

MEETING OF THE COMBINED PORTFOLIOS COMMITTEE

TO THE CHAIRPERSON AND MEMBERS OF THE
COMMITTEE

MEMBERSHIP OF THE COMMITTEE

Cr Alec Neill (Council Chairperson)

Cr Kerry Burke
Cr Jane Demeter
Cr Carole Evans
Cr Pat Harrow
Cr Jo Kane
Cr Bob Kirk
Cr Ross Little

Cr Angus McKay
Cr Bronwen Murray
Cr Alec Neill
Cr Mark Oldfield
Cr Eugenie Sage
Cr David Sutherland
Cr Rik Tindall

A meeting of the Combined Portfolios Committee will be held on
Wednesday, 14 October 2009 at 9.30 am

VENUE: Council Chamber
First Floor
Pegasus Building
Environment Canterbury
58 Kilmore Street
CHRISTCHURCH

BUSINESS: As per Order Paper attached
Agendas are available on our website three days prior to the date of the meeting -
<http://ecan.govt.nz/news-and-notice/minutes/Pages/Default.aspx>

Dr Bryan Jenkins
CHIEF EXECUTIVE

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE TAKEN
AS COUNCIL POLICY UNTIL ADOPTED BY COUNCIL**

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COMPLIANCE WITH LOCAL GOVERNMENT ACT 2002 DECISION-MAKING REQUIREMENTS

Except as below, a statement of compliance and a completed decision checklist is required for any agenda item on a council committee or the council recommending that a decision be made. This will be the responsibility of the person signing off the agenda item.

The compliance statement and checklist will not be used for:

- Recommendations that information be received or that the Council make a decision.
- Decisions taken under the Resource Management Act 1991 or the Biosecurity Act 1993 in relation to resource consents, decisions required when following the procedures set out in Schedule 1 of the Resource Management Act 1991, other permissions, submissions on plans, or references to the Environment Court.
- Decisions taken to proceed with enforcement procedures under various primary or secondary legislation or regulations, including procedures under the Resource Management Act 1991, the Biosecurity Act 1993, the Local Government Act 2002, and Environment Canterbury Bylaws.
- Administrative and personnel decisions that are entirely internal to Environment Canterbury.
- Other decisions where the procedures to be followed are set out in Legislation.

COMPLIANCE STATEMENT

The council committee (or the council) must formally certify that:

- (a) It is satisfied that it has sufficient information about the options and their benefits and costs, in terms of the region's social, economic, environmental and cultural well-being and the effects on community outcomes, bearing in mind the significance of the decisions.
- (b) It is satisfied that it knows enough about and has given adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decision.

INFORMATION CHECKLIST

(a)	A Statement of the Proposed Decision
(b)	A Statement of the Objective of the Proposed Decision and the Issue or Problem being addressed
(c)	A list of all reasonably practicable options, (including doing nothing).
(d)	For each option in (c): An evaluation of the Benefits and Costs, in terms of the region's social, economic, environmental and cultural well-being.
(e)	For each option in (c): A statement of the extent to which community outcomes would be promoted or achieved in an integrated and efficient manner.
(f)	For each option in (c): A statement of the Impact, if any, on Environment Canterbury's capacity to undertake its statutory responsibilities
(g)	If the Proposed Decision is a significant decision in relation to land or a body of water, a statement of how Maori values have been taken into account
(h)	A Statement of significant inconsistencies, if any, with any Existing Policy, Plan or Legislation arising from the Proposed Decision.
(i)	A statement how the views and preferences of affected or interested persons have been given adequate consideration during the definition of the problem or issue, the objective, the assessment of options and the development of the proposed decision, including the particular contribution of Maori to the decision-making process.

Notes:

The significance of proposals and decisions determines how much time, money and effort is put into exploring and evaluating options and obtaining the views of affected and interested parties. The significance of proposals and decisions is determined through reference to criteria contained in the policy on significance.

The policy on significance together with Section 76 of the Local Government Act 2002 set out the Council's requirements in relation to decisions. Some decisions can only be made through the Long-Term Council Community Plan, or after the Special Consultative Procedures set out in the Act have been used, (refer to the policy on significance and the Act).

All decisions of Environment Canterbury are subject to the decision-making requirements of section 76 of the Act unless inconsistent with specific requirements of other legislation.

ENVIRONMENT CANTERBURY
COMBINED PORTFOLIOS COMMITTEE
ORDER PAPER

1. APOLOGIES
2. CONFLICT OF INTEREST
3. MINUTES OF MEETING – 20 NOVEMBER 2008
4. MATTERS ARISING

MATTER FOR RECOMMENDATION TO THE COUNCIL

5. ANNUAL PLAN 2010/11 BUDGET DISCUSSION
6. EXTRAORDINARY AND URGENT BUSINESS
7. NEXT MEETING – TO BE ADVISED

ENVIRONMENT CANTERBURY
COMBINED PORTFOLIOS COMMITTEE

**MINUTES OF THE MEETING HELD IN THE COUNCIL CHAMBER, 58 KILMORE STREET,
CHRISTCHURCH ON THURSDAY 20 NOVEMBER 2008 AT 9.35 AM.**

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6. EXTRAORDINARY AND URGENT BUSINESS
7. NEXT MEETING
8. CLOSURE

PRESENT

Cr Kerry Burke (Chair) Crs Jane Demeter, Carole Evans, Pat Harrow, Jo Kane (to 12.54 pm), Bob Kirk, Ross Little, Angus McKay (from 10.04 am), Bronwen Murray, Alec Neill, Mark Oldfield, Eugenie Sage, David Sutherland and Rik Tindall.

MANAGEMENT PRESENT

Bryan Jenkins (Chief Executive), Kim Drummond (Director Regulation), Jill Atkinson (Director Regional Programmes), Ken Lawn (Director Operations), Don Rule (Director Resource Planning and Consents), Wayne Thomas (Director Finance and Corporate Services), Mark Vermeeren (Financial Business Analyst), Christina Robb (Programme Manager Water & Land), Phil McGuigan (Resource Care Manager), Josie McNee (Stakeholder and Community Relations Manager), Neil Pilbrow (Corporate Programmes Manager), Justin Cope (Coastal/Fluvial Scientist), and Louise McDonald (Administration Officer).

1. APOLOGIES

Cr Angus McKay (for lateness)
Cr Mark Oldfield (for early departure)

Cr Burke welcomed everyone to the meeting and advised that the Chief Executive had suggested that in consideration of item 5 the matter of revenue be considered first, then the levels of service. Noting that Cr McKay was an apology for lateness as

he was attending another meeting and his interest in this item, a message had been left for Cr McKay advising him of this change.

2. CONFLICTS OF INTEREST

There were no conflicts of interest declared.

3. MINUTES OF MEETING – 16 OCTOBER 2008

Resolved

That the minutes of the meeting held 16 October 2008, as circulated, be confirmed as a correct record, and be adopted.

Cr Kane/Cr Evans

4. MATTERS ARISING

There were no matters arising from the minutes.

MATTER FOR RECOMMENDATION TO COUNCIL

5. CONSOLIDATED PORTFOLIO 10 YEAR WORK PROGRAMMES AND BUDGET ENVELOPES OF THE DRAFT 2009-19 LONG TERM COUNCIL COMMUNITY PLAN

Jill Atkinson introduced this item and explained that the information attached to the agenda was the information that had been presented to the Finance and Audit Committee meeting of 11 November 2008. Speaking to a powerpoint presentation (notes tabled) she provided a recap of the adjustments to proposed total expenditure, general rates and target rates made since the discussions at Newbery Lodge. At this meeting the information requested at the Finance and Audit Committee would be presented.

Cr McKay arrived at 10.04 am.

Noting the Finance and Audit Committee's request to recover a portion of the state of the environment cost for water management, a request was made to also look at recovering the costs of air quality management and coastal management.

WATER MANAGEMENT COST RECOVERY

Mark Vermeeren tabled a paper "Water management cost recovery – an overview" that had been prepared following the discussions at the Finance and Audit Committee meeting of 11 November 2008.

He explained that the proposal included two parts: the first involved moving approximately 29% of the cost of state of environment monitoring and investigating charges from general rate to user pays. The second part was the introduction of a flat administration charge and monitoring charge for consents. Although both parts were being presented as a package, they could be looked at separately.

The rationale for a standard regional charge for assessing cumulative effects was challenged. It was suggested that consent holders were already paying for the work

required to provide the information to the council. Dr Jenkins advised that the Council collects information specifically related to the base information required to assess cumulative effects.

The point was made that the Council should only charge for work actually done, not work likely to be done. Dr Jenkins suggested the model of the river rating districts where the previous year's work is reviewed and included in the consideration of the next year, would be useful for this proposal.

Referring to the monitoring charges, the issue of the appropriateness of compliance officers providing advice was raised, and it was suggested the role of compliance officers should be considered further when the diary shed effluent discharge compliance report is considered at the Regulation Overview Committee, meeting to be held on 26 November 2008.

The meeting adjourned between 10.50 and 11.08 am.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

Mark Vermeeren tabled a spreadsheet "Effect on General Rate from introduction of water charging and UAGC of \$9.59" that provided the information by capital value and by district.

It was noted that information on a UAGC had been presented to a Council workshop earlier that year and that this presentation had included the criteria for what activities could be considered for the application of a UAGC.

The following motion was moved by Cr Burke, seconded by Cr Kane
That for the draft 2009-19 Long Term Council Community Plan (LTCCP) the general rate be reduced by means of replacement revenue in approximate equal portions from programmes currently funded by the general rate, namely:

- (i) the introduction of state of the environment charges under section 36 of the Resource Management Act for the recovery of a portion of Environment Canterbury's water management costs; and
- (ii) the introduction of a Uniform Annual General Charge (UAGC) across the Canterbury Region to recover a portion of the costs of Environment Canterbury's Democratic Process Portfolio.

An amendment was moved by Cr Oldfield, seconded by Cr Murray

That for the draft 2009-19 Long Term Council Community Plan (LTCCP) the general rate be reduced by means of replacement revenue in approximate equal portions from programmes currently funded by the general rate, namely:

- (i) the introduction of state of the environment charges under section 36 of the Resource Management Act for the recovery of a portion of Environment Canterbury's water management costs; and air management costs and coastal management costs.
- (ii) the introduction of a Uniform Annual General Charge (UAGC) across the Canterbury Region to recover a portion of the costs of Environment Canterbury's Democratic Process Portfolio with information on the full amount that can be attributed to the Democratic Process Portfolio and an analysis of the whole activity for UAGC.

