions relate to land or a body of water, the implications for the relationships of Ngāi Tahu and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna and other taonga.</li> </ul>
<b>Contexts and implications:</b>	<ul style="list-style-type: none"> <li>the variation between the effects of the options identified (including the ‘do nothing’ option where appropriate), or the extent to which they have different effects in terms of, amongst other things: their costs, their benefits, and the extent to which they impact on the community and affected or interested groups</li> <li>the extent to which the proposal or decision could have an adverse effect on environmental outcomes as set out in Environment Canterbury plans and policies, or could have unintended adverse effects on other community interests</li> <li>if the proposal or decision impacts (positively or adversely) upon a physical or community resource that is scarce, rare or unique and/or under threat</li> <li>if the proposal or decision would be irreversible</li> <li>if there are high levels of controversy around the proposal or decision</li> <li>the practical demands of efficient decision-making in situations of urgency</li> <li>the need to be cautious about decision-making in the face of uncertainty, lack of clarity or unresolved matters.</li> </ul>

## Processes and methods for engagement

In determining the processes and methods appropriate for engaging with communities to consider proposals and decisions in relation to issues, assets and other matters covered under this Significance and Engagement Policy, Environment Canterbury will be guided by the following:

- the degree of significance of the issue, decision, proposal, asset or other matters – as determined by the criteria set out in the preceding section of this Policy
- the objectives of the engagement – the feedback that is sought from communities and affected and interested parties
- the preferences, capacities, views and values of the community groups and individuals affected by and / or interested in the decision or proposal and diversity of these
- Environment Canterbury’s existing relationships and interactions with the community groups and individuals affected by and / or interested in the decision or proposal
- the benefits, limitations and costs of the range of possible processes and methods for engaging with the community groups and individuals affected by and / or interested in the decision or proposal
- timing issues, including any concurrent engagement processes on other matters involving the same, similar or contiguous groups or communities – including those being undertaken by other agencies
- opportunities provided by innovative technologies for efficient yet effective engagement
- opportunities for relatively informal community-based meetings and discussions.

Differing levels and forms of engagement may be required during the varying phases of consideration and decision-making on an issue, and for different community groups or stakeholders. Environment Canterbury will review the appropriateness and effectiveness of the engagement strategy and methods as the process proceeds, with input from the relevant communities and groups.

Environment Canterbury will follow an ‘engagement spectrum’ approach to determine the most appropriate processes and methods for engagement with affected and interested communities on particular decisions or issues. This approach is based on the International Association for Public Participation (IAP2) framework, taking the principles and spectrum approach of that framework and developing them into a flexible and practical ‘menu’ of engagement options.

The methods discussed in the table below are not a definitive list, but an indication of the spectrum of possible engagement opportunities that may be useful for Environment Canterbury and our communities.

Engagement Level	Inform	Consult	Involve	Collaborate	Empower
<b>What does it involve</b>	One-way communication to provide basic information about an issue to assist understanding and build community interest.	Two-way communication to obtain feedback on community views, priorities and preferences to inform decision making.	Formal participatory process to identify issues and views so these are understood and considered in decision making.	Working together to understand the key issues, work out alternatives and find preferred solution.	Final decision making is in the hands of the public – noting that under the Act the council is elected to make decisions on behalf of their communities.
<b>Examples of tools ECan might use (these tools may be applicable across many levels of engagement)</b>	<ul style="list-style-type: none"> <li>• distribution of printed materials such as the Living Here publication.</li> <li>• information provided on ECan website.</li> <li>• information provided via social media.</li> </ul>	<ul style="list-style-type: none"> <li>• surveys (whether by phone, online or written).</li> <li>• focus groups.</li> <li>• submissions and hearings.</li> <li>• online engagement tools.</li> </ul>	<ul style="list-style-type: none"> <li>• Special Consultative Procedure (under LGA).</li> <li>• other submission processes.</li> <li>• formal public meetings.</li> <li>• task groups, focus groups, working parties, local action groups.</li> </ul>	<ul style="list-style-type: none"> <li>• multi-stakeholder processes such as panels.</li> <li>• multi-stakeholder groups such as the Canterbury Water Management Strategy Zone Committees.</li> <li>• task groups, local action groups, advisory groups.</li> <li>• Memoranda of Understanding.</li> <li>• interactive online tools.</li> </ul>	<ul style="list-style-type: none"> <li>• Local body elections.</li> </ul>
<b>Types of issues we might use this for</b>	<ul style="list-style-type: none"> <li>• new or newly significant issue or event.</li> </ul>	<ul style="list-style-type: none"> <li>• policy reviews.</li> <li>• Long-Term Plans Annual Plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Regional Policy Statements and other plans.</li> </ul>	<ul style="list-style-type: none"> <li>• development of options for a proposal on a significant issue.</li> </ul>	<ul style="list-style-type: none"> <li>• Local body elections</li> </ul>

Engagement Level	Inform	Consult	Involve	Collaborate	Empower
	<ul style="list-style-type: none"> <li>Annual Reports.</li> <li>Flood warnings.</li> </ul>				
<b>When the community is likely to be involved</b>	Once decision has been made.	Once draft decision has been made or a number of possible solutions are offered.	In the development of the proposal.	From the start and throughout.	Adequate lead in time to allow public to be involved in process.

## Engaging with communities on other matters

### **Local Government Act:**

The Act prescribes particular processes for councils to follow to consult and engage with communities on particular matters.

### **Special Consultative Procedure:**

The Act specifies that a Special Consultative Procedure (SCP), as defined under section 83, must be followed for community engagement on certain plans and processes including:

- Long-Term Plans
- Annual Plans
- Bylaws of significant interest.