A Division was called and the amendment was LOST, the voting being as follows:

For (4)	Against (10)
Cr Harrow	Cr Little
Cr Oldfield	Cr Evans
Cr Murray	Cr Kane
Cr McKay	Cr Neill
	Cr Sutherland
	Cr Sage
	Cr Burke
	Cr Kirk
	Cr Tindall
	Cr Demeter

Returning the substantive motion the matter of the administrative costs and the debt recovery implications for a charge set under the Resource Management Act was raised.

The issue of fairness and the value of irrigation to the whole community was mentioned. The point was also made a UAGC impacted on owners of low value properties and that there is a degree of benefit to holders of consents to take water.

The Committee was reminded that that this proposal would be put out to the community for debate and the community's views would be heard through the submission process. The substantive motion was then put:

Recommended to the Council

That for the draft 2009-19 Long Term Council Community Plan (LTCCP) the general rate be reduced by means of replacement revenue in approximate equal portions from programmes currently funded by the general rate, namely:

- (ii) the introduction of state of the environment charges under section 36 of the Resource Management Act for the recovery of a portion of Environment Canterbury's water management costs; and***
- (ii) the introduction of a Uniform Annual General Charge (UAGC) across the Canterbury Region to recover a portion of the costs of Environment Canterbury's Democratic Process Portfolio.***

Cr Burke/Cr Kane

A Division was called and the motion was CARRIED, the voting being as follows:

For (8)	Against (6)
Cr Tindall	Cr Harrow
Cr Burke	Cr McKay
Cr Sutherland	Cr Neill
Cr Sage	Cr Oldfield
Cr Kirk	Cr Murray
Cr Evans	Cr Little
Cr Kane	
Cr Demeter	

It was noted that in the recent gravel extraction newsletter that no charges were made from within the coastal environment. Concerns were expressed regarding the fairness of this.

The second aspect of the water management cost recovery proposal relating to consent related charges was then considered.

Recommended to the Council

That the consent administration charge and monitoring charge be amended to:

Flat customer Administration Charge \$42 per annum*

Flat monitoring charge of category 4 consents (small scale) \$12 per annum*

Fixed hourly monitoring rate for category 1-3 consents \$58 per hour*

**** These figures are indicative, based on the 2008/09 budgets and would be reviewed annually as part of the Annual Plan process***

Cr Kirk/Cr Sage

The meeting adjourned for lunch between 12.54 and 1.38 pm. Cr Kane left at this time.

The meeting then considered the other part of item 5; levels of expenditure.

Jill Atkinson tabled the following documents:

- 2009-19 LTCCP Portfolio Grouping recommendations and funding implications for Combined Portfolio Committee 20 Nov 08.
- Additional information requested by Council at the 11 November 2008 Finance and Audit Committee

Mrs Atkinson returned to the powerpoint presentation – further possible adjustments.

The following requests were made regarding Category:

- Retain \$45,000 for contaminated sites 1 FTE
- Retain \$60,000 for Industrial pollution prevention 1 FTE
- Retain \$50,000 for Environment Enhancement Fund

Cr McKay requested that the Combined Portfolios Committee ask the Chief Executive Officer to provide costings and recommend a governance model to oversee the state of the environment charges to the forthcoming Council meeting.

Due to time constraints out it was agreed to reconvene this meeting at 9.30 am on Tuesday 25 November 2008.

At the reconvened session it was requested that consideration would be given to the information requested at Finance & Audit:

- Climate change
- Avon-Heathcote Estuary non-statutory plan
- Biodiversity Strategy projects
- Water adjustments
- River guardian adjustments
- Pollution hotline

In addition to that list the following requests for information were made:

- Living Here Budget
- Aquatic Pests in Lakes
- Regional Pest Management Strategy – on going costs
- Regional Pest Management Strategy Enforcement animals – explain the shift from general to targeted rate
- Democratic process – Councillor related costs
- Communicating, educating, advocating opportunities to reduce
- Scenario 2 Water
- Cr McKay's request re s36 charges

Summary of Recommendations to 26 November Council from 20 November

- (a) *That for the draft 2009-19 Long Term Council Community Plan (LTCCP) the general rate be reduced by means of replacement revenue in approximate equal portions from programmes currently funded by the general rate, namely:*
- (iii) *the introduction of state of the environment charges under section 36 of the Resource Management Act for the recovery of a portion of Environment Canterbury's water management costs; and*
 - (iii) *the introduction of a Uniform Annual General Charge (UAGC) across the Canterbury Region to recover a portion of the costs of Environment Canterbury's Democratic Process Portfolio.*
- (b) *That the consent administration charge and monitoring charge be amended to:*
- | | |
|--|------------------------|
| <i>Flat customer Administration Charge</i> | <i>\$42 per annum*</i> |
| <i>Flat monitoring charge of category 4 consents (small scale)</i> | <i>\$12 per annum*</i> |
| <i>Fixed hourly monitoring rate for category 1-3 consents</i> | <i>\$58 per hour*</i> |
- * These figures are indicative, based on the 2008/09 budgets and would be reviewed annually as part of the Annual Plan process*

The meeting adjourned at 3.10 pm.

The Combined Portfolios Committee meeting reconvened at 9.35 a.m. on 25 November 2008.

**MINUTES OF THE RECONVENED COMBINED PORTFOLIOS COMMITTEE MEETING HELD IN
THE COUNCIL CHAMBER, 58 KILMORE STREET, CHRISTCHURCH ON THURSDAY 25
NOVEMBER 2008 AT 9.35 AM.**

PRESENT

Cr Kerry Burke (Chair) Crs Jane Demeter, Carole Evans, Pat Harrow, Bob Kirk, Ross Little, Angus McKay, Alec Neill (from 11.50 am), Mark Oldfield (from 9.50 am), Eugenie Sage, David Sutherland and Rik Tindall.

MANAGEMENT

Bryan Jenkins (Chief Executive), Jill Atkinson (Director Regional Programmes) and Jude Pani (Manager Secretariat). Jackie Curtis (Director External Relations), Kim Drummond (Director Regulation), Ken Lawn (Director Operations), Ken Taylor (Director Investigations and Monitoring), Don Rule (Director Resource Planning and Consents), Wayne Thomas (Director Finance and Corporate Services), Linda Kirk (Programme Manager Air and Energy), Phil McGuigan (Resource Care Manager), Josie McNee (Stakeholder and Community Relations Manager), Neil Pilbrow (Corporate Programmes Manager), Christina Robb (Programme Manager Water & Land), Andrew Willis (Regional Policies and Effectiveness Manager) and Vikki Wilmore (RMA Compliance and Enforcement Manager) were in attendance for part of the meeting.

APOLOGY

Cr Kane

**5. CONSOLIDATED PORTFOLIO 10 YEAR WORK PROGRAMMES AND BUDGET
ENVELOPES OF THE DRAFT 2009-19 LONG TERM COUNCIL COMMUNITY
PLAN (CONTD)**

Jill Atkinson (Director Regional Programmes) facilitated presentation of the following information that had been requested at earlier meetings with questions, discussion and any resolutions taking place after each of the items presented:

I. Information requested at 11 November Finance and Audit Committee

Supporting documentation was tabled on 20 November

- Climate change
- Avon-Heathcote Estuary non-statutory plan
- Biodiversity Strategy projects
- Water adjustments
- River guardian adjustments
- Pollution hotline

II. Requests to retain in the budget from Category A:

1. \$45K for contaminated sites FTE
2. \$60K for industrial pollution prevention FTE
3. \$50K Environment Enhancement Fund

III. Information requested at 20 November Combined Portfolios Meeting

Documents were tabled in support of some of the presentations

- Living Here Budget
- Aquatic Pests in Lakes
- Regional Pest Management Strategy – on going costs
- Regional Pest Management Strategy Enforcement animals – explain the shift from general to targeted rate
- Democratic process – Councillor related costs
- Communicating, educating, advocating opportunities to reduce
- Scenario 2 Water
- Cr McKay's request re s36 charges

I. Information requested at 11 November Finance and Audit Committee

Supporting documentation was tabled on 20 November.

Climate Change

Cr Oldfield arrived at 9.50 a.m. during the presentation on Climate Change.

Recommended to the Council

That the Council retains the current activities relating to Climate Change as part of the LTCCP.

Cr Tindall/Cr Evans

Crs Little, McKay, Harrow and Oldfield requested their votes against this motion be recorded.

That the Council accepts the reduced package for the Avon-Heathcote Ihutai Trust project as presented.

Cr Sutherland/Cr McKay

That the Council retains the programmes for Biodiversity Strategy as presented.

Cr Demeter/Cr Little

The meeting adjourned for morning tea between 10.32 and 10.56 am.

Water Adjustments

Two documents were tabled for discussion on this item:

1. Water Portfolio briefing detailing a Scenario 2M and
2. Communicating, educating and advocating – Water Portfolio

Christine Robb presented the information (in tabled document 1.) to get agreement on which scenario should be recommended for inclusion in the draft LTCCP. She talked about the differences between Scenario 2 and Scenario 2M and confirmed that spending for Scenario 2M was \$840K less in year 1 and \$500K less in year 2 (and Directorate cuts) compared to Scenario 2. This reduced expenditure is achieved by deferrals and Ms Robb referred the meeting to the tabled document for overall budget figures.

Phil McGuigan presented information (from tabled document 2.) on the communicating, educating and advocating elements and in particular the integrated catchment management programme.

There was discussion and clarification requested from Ms Robb and Mr McGuigan.

It was moved by Cr Tindall, seconded by Cr Sutherland that the Council accepts Scenario 2 for the Water Portfolio for the draft LTCCP.

The motion was put and declared LOST.

It was moved by Cr Oldfield, seconded by Cr Demeter that the Council accepts Scenario 2M for the Water Portfolio for the draft LTCCP. A division was called for.

Cr Neill arrived at 11.50 a.m. immediately prior to the Division on the Cr Oldfield/Cr Demeter Water Portfolio motion.

The motion was CARRIED 8 votes to 3 votes, the voting being as follows:

For (8)	Against (3)	Absent (2)	Abstain (1)
Cr Sage	Cr Tindall	Cr Murray	Cr Neill
Cr Oldfield	Cr Harrow	Cr Kane	
Cr Little	Cr Sutherland		
Cr Burke			
Cr Evans			
Cr McKay			
Cr Demeter			
Cr Kirk			

Recommended to the Council

That the Council accepts Scenario 2M for the Water Portfolio as presented on the schedule tabled at the 25 November reconvened Combined Portfolio Committee.

Cr Oldfield/Cr Demeter

That the Council retains the level of funding and service for River Guardians as presented in the tabled document to the 20 November Combined Portfolio Committee.

Cr Evans/Cr Kirk

That the Council accepts option 2 "No after dark response" as the level of funding and service as presented in the tabled document to the 20 November Combined Portfolio Committee.

Cr McKay/Cr Oldfield

II. Requests to retain in the budget from Category A:

Contaminated Sites and Industrial Pollution Prevention

It was moved by Cr Sage, seconded by Cr Little that the Council agrees to inclusion of \$45,000 for a contaminated sites FTE and \$60,000 for an industrial pollution prevention FTE.

A division was called and the motion was CARRIED by 8 votes to 4 votes, the voting being as follows:

For (8)	Against (4)	Absent (2)
Cr Sage	Cr Harrow	Cr Murray
Cr Evans	Cr Neill	Cr Kane
Cr Burke	Cr Oldfield	
Cr Little	Cr McKay	
Cr Sutherland		
Cr Demeter		
Cr Tindall		
Cr Kirk		

Recommended to the Council

That the Council agrees to inclusion of \$45,000 for contaminated sites a FTE and \$60,000 for an industrial pollution prevention FTE. Cr Sage/Cr Little

That the Council agrees to inclusion of \$50,000 for the Environment Enhancement Fund. Cr Demeter/Cr Evans

The meeting adjourned for lunch between 12.45 and 1.20 p.m.

III. Information requested at 20 November Combined Portfolios Meeting

Immediately following the lunch adjournment the information requested at the 20 November Combined Portfolios Committee was presented and documents tabled in support of some of the following presentations: Living Here Budget; Aquatic Pests in Lakes; Regional Pest Management Strategy – on going costs, Regional Pest Management Strategy Enforcement animals; Democratic process – Councillor related costs; Communicating, educating, advocating opportunities to reduce; and the concept of possible water management accountability zones.

Following discussion on each of the items, the following was resolved relating to the concept of possible water management accountability zones:

Recommended to the Council

That the Council approves includes in the LTCCP for consultation the concept of possible water management accountability zones. Cr McKay/Cr Tindall

Recommended to the Council

That the Combined Portfolios Committee recommends that Council adopts the recommended budget estimates to be presented as item 9 of the 26 November Council agenda for preliminary consultation with stakeholders, as the basis for undertaking detailed budgeting and setting levels of service provision, performance measures and targets for the draft 2009-19 LTCCP, based on the recommendations of 16 October, updated to include Categories A, B, C and D presented to 20 November, and with the changes resolved earlier in the meeting.

Cr Burke/Cr Evans

Cr Oldfield requested that his vote against this motion be recorded.

The summary of recommendations resolved earlier in the meeting:

1. *That the Council retains the current activities relating to Climate Change as part of the LTCCP.*
2. *That the Council accepts the reduced package for the Avon-Heathcote Ihutai Trust project as presented.*
3. *That the Council retains the programmes for Biodiversity Strategy as presented.*
4. *That the Council accepts Scenario 2M for the Water Portfolio as presented on the schedule tabled at the 25 November reconvened Combined Portfolio Committee.*
5. *That the Council retains the level of funding and service for River Guardians as presented in the tabled document to the 20 November Combined Portfolio Committee.*
6. *That the Council accepts option 2 "No after dark response" as the level of funding and service as presented in the tabled document to the 20 November Combined Portfolio Committee.*
7. *That the Council accepts option 2 "No after dark response" for the Pollution Hotline as the level of funding and service as presented in the tabled document to the 20 November Combined Portfolio Committee.*
8. *That the Council agrees to inclusion of \$45,000 for contaminated sites a FTE and \$60,000 for an industrial pollution prevention FTE.*
9. *That the Council agrees to inclusion of \$50,000 for the Environment Enhancement Fund.*
10. *That the Council approves includes in the LTCCP for consultation the concept of possible water management accountability zones.*

6. EXTRAORDINARY AND URGENT BUSINESS

There was no extraordinary and urgent business.

7. NEXT MEETING

To be advised.

8. CLOSURE

The meeting closed at 2.25 p.m.

CONFIRMED

DATE _____ CHAIRPERSON _____

AGENDA ITEM NO: 5	SUBJECT MATTER: ANNUAL PLAN 2010/11 BUDGET DISCUSSION
REPORT: Combined Portfolio	DATE OF MEETING: 14 October 2009
FILE REFERENCES:	PORTFOLIO: PROJECT: OUTPUT:
REPORT BY:	ENDORSED BY: Jill Atkinson Director Regional Programme

PURPOSE

The purpose of this meeting is to progress the development of the 2010/11 Annual Plan budget and levels of service including the following:

1. Adopting the suggested alterations to the to the 2010/11 Annual Plan budget leading to a 6.4% total rate increase (as opposed to 7.2% programmed into the 2009/19 LTCCP). These alterations were presented at the 2 September rolling Portfolio Council Workshop (See Attachment 2)
2. Providing an update on the uncertainties identified at the 2 September rolling Portfolio Council Workshop and the anticipated impact on budgets and levels of service;
3. Agreeing how any additional expenditure arising out of the uncertainties should be accommodated within the existing 2010-11 funding envelope. Portfolio Chairs will lead a discussion around recommendations from their portfolio as to opportunities for deferrals, reduction or re-direction of funds;
4. Agreeing key messages for consultation with stakeholders.

ATTACHMENTS

Attachment 1: Response to Councillor requests for further information from the 2 September rolling Portfolio Council Workshop.

Attachment 2: Summary of budget discussions at 2 September rolling Portfolio Committee Council Workshop

BACKGROUND

On 11 August 2009, Councillors agreed to a timeline for the development of the 2010/11 Annual Plan.

On 2 September 2009, a "rolling" Portfolio Council Workshop was held where the budget and work programmes agreed for 2010-11 in the 2009-19 LTCCP were reviewed. This review resulted in some savings leading to a lower level of rate requirement (6.4% total rate increase as opposed to 7.2%).

A number of new uncertainties were also identified with the potential to impact the budget. Portfolio Chairs were tasked with canvassing their Portfolio Committees to identify any further opportunities to defer, reduce or re-direct funds to create the “head room” for accommodating these uncertainties. They were tasked with reporting these back to the 14 October 2009 Combined Portfolios Committee Meeting.

RECOMMENDATIONS

- (a) *That the suggested reductions to the 2010/11 Annual Plan budget leading to a 6.4% total rate increase (as opposed to 7.2% programmed into the 2009/19 LTCCP) be adopted as the basis for detailed budgeting (See Attachment 2).*
- (b) *That the key messages for stakeholder consultation be approved.*

Attachment 1:

Response to Councillor requests for further information from the 2 September rolling Portfolio Council Workshop.

Annual Plan 2010/11

Responses from portfolios on the key aspects identified at rolling Portfolio Workshop 2 September 2009

Questions /Issues Raised	Response
<p>Public Passenger Transport</p> <p>Update on discussions with CCC on Papanui Road bus priority lanes</p> <p><i>Raised by Cr Evans</i></p>	<p>The first stage of bus priority measures on Papanui Road was due to open on 22 September 2009, with the second stage opening on 25 September and third stage on 5 October. Unfortunately the main contractor City Care has experienced delays in the supply from overseas of the bus lane green paint and is unable to meet the above dates.</p> <p>City Care's supplier has assured CCC that the paint will be in the country on 29 September, so the first two stages will be completed by 5 October. However this is weather dependant. The third stage will be completed soon after and the date of this is yet to be confirmed. At present CCC inform us the overall project for the Papanui / Main North Road is still on track with completion planned in early November 2009.</p>
<p>Status of New Brighton interchange – possibility of using CCC land currently used / scheduled for parking</p> <p><i>Raised by Cr Evans</i></p>	<p>In terms of CCC priority, a New Brighton bus interchange is low on the priority list. This is because New Brighton is more a terminus / destination / origin than a place to interchange between services as part of an onward journey. ECan staff would tend to support this priority, in terms of its likely contribution towards patronage growth and transference of travel demand from private vehicle to bus.</p> <p>Staff recognise the need to address long standing layover arrangements, however this is an operational matter best addressed separately from the desired investment in an interchange programme.</p> <p>Canterbury public transport infrastructure in the period 2009/12 is low in Government priorities for investment. CCC has not received any government funding support for this type of work during the period.</p> <p>Owles Terrace has been in recent media items, however this site is not suitable for a public transport hub as it is remote from the centre of New Brighton.</p>
<p>Liaise with CCC re bus stop quality and the need for new bus stops/shelters</p> <p><i>Raised by Cr Evans</i></p>	<p>CCC have in place approved bus stop facility guidelines. There is no active programme of work to retrofit existing bus stops to these guidelines, but rather an intent to introduce gradual upgrades as part of renewals as funding allows. New bus stops will be installed in line with the guidelines where this is practicable.</p> <p>ECan provides a clearinghouse function for NZTA funding to TLA's for bus shelter installation. ECan does not put funds towards shelters itself. The extent to which NZTA funds will be drawn down depends upon final budget decisions made within primarily CCC, and the use of their local share, as a result of the NLTP announcements. Their LTCCP signalled an investment of around \$100,000 per year for each of the next three years, which equates to about 10 shelters per year.</p>
<p>Central City Interchange – update on this (RLTP outcome)</p> <p><i>Raised by Cr Neill</i></p>	<p>This was addressed by way of memo to all Councillors following the combined portfolios workshop. Construction funding is not signalled in the period 2009/12, and could only become available once the Agency is satisfied in the merit of the project and funds becoming available nationally.</p>