Other provisions in the Act specify particular decisions or activities where community engagement is to be addressed through the larger public consultation processes for a Long-Term Plan:

- a decision to transfer the ownership or control of a strategic asset to or from Environment Canterbury or a decision to construct, replace or abandon a strategic asset. Strategic assets are listed in Section 8
- a decision that will, directly or indirectly, significantly affect Environment Canterbury's capacity, or the cost to Environment Canterbury, in relation to any activity identified in the Long-Term Plan
- a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Environment Canterbury, including a decision to commence or cease any such activity.

### **Other legislation:**

Many of the decisions made by Environment Canterbury at the Council level and under delegated authority will be made under legislation that prescribes the consultation and decision-making procedures that are required, including the procedures that must be used for public notification, considering submissions and making decisions. This legislation includes the Resource Management Act 1991, the Biosecurity Act 1993, the Civil Defence Emergency Management Act 2002, the Land Transport Act 1998 or the Ngāi Tahu Claims Settlement Act 1998.

Even if a decision is clearly a significant one within the meaning of the Act, where the procedures for decision-making are set out in other legislation, those procedures will be used instead of those contained in this Significance and Engagement Policy. Section 82(5) of the Act broadly allows the authorising legislation's procedures to apply. This Significance and Engagement Policy will not be used in making decisions taken under the RMA and the Biosecurity Act 1993 on the following matters – rather, Environment Canterbury will follow the statutory frameworks within that legislation:

- resource consents or other permissions
- submissions on plans
- decisions required when following the procedures set out in Schedule 1 of the RMA
- references to the Environment Court
- decisions to proceed with enforcement procedures under various legislation including Environment Canterbury bylaws.

There are also numerous administrative and personnel decisions that are entirely internal to Environment Canterbury. This Significance and Engagement Policy will not apply to these processes and decisions.

## **Ngāi Tahu and Tuia**

The Act provides principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes. This is to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

While the Act sets out provisions relating to all Māori, it is recognised that within the Canterbury region, Ngāi Tahu are the tangata whenua. They have a special status in terms of Environment Canterbury's resource management activities, and are not just another interest group. In addition to the Local Government Act obligations, the Resource Management Act 1991 (RMA) gives regional councils specific obligations regarding kaitiakitanga, the principles of the Treaty of Waitangi and the relationship between Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga. In the Canterbury region, the Ngāi Tahu Claims Settlement Act 1998 includes confirmation of the ability for Ngāi Tahu to express its traditional kaitiaki relationship with the environment.

Above and beyond these statutory obligations, Environment Canterbury has committed with Ngāi Tahu leadership to engage as partners in a constructive and progressive relationship. This commitment is based on the recognition that the relationship of Ngāi Tahu with their ancestral land within Canterbury is inextricably affected by the powers and functions of Environment Canterbury. It is supported by the joint programme Tuia, which translates as 'working together shoulder to shoulder'.

Tuia is a practical partnership of Environment Canterbury with the ten Papatipu Rūnanga of Ngāi Tahu in Canterbury and the tribal authority, Te Rūnanga o Ngāi Tahu.

Environment Canterbury is also a partner with Ngāi Tahu in the 2012 co-governance agreement for Te Kete Ika a Rākaihautū, the catchment for Te Waihora/Lake Ellesmere. This establishes a shared stewardship commitment to sustainable management and the rejuvenation of the lake and catchment.

Environment Canterbury is committed to a multi-tiered framework of ongoing regular engagement with Ngāi Tahu to support the Tuia partnership.

## Canterbury Water Management Strategy

The Canterbury Water Management Strategy (CWMS) is an integrated approach to water management in which solutions are developed by communities of interest, balancing diverse environmental, economic, social and cultural perspectives in a collaborative process.

The CWMS is a unique partnership between Environment Canterbury, Canterbury's territorial authorities, Ngāi Tahu and key stakeholders. Ten Zone Committees and a regional committee bring together a wide range of community interests to focus on the challenges and opportunities involved in managing water in our region. Ten areas of focus shape the work plans for ongoing initiatives:

ecosystem health and biodiversity.	braided rivers and their natural character.
kaitiakitanga.	drinking water.
recreational and amenity opportunities.	water-use efficiency.
irrigated land area.	energy security and efficiency.
the regional and national economies.	environmental limits.

Environment Canterbury and the region's territorial authorities support the implementation of the CWMS, including policy and technical support for the Zone Committees, implementation of the Immediate Steps Biodiversity Programme, and liaison with Ngāi Tahu and with interested stakeholder and industry groups.

The Zone Committees and wider community networks involved with the diverse range of CWMS activities are a direct and immensely valuable system of interconnection between Environment Canterbury Councillors and staff and the region's communities. Information about local issues, aspirations and priorities informs and shapes the work of the ten Zone Committees.

## Environment Canterbury strategic assets

The assets of Environment Canterbury that are considered strategic assets are:

- the overall system of river control and drainage infrastructure as a whole, including the system of stopbanks, groynes, drains, erosion control planting and associated works and structures such as floodgates, culverts, roads, tracks and bridges; these may be located on private and Crown land as well as on reserve lands
- the overall system of communications for flood and resource monitoring and control, including the radio communication system, rainfall and river level gauges, calibration equipment, air quality and water quality monitoring stations, repeater stations, data loggers and associated computer systems
- the regional Civil Defence Emergency Management response and control infrastructure as a whole, including the communications systems, response equipment, emergency response vehicles and operations and training centres.





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Report Number: R18/34

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