Regional Land Transport	
<p>NLTP documents to be circulated</p> <p><i>Raised by Cr Sage</i></p>	<p>Summary document circulated with memo 24 Aug 2009. Link to NLTP full document can be viewed at: http://www.nzta.govt.nz/publications/nltp/index.html</p> <p>Environment Canterbury's allocation is set out on page 16 of the National Land Transport Programme 2009-12, Canterbury. This confirms all Public Passenger Transport grant levels requested, but fall short of the grant levels expected for Regional Land Transport activities. Robert Woods is working this through with the New Zealand transport agency and he expects further grants to be forthcoming for this year and the next two, but likely at a lower level than anticipated in the LTCCP. Rob aims to be in the position to update Council on this at the 14th October combined portfolio meeting.</p>
Coasts	
<p>Information requested on projects 454 (Ihutai Trust) and 233 (Non-stat plan – communication / advice / education: enabling community groups to care for coastal environment).</p> <p><i>Raised by Cr Sage</i></p>	<p><u>0233 – Advocacy Coastal Environment</u></p> <ul style="list-style-type: none"> • For 2010/11 total expenditure for the 0233 project has been budgeted as \$134k. • Approx. \$100k consists of plant, labour and overheads by way of support to community based groups to care for their coastal environments and to carry out recreational water quality sampling. Four established groups are supported plus any additional demand from other coastal communities for support, advocacy and education in relation to coastal resources and issues. • Support extends to facilitation of meetings, preparation of group strategies, research into issues and community education. <p><u>0454 – Non Statutory Plan Implementation</u> The two non statutory management plans supported by this project are the Avon Heathcote/Ihutai Management Plan and the Northern Pegasus Bay Coastal Management Plan.</p> <p>Avon Heathcote Estuary/ Ihutai Management Plan</p> <ul style="list-style-type: none"> • In 2010/11 the Ihutai Management Plan implementation project will have a project budget of \$221k. Approx \$45k labour and overheads and \$171k Goods and Services. • Currently the Management Plan is under revision and the entire work programme for 2010/11 has not been fully finalised. However, projects and expenditure that have been finalised are: <ul style="list-style-type: none"> ○ (\$20k) A Grant is made to the Avon-Heathcote Ihutai Trust to employ a coordinator and/or provide for Trust activities towards achieving integrated environmental management and/or assist in implementation of the non-stat plan (as set out in the proposed activities for the year). ○ (\$12k) Support for two inter-agency, community led student research projects on Avon-Heathcote Estuary/Ihutai or its feeder rivers. ○ (\$65k) Support for the community and inter-agency water quality and ecosystem health monitoring programme of Ihutai 'Healthy Estuary and Rivers of the City' (2nd half of Year 4, 1st half of Year 5 of programme). ○ (\$3k) Support an inter-agency, community led project that regularly updates the GIS mapping of Ihutai.

CONTINUED...

Information requested on projects 454 (Ihutai Trust) and 233 (Non-stat plan – communication / advice / education: enabling community groups to care for coastal environment).

Other likely/possible projects for 2010/11 include:

- Contribution towards a community and inter-agency led Community Education and Engagement Project, part of Improving Urban Waterway Health Programme (not yet costed)
- A project focused on delivering priorities identified by Ngai Tahu, Ngai Tuahuriri and Rapaki (identified 08-09) (probably around \$10K)
- Project to identify and categorise existing ecological communities (not costed)
- Possible restoration project still to be defined

Northern Pegasus Bay Coastal Management Plan

- In 2010/11 the Northern Pegasus Bay Coastal Management Plan will have a project budget of \$118k. Approx. \$30k labour and overheads and \$87k goods and services.
- The goods and services budget will be as follows:

1	Plan implementation in association with WDC, HDC and DOC	
	Ranger Service	36,500
	Share of infrastructure:	11,500
	Weed control on Plan land	1,500
	Total	\$49,500
2	Wilding tree Control in Coastal Area.	\$2,500
3	Gorse control on ECan land in Coastal Area	\$10,000
4	Research Projects re Vehicle Impacts on Tuatua.	\$8,000
5	Infrastructure on ECan land (Barriers, signs etc)	\$4,000
6.	Restoration/enhancement projects in Coastal Area	\$8,000
7	Provision for additional ranger service	\$5,000
	Budget forecast for year	\$87,000

Notes:

Quotations have not been obtained for these projects, so the figures are estimates only. Plan implementation will create unforeseen problems, issues and costs, which must be taken into account and allowed for to ensure success of project.

<p>Request for prioritisation of projects, what could be brought forward until NZPS work kicks in.</p> <p><i>Raised by Cr Demeter</i></p>	<p>There are a number of aspects of the current Regional Coastal Environment Plan (RCEP) where the indications are that Changes to the RCEP are required to bring the Plan into line with new information and technical standards. These aspects are:</p> <ul style="list-style-type: none"> • The Coastal Hazard Lines and Zones. As monitoring information has built up, it has become clear that the positioning of the Hazard Lines requires amendment in some locations. This involves both moving the lines and therefore the zones. In some cases this will be landward of their current positions and in others, seaward. This Plan Change can be advanced while we are awaiting the NZCPS. • The water quality standards of the RCEP. An examination of the technical aspects of the water quality standards in the current RCEP carried out by Lesley Bolton-Ritchie has indicated that significant parts require updating to bring them into line with current standards and measurements. This will require Changes to the Chapter of the RCEP (Chapter 7) which contain the standards. Again, these Changes can be progressed while we are awaiting the NZCPS.
<p>Has provision been made for letters to private land owners re the impact of NZCPS and sea level rise PS?</p> <p><i>Raised by Cr McKay</i></p>	<p>Changes required to the Coastal Plan as a result of policy directed by a final gazetted Coastal Policy Statement will be incorporated into a Plan review. Full public consultation will be required for this process. It is unlikely that this process will be undertaken as soon as the 2010/11 year but provision for the communication of the Plan change, including the impacts sea level rise on coastal land owners will be required in subsequent years.</p>
<p>Information on implementing a more comprehensive water quality monitoring programme at river mouths, and extent to which monitoring covers coastal lagoon to provide base info to setting environmental flows</p> <p><i>Raised by Cr Demeter</i></p>	<p>Water quality monitoring at river mouths and river mouth lagoons/hapua is carried out within the surface water quality programme (Water Portfolio). Samples are taken within the lagoons themselves. All coastal water quality monitoring sites (Coastal Portfolio), including those at or near river mouths, are sampled seaward of the lagoon and mouth, from the ocean itself.</p> <p>The surface water quality programme is undertaken at river mouths or river mouth lagoons at the following locations. Q(quarterly sampling), M (monthly sampling)</p> <ul style="list-style-type: none"> Lyell Creek at lagoon – Q Saltwater Creek at lower recorder - Q Waimakariri at Kairaki Yacht Club – M Ashburton River mouth – Q Rangitata River mouth - Q Opihi River lagoon - Q <p>Muriwai/Coopers Lagoon, Washdyke Lagoon and Wainono Lagoon are also sampled monthly as part of the surface water programme.</p>

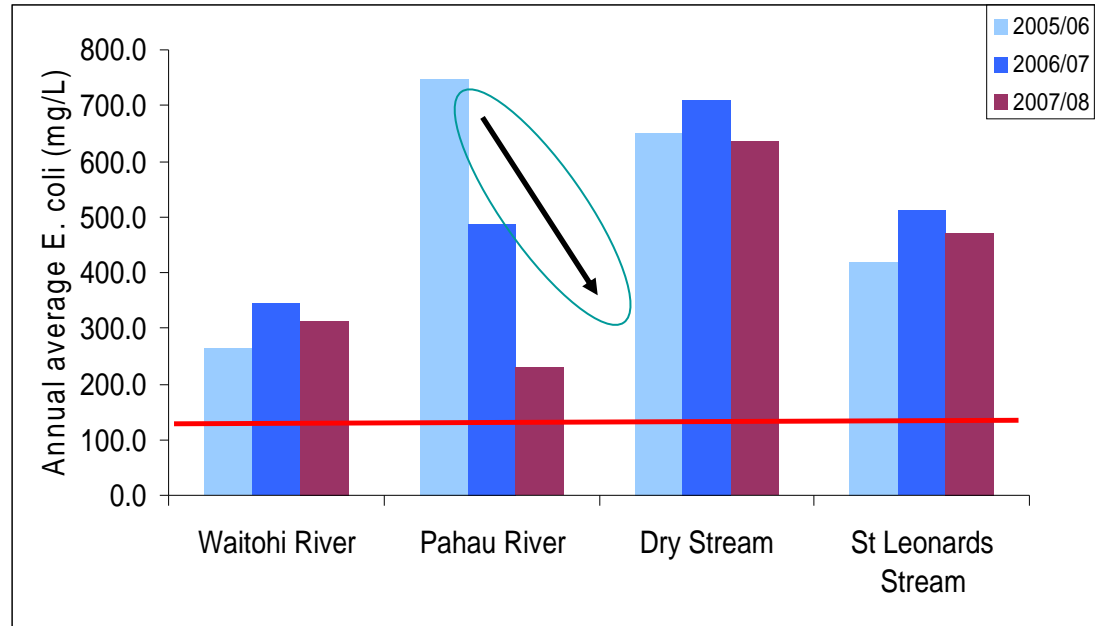
<p><i>CONTINUED...</i> Information on implementing a more comprehensive water quality monitoring programme at river mouths, and extent to which monitoring covers coastal lagoon to provide base info to setting environmental flows</p>	<p>The current coastal water quality regional sampling programme undertakes coastal water monitoring near river mouths at the following sites on a quarterly basis each and every year:</p> <ul style="list-style-type: none"> Waikuku Beach at Surf Club (Ashley River) 3km offshore of Ashley River 3km offshore of Waimakariri River Spencerville Beach at Surf Club (Waimakariri River) 200m offshore, 2km north of Rakaia River 200m offshore, 2km north of Ashburton River 200m offshore, 2km north of Rangitata River 200m offshore, 2km north of Opihi River 200m offshore, 2km north of Waitaki River <p>The current budget allows for these nine regular quarterly samples near river mouths (plus another 23 sites). In addition to this, the region is divided into five segments and each year one segment of coast is selected for more intensive monthly sampling. This means that each segment has sites which are sampled monthly for one year in every five. Some of the monitoring sites in these segments occur at or near river mouths. They are:</p> <ul style="list-style-type: none"> Ngaio Downes (Clarence River) Lyell Creek, Kaikoura Conway Flats (Conway River) Gore Bay (Jed River) Motunau River Mouth <p>To include these sites into the regional, quarterly sampling programme (so they are sampled four times a year rather than monthly for a year every five years) may cost in the order of an additional \$6,000 p.a.</p> <p>The coastal water near the Hurunui and Waiau River mouths is not currently sampled at all. If monitoring sites were to be established at these two sites and incorporated into the quarterly monitoring programme, an additional \$2,000 p.a. may be required.</p> <p>Note these are rough cost estimates only.</p>
<p>Navigation Safety</p>	
<p>Issue of understaffing and succession planning</p> <p><i>Raised by Cr Murray (also raised as a general ECan issue by Ken Taylor)</i></p>	<p>This is an issue that the Chief Executive is dealing with across the organisation as part of managing Environment Canterbury.</p>
<p>Corporate and Democratic Processes</p>	
<p>Details on staff numbers and costs of Chatham Islands</p> <p><i>Raised by Cr Sage</i></p>	<p><i>Ken Taylor provided response on the day (2 Sept)</i></p>

Waste, Hazardous Substances and Contaminated Sites	
<p>Refers to level of scrutiny used by staff on individual sites.</p> <p><i>Raised by Cr McKay</i></p>	<p>In general ECan's Contaminated Sites Team enlists methodologies prescribed in guidance documents provided by the Ministry for the Environment when designing its field investigations for listing lands on the LLUR database. From time to time certain types of HAIL sites, such as clay target clubs, present obstacles to the investigation that are not specifically addressed in the MfE guidelines. In those cases ECan must conduct studies to develop investigation methodologies which overcome those obstacles to ensure that all sites associated with a HAIL land use are appropriately identified, and more importantly to ensure that sites that are not impacted by the HAIL are not mistakenly placed on the LLUR Database.</p>
Land	
<p>Breakdown of UDSIC collaborative budget and any other issues report.</p> <p><i>Raised by Cr Neil</i></p>	<p>061900 - The Joint UDS Implementation budget is \$448K. ECan's share of this is 37.5% or \$168K. Christchurch City pay 37.5% with Selwyn and Waimakariri paying 12.5%. This covers the costs of the Independent Chair (Bill Wasley), the Implementation Manager (James Caygill), administrative, printing, communications, central government engagement and legal and technical advice. These costs are tracking within the budget to date.</p> <p>The costs for the balance of the financial year will include those for the Hearings Panel as they write up their decisions, printing and postage of sending decisions to submitters, legal and consultant costs of preparing an appeals strategy with the UDS Partners and commencing the appeals and mediation processes next calendar year.</p>
<p>UAGC for regional parks – common ground – mix of UAC / UAGC? To Finance and Audit.</p> <p><i>Raised by Cr Demeter</i></p>	<p>Uniform Annual General Charge (UAGC) The Finance and Audit Committee considered (at its meeting on 16 September) a report that described criteria for determining the suitability of Council activities for funding by way of a Uniform Annual General Charge (UAGC) (refer appendix 1).</p> <p>The Committee suggested criteria for determining activities suitable for UAGC funding as follows: "The activity provided must be a public good which does not change the condition or economic value of a property or resource, and every household in the entire region wide community has equal or similar access to the activity and its associated benefits."</p> <p>It was noted that the UAGC needed to be considered with other Council processes including the June decision to further consult on the recovery of water management costs.</p> <p>Effect of Uniform Annual Charge (UAC) and Uniform Annual General Charge (UAGC) on funding regional parks Following the report on UAGC criteria the Finance and Audit Committee were presented with figures for various funding scenarios for the funding of regional parks (refer appendix 2 and appendix 3).</p> <p>It was resolved by the Finance and Audit Committee that the subject of Uniform Annual General Charge Criteria and the effects of UAC and UAGC on funding for regional parks be referred to the Land Portfolio before being referred to the Council.</p>

Hazards	
<p>Request for information – can we not charge for all the (Dams) work re are required to do? (the \$85K charge).</p> <p>To Finance & Audit September 16th.</p> <p><i>Raised by Cr Kirk</i></p>	<p>Council referred this item to the Finance and Audit Committee for their consideration (Refer appendix 4 – Agenda paper for Finance and Audit committee).</p> <p>Change in funding structure for Council's activities in relation to dams certification under the Building Act 2004.</p> <p>Brett Aldridge explained that the Council had been operating as a Building Consent Authority for six months and while, with careful management can fund the current year using existing revenue sources, this was not sustainable in the long term. While consent costs will continue to be recovered from applicants, it was now acknowledged that some of the costs incurred for the range of the Council's responsibilities involved in this activity cannot all be reasonably be recovered from applicants to the extent originally envisaged.</p> <p>It was pointed out that what was being sought was not an increase in the budget but an adjustment of the percentages of the user pays and general rate component of the budget.</p> <p>The Finance and Audit Committee resolved that the reasons for changes required to the funding structure of dam building consent application processing and compliance were noted.</p>
Water Quality, Quantity and Ecosystems	
<p>Investigate system to show impacts on individual rate payers (CWMS, cost recovery) for different scenarios.</p> <p><i>Raised by Cr McKay</i></p>	<p>A spreadsheet has been developed that shows the effect of various levels of SOEM Charges on General Rates for a range of properties for SOEM ranging from \$0.5m to \$7.0m.</p>
<p>Projects 393 (Sustainable Land Use Practices) / 394 (WaterCare) – information on what each aims to achieve and what the criteria is for measuring the aims.</p> <p><i>Raised by Cr Sage</i></p>	<p>0393 - Sustainable Land Uses Promotion.</p> <p>Project level of service - Providing information, tools and resources about sustainable land practices.</p> <p>This is achieved through a range of information and material development and provision, and work with a wide variety of stakeholder groups including: work with other regional councils to deal with sustainability issues on a national basis and to work on collaborative projects; encouraging landholders to participate in on-farm trials/sites demonstrating solutions to resource management issues (demonstration sites); information provision and assistance about good practice leading to good management of natural resources (presentations, field days, living here articles, fact sheets, on-farm plans, responding to customer queries); maintaining a poplar pole nursery and encouraging soil conservation tree planting on at risk sites (especially in North Canterbury and Banks Peninsula); assist the Rotary Club of Rangiora in holding the two yearly Small Farm Field Day, identifying and working with key stakeholder groups to control the spread of wilding trees (volunteer days and the Waimakariri Ecological Land Restoration Alliance); and providing information and training for the earthworks industry (the Erosion and Sediment Control Guidelines).</p>

<p><i>CONTINUED...</i> Projects 393 (Sustainable Land Use Practices) / 394 (WaterCare) – information on what each aims to achieve and what the criteria is for measuring the aims.</p> <p><i>Raised by Cr Sage</i></p>	<p>0394 - Water Care</p> <p>Project level of service - Supporting individuals and communities in their efforts to manage water resources and care for waterway health.</p> <p>This is achieved through a combination of approaches which include encouraging consented water users to sustainably manage the water resource (water user groups, and zone management work), engaging with communities and landholders at the catchment and sub-catchment level (living streams), facilitating co-ordinated approaches to improve the health of urban waterways (urban waterway health), and gain community input into management of water and other aspects of Management (ICM) projects in Canterbury.</p> <p>Criteria for measurement Last year Resource Care undertook a strategic review of the way in which the team operates. As a result of that there is now a more regimented process around project development work which includes analysis and evaluation of when to engage in a project, defining measurements of success and inclusion of an exit strategy to assist with decision making around how and when to exit a project. This is gradually being implemented as new projects are taken on and where possible is being built into existing projects. In addition the team has undergone a structural review which has not impacted on FTE's in any way but has resulted in the introduction of a team leader structure which will allow greater focus from a sub regional perspective.</p> <p>Examples of evaluation of Resource Care projects include questions in the Opinions Monitoring phone survey about the influence of the public awareness campaign around Christchurch waterways (this was also done prior to the campaign), and there will be a roundtable discussion with the external advisory group to evaluate the campaign. Both will inform future work.</p> <p>There is also a budget within investigations which has a level of service of monitoring water quality and ecosystem health in areas where community based projects are operating. This budget supports analysis like that done for the Pahau catchment (see below). There has been a substantial decline in phosphorus in the Pahau catchment where Resource Care have been actively working with local farmers.</p>
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PAHAU CATCHMENT PHOSPHORUS REDUCTION



How is implementing the NRRP factored into the budget?

Raised by Cr Oldfield

Mediation and Environment Court hearings on appeals on Ch4-8 will occur from early 2011 for at least three years. Goods and services funding of approximately \$550,000 is provided for three years 2010/11 - 2012/13, it drops to \$170,000 in 2013/14, then it drops to under \$50,000 for the remainder of the 10 year period.

- Whether the three years of higher goods and services budget is adequate in each year, or provided for long enough will not be clear until the scope and number of appeals is known, and whether the Hearing Committee recommends further variations. If variations are recommended then additional staff resources and G&S budget will be needed if the variations are to proceed in parallel with appeals.
- Significant implementation of the methods in Ch4-8 has been occurring since notification as part of the project work of the various parts of Council, particularly the regulation related methods common to many policies. Policies and rules are already implemented by consents and compliance. From 2014/5, consent reviews have been budgeted predominantly from general rate (rather than user pays as at present) to reflect that they will be occasioned by the NRRP.
- Other methods such as: investigations; information and promotion; and advocacy have specific measures that tie directly back to the policy, many of which are already being implemented, or which have been budgeted for. It is neither possible nor necessary to implement everything simultaneously, therefore a programme of prioritising is needed and that occurs through Council's LTCCP and annual plan processes.

Pests and Biodiversity	
<p>Biodiversity Coordinator – request for update on what is being done (role).</p> <p><i>Raised by Cr Little</i></p>	<p>The Biodiversity Coordinator and the group tasked with progressing the actions in the strategy (the Biodiversity Steering Group - representatives of signatories to the strategy) have made good progress with many of the actions in the strategy. There will be a council workshop to update Councillors on the Biodiversity Strategy and progress of the strategy actions on the 24th Nov. The Biodiversity Coordinator has also organised a meeting of the larger Biodiversity Advisory Group (representatives of the groups that prepared the Regional Biodiversity Strategy) to update this group on progress of the strategy themes and actions - this meeting is to be held 20th Oct.</p>
<p>Mackenzie Pest Liaison – where is this at? (Cr Sage to look into this)</p>	<p>Councillor Sage will send a letter to the Chair of Mackenzie High Country Federated Farmers to confirm interest and establish best way to progress the establishment of a Mackenzie Pest Management Liaison Committee.</p>
<p>Rabbit control - Southern Area Committee - getting together with Otago and Marlborough – CEO to organise this</p> <p>What is being done and are we able to get co-ordination between these groups?</p> <p><i>Raised by Cr Oldfield</i></p>	<p>There is a Rabbit Coordination Group which is an interagency group, which Graham Sullivan (Environment Canterbury's Biosecurity Manager) is the chair of. The Rabbit Coordination Group (RCG) has been set up to ensure agencies, councils and land managers have the capacity to meet the challenges of managing increasing rabbit populations in a post RCVD environment. The formation of RCG was an initiative of the Biosecurity Managers Group (BMG) and Biosecurity NZ (BNZ). The RCG reports back to BMG and MaF. BMG then reports back to the CE's group and the Regional Affairs Committee.</p> <p>The RCG is comprises of Biosecurity Managers from Marlborough, Canterbury, Otago and Southland, representatives from DoC, LINZ, Federated Farmers, Biosecurity NZ and the Australian Rabbit Management Advisory Group.</p> <p><u>Current Focus of RCG.</u> Key tasks are:</p> <ul style="list-style-type: none"> • To understand the current capability to deliver rabbit control programmes using traditional control techniques and training needs in a post RCVD environment. • Ensuring operational best practice is maintained in a “user pays/does” management regime. • Liaise with ERMA to ensure legal requirements for the use of 1080 support operation requirements as they relate to effective rabbit control. • Develop a case study looking at future rabbit management options including governance, regulatory tools and control tool box. • Knowledge sharing with the Australian Management Rabbit Group.
Communications	
<p>How budgets are spent across portfolios for the communicating, advocating and educating activity?</p> <p><i>Raised by a number of Councillors</i></p>	<p>Communications budgets for the portfolios are set in consultation with the respective programme, portfolio or project managers. These are based on the level of work anticipated in the coming year in that portfolio that requires communications support. These budgets do not sit with the Corporate and Democratic Process budget, but within the respective portfolios. The budgets cover a range of communication activities from road safety to advocating to printing brochures and other communication materials. Communications staff effectively work as internal consultants to these portfolios, offering advice and assisting with implementation alongside the managers of projects.</p> <p>Within the Corporate and Democratic Process ‘communicating, educating and advocating’ budgets, the</p>

<p><i>CONTINUED...</i> How budgets are spent across portfolios for the communicating, advocating and educating activity?</p>	<p>Communications and Marketing section apportions its resources according to the needs of the organisation. Our level of service is that the community and key stakeholders are informed about the council's role and environmental management issues.</p> <p>For example, the publicity budget enables us to respond to regional media opportunities created by council meetings, projects and media enquiries on activities of the wider organization. Public Information – Corporate gives us the ability to proactively promote Environment Canterbury's activities through such things as A&P shows and other events, provide content for the website, and write and disseminate other sorts of information including newsletters. Budget for communications strategy development ensure that we undertake activities which are aligned to the needs of the organisation.</p>
<p>Research into whether colour / paper gives better results than black and white – opportunities for savings, efficiencies and end result of product – competitive tendering</p> <p><i>Raised by Cr Burke</i></p>	<p>Colour versus black and white: the costs and benefits Print quotes: The Communications and Marketing section sources competitive quotes from three suppliers for print jobs, both digital print and offset. In some instances, for example where a reprint is required, the same printer is asked to do the reprint. Printers offer a range of quality. Knowledge of the players in the industry (ie their relative strengths and weaknesses for a given type of job), influences printer choice.</p> <p>Colour/black & white: In the last decade, printing has becoming increasingly competitive and print costs overall have reduced. The costs of printing colour have reduced considerably and, as an example, the cost difference between a full colour print job and a black and white print job, based on a 5000 copy print run for a simple brochure, is \$129 (\$708 as opposed to \$579). The most expensive part of the production of any publication is in content development and design: the additional costs for using colour (see below) far outweigh the cost difference.</p> <p>The benefit of printing in colour are well documented: Colour adds value by making communications more effective, which in turn can make people and organizations more productive.</p> <p>For example;</p> <ul style="list-style-type: none"> • colour coding reduces visual search time by up to 80 percent • colour improves comprehension by up to 73 percent • messages printed in colour are up to 78 percent more likely to be remembered. <p>Some types of communication are just inherently more effective when they include colour. Think of detailed technical drawings or long, complicated spreadsheets, in which colour can be used to distinguish various images or call attention to different points which would otherwise take much more time and effort to discern.</p> <p><i>Reference:</i> <i>Jan V. White, Colour for Impact (Berkeley: Strathmoor Press, 1997),</i> <i>Virginia Johnson, "The Power of Colour," Successful Meetings, June 1992.</i></p>

APPENDIX 1

Development of criteria for a UAGC

In developing criteria for determining suitable candidates for a UAGC it is useful to consider some principles and concepts which can provide some guidance on the issue.

A brief examination of Economic Concepts, Legislative Principles and other Regional Councils follows and leads into a proposed definition of criteria that can be used to identify UAGC candidates.

Economic concepts

Income vs. wealth

Income refers to inflow of money over a period of time. Wealth measures asset value

Distribution of the incidence of rates

Where it has been decided that an activity should be funded by the region wide community as a whole, a council may use either or both of a UAGC or valuation based rate.

General Rates are a progressive tax which provide a tool for funding these activities.

An individual's liability is directly related to a single component of wealth, rather than income.

A UAGC is a fixed dollar charge per property which mitigates the impact on high value properties. It is a regressive tax (you pay the same amount regardless of income or wealth) and for this reason the Rating Act caps the use of this tool as unrestricted use of a UAGC would remove the notion of Rates as a form of Tax. The concept of rates as a tax has received judicial recognition on several occasions.

Equity

Equity is largely about the distribution or incidence of rates among groups in a way that is perceived to be fair. Equity and fairness are very much in the eye of the beholder and can in practice involve a large degree of political judgement.

Philosophically, people tend to fall into one of two camps when considering equity.

Vertical equity

A belief it is fair that those with more wealth are better able to meet the costs for public goods and services and should therefore have proportionally higher taxes imposed on them. Vertical equity also takes the view that those with more wealth tend to consume more resources and have a greater interest vested in the management of those resources.

The idea that those with more should pay proportionally more is consistent with central government approach to income tax and is the backbone of ECan's funding of public goods expenditure via the use of general rating on the basis of capital value.

Horizontal equity

A belief it is fair that like be treated alike, and everyone pays the same amount for public goods and services.

This is similar in concept to a fixed vehicle registration fee used to fund ACC and use of a UAGC would incorporate this view of equity.

Public vs. Private goods

A public good is an activity or service that is both non rival (one person's consumption does not interfere with that of another) and non excludable (person cannot be prevented from consuming the service)

Legislative Principles

Local Government Act 2002

S 101(3) of the LG Act 2002 prescribes the process for determining sources of funding.

In determining who should pay what, the council is required to consider, for each activity to be funded, the following items :

- rationale for the activity
- the distribution of benefits between the region wide community as a whole, any identifiable part of the community, and individuals
- the period over which the benefits occur
- exacerbator pays principle
- the costs and benefits of separately funding the activity

Then, after consideration as to how the matters above apply to each activity, it is then necessary to consider the impact of the results on the current and future well being of the community. The following list is merely an example of things that might be considered and is not intended to be an exhaustive list:

- What is the impact on elderly and those on fixed or low income
- What are the implications for businesses and community groups
- What is the absolute size and dollar amount involved
- Is the funding mix sustainable
- What effect will the funding mix have on any particular sections of the community
- How is the burden of funding distributed
- Does the funding policy provide or remove incentives to preserve the environment
- What are the current economic conditions and the projected economic conditions

Other Regional Councils

The majority of regional councils use UAGCs. These include Waikato, Bay of Plenty, Taranaki, Hawkes Bay, Horizons, Otago and Southland.

Of those that use a UAGC, there is almost no consistency in terms of what or how many activities are covered. For example one council uses a UAGC for just one activity and another uses UAGC to fund up to 20 activities! Others fall within these two extremes.

Across all regional councils examples of the groups of activities to which a UAGC has been applied are :

- Navigation safety
- Regional Hazards
- Transport
- Heritage and Parks
- Flood control
- Environmental Management
- Biosecurity
- RMA advice
- Community relationships
- Water , Land, Air, Regulation
- Governance and Democratic process

By way of example of the order of magnitude of UAGC imposed by other Regional councils :

Environment Waikato has UAGC of **\$51** which funds Democratic Process, regional hazards, road and navigation safety.

Environment Bay of Plenty has a UAGC of around **\$62** to fund Governance, a portion of regional parks, regional development and a portion of transport and flood control

If ECan were to fund its democratic process via a UAGC the charge would be around **\$32**.

While each council is consistent in its own application of UAGC to specific activities, such consistency across councils is virtually non existent and each council is left to its own devices in identifying suitable activities.

In relation to the principles underlying the use a UAGC, there is a some degree of consistency across councils which is expanded on below.

What can ECan take out of this ?

The UAGC is in common use by other regional councils using a diverse and inconsistent range of approaches.

However a common theme relating to activities amongst those who do use a UAGC is its use for funding **Governance and Democratic Process** activities.

Another common theme relating to the principles that comes through is that a UAGC is used to fund core services that members of the region wide community as a whole have equal access to and benefit equally from. The benefits received do not reflect the value of a particular property.

Unlike some district council activities (e.g. rubbish collection, water and sewage) the so called core services that regional councils provide are not as readily linked to individual households.

Suggested Criteria

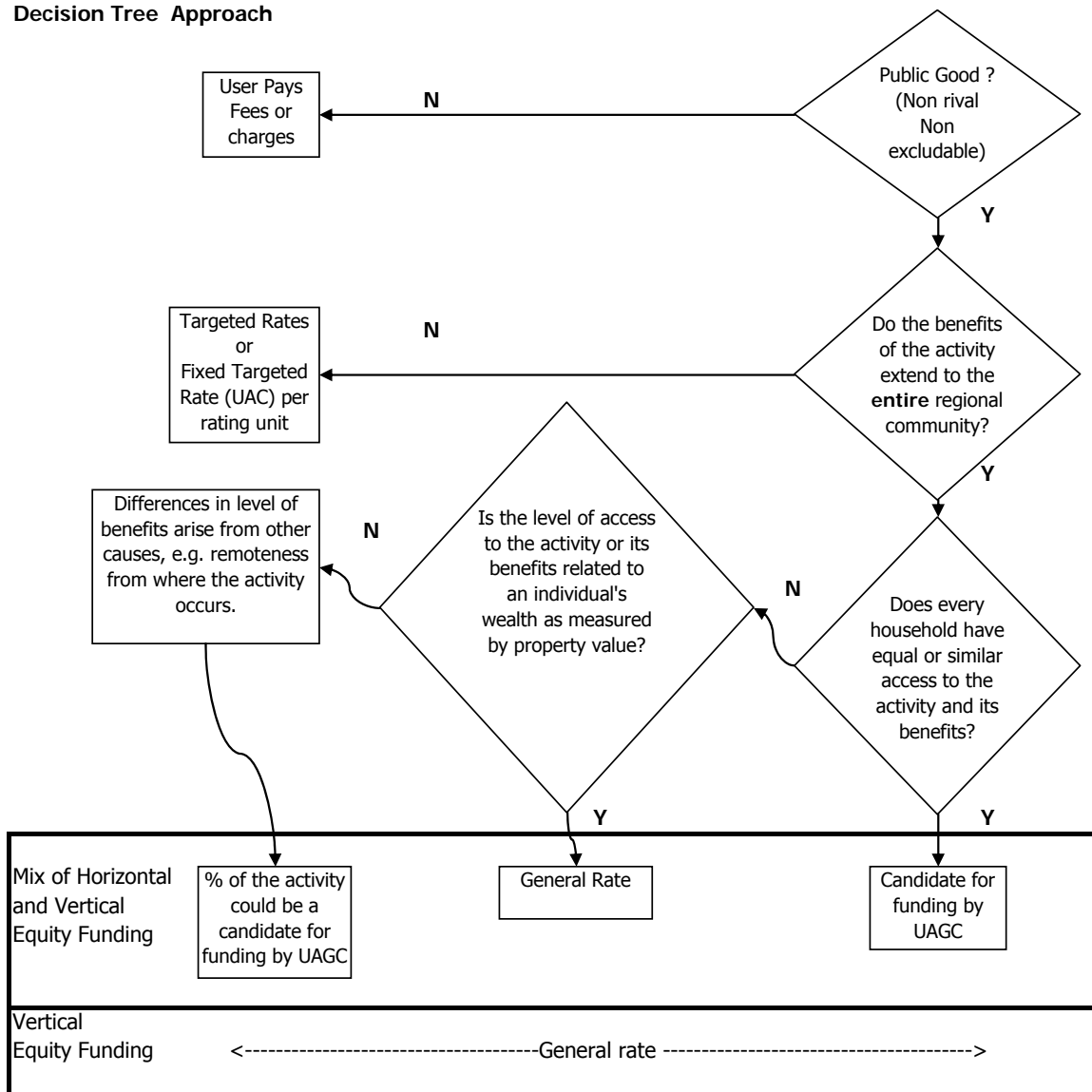
In considering which of the Council's activities would lend themselves to funding under a UAGC, it is suggested that in light of the previous discussion, the following criteria be considered :

The activity provided must be a public good which does not change the condition or economic value of a property or resource, and every household in the entire region wide community has equal or similar access to the activity and its associated benefits.

Restated as bullet points - all the following are required

- Public Good (non excludable , non rival)
- Benefit extends to **everyone** in the region
- Equal or similar access to activity and its benefits
- No property valuation effect
- Benefits not related to property value

Decision Tree Approach



Effect of using UAC's and UAGCs to fund Regional Parks

There are 3 main scenarios considered

With respect to regional parks :

A: Funding targeted rate activities with a UAC. TR -> UAC

Approximately 80% of funding for regional parks amounting to \$1m currently comes from targeted rates (See Table 1). If this amount were instead to be funded by a UAC, the same ratepayers would still contribute to the parks but would pay a flat rate UAC rather than a targeted rate based on property value.

Table 2 shows what level of UAC would be levied to fund each park.
Table 3 shows what the level of UAC on each household in the affected districts would be.

B: Funding general rate activities with a UAGC. GR ->UAGC

Approximately 20% of funding for regional parks amounting to \$250k currently comes from general rates (See Table 1). If this amount were instead to be funded by a UAGC, the same ratepayers would still contribute to the parks but would pay a flat rate UAGC rather than a general rate based on property value.

Table 2 shows what level of UAGC would be levied to fund each park.
Table 3 shows what the level of UAGC on each household in the affected districts would be.

(Note : The impact on a low value property (say \$100k) of funding this portion of regional parks would be to impose an extra cost of about \$0.70c - \$0.80c per annum)

C: Funding targeted and general rate activities with a UAGC. GR & TR -> UAGC

Approximately 100% of funding for regional parks amounting to \$1.2m currently comes from a combination of general rates and targeted rates (See Table 1). If these amounts were instead to be funded by a UAGC, the incidence on ratepayers would change. Those who reside near regional parks would pay around \$1 - \$2 less than currently and those that reside further away would pay around \$3 - \$5 per annum more than currently.

Table 2 shows what level of UAGC would be levied to fund each park.
Table 3 shows what the level of UAGC on each household in the affected districts would be.

A+B: Supplementary scenario Combination of A+B { **TR->UAC**
GR -> UAGC

This scenario considers the introduction of Scenario A in combination with Scenario B.
The same ratepayers would be contributing the same total amount of funding for each of the parks.

Table 3 shows the combined fixed charge total on each household in the affected districts.

Table 1 - Dollar funding required

Possible changes in funding source for regional parks

A : Switch Targeted Rate funded portion to <i>UAC</i> funding							
Target Rate -> UAC							
Year	Waimak Park	Ashley Park	Kaikoura Park	Northern Parks	Tekapo Park Already UAC	All Parks	
2011 \$	912,142 \$	73,898 \$	0 \$	986,040 \$	36,401 \$	\$ 1,022,441	
2012 \$	973,230 \$	203,078 \$	0 \$	1,176,308 \$	31,283 \$	\$ 1,207,591	
2013 \$	1,019,567 \$	202,555 \$	0 \$	1,222,122 \$	38,162 \$	\$ 1,260,285	

B: Switch General Rate funding portion to <i>UAGC</i> funding							
General Rate ->UAGC							
Year	Waimak Park	Ashley Park	Kaikoura Park	Northern Parks	Tekapo Park	All Parks	
2011 \$	160,966 \$	13,041 \$	23,611 \$	197,618 \$	54,601 \$	\$ 252,219	
2012 \$	171,746 \$	35,837 \$	73,781 \$	281,365 \$	46,925 \$	\$ 328,290	
2013 \$	179,924 \$	35,745 \$	69,563 \$	285,231 \$	57,244 \$	\$ 342,475	

C : Switch Targeted and General Rate funding to <i>UAGC</i> funding							
Targeted + General Rate -> UAGC							
Year	Waimak Park	Ashley Park	Kaikoura Park	Northern Parks	Tekapo Park	All Parks	
2011 \$	1,073,108 \$	86,939 \$	23,611 \$	1,183,658 \$	91,001 \$	\$ 1,274,659	
2012 \$	1,144,976 \$	238,916 \$	73,781 \$	1,457,673 \$	78,208 \$	\$ 1,535,881	
2013 \$	1,199,491 \$	238,300 \$	69,563 \$	1,507,353 \$	95,406 \$	\$ 1,602,759	

Table 2

UAC or UAGC per property required and where the money would go

A : Switch Targeted Rate funded portion to UAC funding						
Year	UAC required			Already UAC		
	Waimak Park	Ashley Park	Kaikoura Park	Tekapo Park		
2011 \$	4.67 \$	0.41 \$	0.00	\$ 0.85		
2012 \$	4.98 \$	1.13 \$	0.00	\$ 0.73		
2013 \$	5.21 \$	1.13 \$	0.00	\$ 0.89		

UAGC Req'd

B: Switch General Rate funding portion to UAGC funding						
Year	The portion of the UAGC funding a particular park				Region Wide	
	Waimak Park	Ashley Park	Kaikoura Park	Northern Parks	Tekapo Park	
2011 \$	0.62 \$	0.05 \$	0.09	\$ 0.76	\$ 0.21	\$ 0.97
2012 \$	0.66 \$	0.14 \$	0.28	\$ 1.08	\$ 0.18	\$ 1.27
2013 \$	0.69 \$	0.14 \$	0.27	\$ 1.10	\$ 0.22	\$ 1.32

UAGC Req'd

C : Switch Targeted and General Rate funding to UAGC funding						
Year	The portion of the UAGC funding a particular park				Region Wide	
	Waimak Park	Ashley Park	Kaikoura Park	Northern Parks	Tekapo Park	
2011 \$	4.14 \$	0.34 \$	0.09	\$ 4.56	\$ 0.35	\$ 4.91
2012 \$	4.41 \$	0.92 \$	0.28	\$ 5.62	\$ 0.30	\$ 5.92
2013 \$	4.62 \$	0.92 \$	0.27	\$ 5.81	\$ 0.37	\$ 6.18

Table 3

What Each property in each rating district would pay

Mixture of UAC and UAGC

A : Switch Targeted Rate funded portion -> UAC							
Districts ->	CHCH	Waimak	Selwyn	Kaik, Hur	Ash,Tim, Mck, Wai	RestOfRegn	
Parks Funded	Waimak Ashley	Waimak Ashley	Waimak	Kaikoura	Tekapo	None	
2011	5.08	5.08 \$	4.67 \$	0.00 \$	0.85 \$	0.00	
2012	6.11	6.11 \$	4.98 \$	0.00 \$	0.73 \$	0.00	
2013	6.35	6.35 \$	5.21 \$	0.00 \$	0.89 \$	0.00	

B: Switch General Rate funding portion -> UAGC							
Districts ->	CHCH	Waimak	Selwyn	Kaik, Hur	Ash,Tim, Mck, Wai	RestOfRegn	
2011	0.97	0.97 \$	0.97 \$	0.97 \$	0.97 \$	0.97	
2012	1.27	1.27 \$	1.27 \$	1.27 \$	1.27 \$	1.27	
2013	1.32	1.32 \$	1.32 \$	1.32 \$	1.32 \$	1.32	

A+B : Switch Targeted and General Rate funding -> UAC and UAGC							
Districts ->	CHCH	Waimak	Selwyn	Kaik, Hur	Ash,Tim, Mck, Wai	RestOfRegn	
2011	6.05	6.05 \$	5.64 \$	0.97 \$	1.82 \$	0.97	
2012	7.38	7.38 \$	6.24 \$	1.27 \$	2.00 \$	1.27	
2013	7.67	7.67 \$	6.53 \$	1.32 \$	2.21 \$	1.32	

UAGC only used to fund everything

C : Switch Targeted and General Rate funding -> UAGC							
Districts ->	CHCH	Waimak	Selwyn	Kaik, Hur	Ash,Tim, Mck, Wai	RestOfRegn	
2011	4.91	4.91 \$	4.91 \$	4.91 \$	4.91 \$	4.91	
2012	5.92	5.92 \$	5.92 \$	5.92 \$	5.92 \$	5.92	
2013	6.18	6.18 \$	6.18 \$	6.18 \$	6.18 \$	6.18	

Example Applications of UAGC Criteria

Before examining how some of ECan's own activities may or may not be suitable for a UAGC it useful to look at how a district council has rationalised the use of a UAGC to help clarify thinking on this.

Rationale used by Timaru District Council who are high users of UAGC

Note how all the rationales below start off a little restrictive but finish with an all encompassing reason as to why a UAGC is suitable.

Public Toilets

Benefits wider community through having these essential facilities available for residents and visitors and maintaining standards of public hygiene

Art Gallery

Benefits wider community by providing an attraction for tourists and residents and contributes to the cultural diversity and strength of the community.

Libraries

Benefits wider community by providing access to information and through contributing to a community that is literate and informed.

Parks

Benefits wider community through provision of facilities for leisure pursuits, adds to community pride and contributes to community health, well being and perceptions of the district.

Criteria ----->

Public Good	Benefits Everyone	Equal Access
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Based on the definition provided **all** three of the criteria above must be met, i.e **all** the boxes must be ticked. If one or more is not ticked then a UAGC is not able to be used.

If a UAGC is not available then suitability of one of the following options must be considered

Targeted Rate	Based on capital value
General Rate	Based on fixed charge per household (UAC) Based on capital value

Democratic Process

Public information ✓ ✓ ✓
Information is equally available to all regional residents

Corporate representation ✓ ✓ ✓
Every regional resident is represented by a councilor and has equal access to their representative

Council/Committee Meetings - General ✓ ✓ ✓
Council and committee meetings provide democratic decision making for and on behalf of the people of the entire Canterbury region.

Long Term Council Community Plan ✓ ✓ ✓
Council intentions for the entire region are expressed in the LTCCP which is developed from consultation with the entire region.

Advisory services - Corporate ✓ ✓ ✓
Access to customer services is equally available to all regional residents

All other Democratic Process activities exhibit the characteristics of equal access to benefits for the entire region so would be suitable for a UAGC

Water Quality, Quantity and Ecosystems portfolio

Natural Resources Regional Plan - Water ✓ ✓ ✗
A portion of the work in this activity is to enable the use of the resource. As not all regional residents are direct users of the resource they do not benefit to the same extent as a resident who does use the resource and so this part of the work is not suitable for a UAGC.

This activity could be funded by General Rate, being a public good benefitting members of the community to differing extents, broadly reflected by property value

Natural Resources Regional Plan - Water ✓ ✓ ✓
A portion of the work in this activity is related to setting an environmental bottom line. This provides a benefit to the whole region in preserving the natural values of our environment, contributing to pride in the region, and improving perceptions of the region and could be suitable for a UAGC or General Rate

Criteria ----- >

Public Good	Benefits Everyone	Equal Access
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Land Portfolio

Regional Parks

✓	✓	x
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Regional Parks are available for all regional residents, however accessibility to the parks can differ. Those who reside closest to the parks are more likely to have easier and more frequent access than those who reside further out and hence funding with a UAGC is not appropriate.

The majority of the cost of the regional parks does not lend itself to a UAGC. A more localised charge such as a Targeted Rate or a UAC could be used to fund the parks.

Regional Parks

✓	✓	✓
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A UAGC could be used to fund a minority portion of the regional park. This would reflect that the park is a public good available to all regional residents at a reduced level of accessibility when considered region wide. It also recognises that the parks contribute to regional pride and perceptions of the region overall.

The portion of regional parks benefits which can be attributed to entire region wide community could be funded by a more wide reaching charge such as UAGC or General Rate.

APPENDIX 4

AGENDA ITEM NO:	SUBJECT MATTER: CHANGE TO FUNDING STRUCTURE FOR DAMS FUNCTIONS
REPORT: Finance & Audit Committee Meeting	DATE OF MEETING: 16 August 2009
FILE REFERENCES:	PORTFOLIO: Hazards PROJECT: Building Consent Authority Regulation (parent 0683) OUTPUT: Ensuring dams are designed and constructed in a safe and sustainable manner and ensuring ongoing dam safety
REPORT BY: Helen Grant Hazards Portfolio Convenor Brett Aldridge Environmental Protection Manager, Strategy	ENDORSED BY: Kim Drummond Director, Regulation

PURPOSE

It was requested at the 2 September 2009 Council workshop that the reasons for changes required to the funding structure for dams functions be examined by the Finance & Audit Committee.

DOCUMENTS PREVIOUSLY CIRCULATED

Appendix 4 on page 12 of the 2 September 2009 Council Workshop Agenda.

BACKGROUND

An increase in general rate funding is required for dams functions (parent 0683). (There is no increase in actual expenditure.) There are two main reasons for the increase:

1. The Building Consent Authority (BCA) budgets were put together two years ago based on information available at the time and before the BCA model had been fully developed. The BCA function is primarily focused on processing and monitoring of building consents, so the budgets were created assuming that Building Act 2004 functions would operate similar to the RMA consent processing function. The budgets were thus set up with a large component of user pays revenue from the building consent processing and monitoring function (approximately 50%).

In, reality the final BCA model uses expert consultants rather than in-house expertise to process and monitor building consents; the ECan BCA fulfils a purely coordinative role. In this way the actual time spent on processing and monitoring building consents is much less than that of the RMA consents section. Having now been operating for nearly 6 months, we estimate that the BCA could receive between zero and twenty

applications for building consent in any year. The user pays revenue will increase or decrease entirely dependent upon the number of applications received.

In a similar way building consent monitoring charges cannot be collected in the same way as the user pays regime operated by the RMACE section. The RMACE section relies on a consistently large pool of resource consents (approx 20,000) to share the load of administration time and overheads associated with compliance monitoring. At present we only have two building consents. Also, building consents only last for two years so it is unlikely that we will ever have more than 20-30 active consents at any one time.

2. For efficiency and effectiveness the BCA has also become responsible for the regional authority functions set out in the Building Act 2004. These include:

- Enforcement work associated with the Building Act 2004
- Advisory work associated with the Building Act 2004
- Liaison with the Department of Building and Housing regarding Building Act 2004 implementation and interpretation
- Liaison with Environment Canterbury's technical experts and other regional authorities regarding BCA and Building Act 2004 functions
- Administration of the Dam Safety requirements of the Building Act 2004

These functions were not included in the original BCA brief or budgets. The majority of these functions will be financed by general rate with the exception of revenue through fines and direct charges for the work associated with Potential Impact Classifications and the consequent Dam Safety Assurance Programmes. These functions are, and would continue to be, the responsibility of Environment Canterbury even if BCA functions had been transferred.

FINANCIAL

The total expenditure for dams is not increasing – it comprises labour for one existing position and one new position from January 2010 as agreed by Council in the 2009-19 LTCCP. The table below shows the difference between originally budgeted allocation of time for the positions and what is now forecast. The activities without project codes are activities that must be undertaken, as outlined above, but currently have no allocated project code. The amount of time that can be attributed to the two user pays projects (068303 and 068304) is not as much as originally budgeted. This difference equates to approximately \$42,500 per position (the allocation of time for the new position is exactly the same as the existing position). With two positions budgeted for the 2010/11 year, this means that an additional \$85,000 will be required from general rate to cover the positions.

It is important to note that the amount of time given for consent application processing and compliance below is still an estimate. The actual amount of time is dependent on the number of building consent applications we receive in any one year.

Project/activity	Function	Funding source	2009/10 budget	2010/11 forecast
068301 – BCA accreditation	BCA	Gen Rate	8%	16%
068302 – Dams register	RA	Gen Rate	10%	10%

068303 – BC application processing	BCA	User Pays	26%	5%
068304 – BC compliance	BCA	User Pays	26%	5%
Enforcement (dangerous dams - existing)	RA	Gen Rate	-	4%
Advisory - dams	RA/BCA	Gen Rate	-	15%
Dept Building & Housing liaison	RA/BCA	Gen Rate	-	1%
Other technical liaison	RA/BCA	Gen Rate	-	4%
Dam safety (potential impact classn, dam safety assurance programme registration)	RA	User Pays	-	5%
Overheads (Annual leave, training, etc)	-	Gen Rate	30%	35%

RECOMMENDATION

That the Finance & Audit Committee notes the reasons for changes required to the funding structure for dam building consent application processing and compliance.

Attachment 2:

**Summary of budget discussions at 2 September rolling
Portfolio Committee Council Workshop**

Attachment 2: Summary of budget discussions at 2 September rolling Portfolio Committee Council Workshop

PORTFOLIO BUDGET (per LTCCP 2009-19)

The following table summarises the 2009/10 and 2010/11 Council approved budget as contained in the 2009-19 LTCCP.

	Budget		Change	
	2009-10	2010-11		
Total expenditure	123,981,468	138,107,493		
Total expenditure (net of bus fares)*	119,355,514	128,455,065	7.6%	
General rates	38,518,599	40,229,316	4.4%	} 7.2%
Targeted rates	33,306,102	36,785,062	10.4%	
Grants	31,034,917	30,025,862	-3.3%	
Interest	2,267,868	2,913,730	28.5%	
User Pays	20,254,573	28,107,598		
User Pays (net of bus fares)	15,628,619	18,455,170	18.1%	
Total Revenue	125,382,059	138,061,568		
Total Revenue (net of bus fares)*	120,756,105	128,409,140	6.3%	

COUNCIL APPROVED & PROPOSED NEW CHANGES 2010-11

The following table summarises the changes from the 2009/10 budget along with any other proposed new changes. A breakdown of the individual changes making up these totals can be found in the following individual portfolio pages.

	Changes already incorporated in 2010/11 (Yr 2) of 2009/19 LTCCP	Expenditure no longer required	Additional known expenditure required	TOTAL CHANGES
Expenditure	14,126,025	(1,082,056)	-	13,043,969
<u>Funded by:</u>				
General rates	1,710,717	(43,000)	85,000	1,752,717
Targeted rates	3,478,960	(636,056)		2,842,904
Grants	(1,009,055)	(500,000)	-	(1,509,055)
User pays/other	7,853,025	-	(85,000)	7,768,025
Interest	645,862	97,000	-	742,862
Reserves	1,446,516	-	-	1,446,516
	14,126,025	(1,082,056)	-	13,043,969

PORTFOLIO BUDGET (including Council approved & proposed new changes)

The following table summarises the 2009/10 and 2010/11 budgets including Council approved & proposed new changes.

	Budget		Change	
	2009-10	2010-11		
Total expenditure	123,981,468	137,025,437		
Total expenditure (net of bus fares)*	119,355,514	127,373,009	6.7%	
General rates	38,518,599	40,271,316	4.6%	} 6.4%
Targeted rates	33,306,102	36,149,006	8.5%	
Grants	31,034,917	29,525,862	-4.9%	
Interest	2,267,868	3,010,730	32.8%	
User Pays	20,254,573	28,022,598		
User Pays (net of bus fares)	15,628,619	18,370,170	17.5%	
Total Revenue	125,382,059	136,979,512		
Total Revenue (net of bus fares)*	120,756,105	127,327,084	6.3%	

* Public Passenger Transport contracts are now budgeted inclusive of bus fares. Increased contract expenditure between 2009-10 and 2010-11 of \$5.03 million is offset by an increase in user pays revenue (bus fares).