

**273rd MEETING OF THE
CANTERBURY REGIONAL COUNCIL**

COUNCIL MEETING

**TO THE CHAIRMAN AND COUNCILLORS OF THE
CANTERBURY REGIONAL COUNCIL**

MEMBERSHIP OF THE COUNCIL

Cr T K Burke (Chairman)

Cr R A Budd	Cr A G Neill
Cr A S Carroll	Cr M E Oldfield
Cr E H Cunningham	Cr J F Slee
Cr R H M Johnston	Cr N J Wagner
Cr R M Kirk	Cr J M Waters
Cr R I R Little	Cr W E Woods
Cr A R McKay	

A meeting of the Council will be held on

Thursday, 2 February 2006 at 9.30 a.m.

VENUE: Council Chamber
First Floor
Environment Canterbury
58 Kilmore Street
Christchurch

BUSINESS: As per Order Paper attached.

Dr Bryan Jenkins
CHIEF EXECUTIVE

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

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.

**CANTERBURY REGIONAL COUNCIL
COUNCIL MEETING
ORDER PAPER**

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MINUTES OF THE 272ND MEETING OF ENVIRONMENT CANTERBURY HELD IN THE
COUNCIL CHAMBER, 58 KILMORE STREET, CHRISTCHURCH ON THURSDAY,
8 DECEMBER 2005 AT 9.30 A.M.

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PRESENT

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

MANAGEMENT AND OFFICERS PRESENT

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

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

1. APOLOGIES

Nil.

2. MINUTES OF MEETING – 24 NOVEMBER 2005

Moved Cr Cunningham, seconded Cr Waters.

That the minutes of the 271st meeting held on 24 November 2005, be confirmed as a true and accurate record.

CARRIED

3. MATTERS ARISING

Nil.

4. DEPUTATIONS AND PETITIONS

Nil.

5. REPORT OF THE HEARING OF SUBMISSIONS ON THE TARGETED RATE CLEAN HEAT LOAN SCHEME

Ken Lawn introduced this item, which he said proposed to introduce a targeted rate applying to the rating area of Christchurch City Council. Cr Budd, as Chairman of the Hearing Committee presented the recommendations of the Committee and advised that the focus of the process was a variation to the Long Term Council Community Plan (LTCCP) to introduce a Clean Heat Targeted Loan Scheme and not to renegotiate the existing Clean Heat project.

Moved Cr Budd, seconded Cr Waters.

(a) *That the Council adopts the report of the Hearing Committee.*

- (b) *That the following amendments to the 2004/14 LTCCP to introduce the Clean Heat Targeted Rate Loan Scheme be adopted.*
- (i) *Amendments to the Revenue and Financing Policy contained in Part B of the LTCCP. New clause 7.10A to be inserted on Page 21 of Part B of the Environment Canterbury 2004/14 LTCCP. (The full amendments are set out in Appendix A to the Statement of Proposal for the Clean Heat Project amendment to the 2004/14 LTCCP.)*
- (ii) *Amendments to the Funding Impact Statement contained in Part B of the LTCCP. New rate mechanism to be inserted on Page 72 of Part B of the Environment Canterbury 2004/14 LTCCP, and new detailed rate information to be inserted on page 86 of Part B of the Environment Canterbury 2004/14 LTCCP. (The full amendments are set out in Appendix B to the Statement of Proposal for the Clean Heat Project amendment to the 2004/14 LTCCP.)*

CARRIED

6. 2006-2016 BUDGET – BASIS FOR THE DRAFT 2006-2016 LTCCP

Bryan Jenkins introduced this item and advised that the proposed 2006-2016 budget was the result of deliberations by Councillors at Council Portfolio Committee meetings in August/September where Councillors were briefed on portfolio work programmes. He went on to brief the meeting on the increase in expenditure and key portfolio changes in direction over the next 10 years and responded to questions from Councillors.

The meeting worked through details of Portfolio budgets from Appendix 2 attached to the agenda and the supplementary budget information circulated prior to the meeting.

Documents in the supplementary budget information circulated prior to the meeting included:

- Projected values for rating (Equalisation);
- Supplementary Budget Information (Comparison of 2005/06 to proposed 2006/07 budget; Drivers for change in portfolio work programmes; Benefits of the increased work proposed for 2006/07; Options and implications of deferring all or part of the proposed work increases)
- Projected staff numbers 2006/07 to 2008/09; and
- Uniform Annual General Charges.

An additional document "Supplementary Budget Information – 2", which included an analysis of increase in general rates between 2005/06 and 2006/07, was tabled.

Prior to the morning tea break the meeting worked through the supplementary budget information and received briefings relating to the Air Quality and Coastal Environment portfolios.

Morning tea was taken from 10.37 p.m. to 11.00 p.m.

Following morning tea the meeting continued to work through the supplementary budget information relating to the following portfolios: Democratic Process, Emergency Management, Energy; Hazards; Land; Navigation Safety; Pests and Biosecurity; Public Passenger Transport; Regional Land Transport; Waste,

Hazardous Substances and Contaminated Sites; and Water. There was lengthy robust debate on the process used to identify and prioritise work programmes leading to the 10-year LTCCP budgets. There was also discussion on various means to achieve budget savings.

Following advice from Dr Jenkins that the Local Government Act required Council to identify service delivery changes along with any budget cuts; some projects in Land and Public Passenger Transport portfolios were suggested as areas for cost-saving and therefore opportunities to minimise rate increases.

Councillor Cunningham left the meeting at 12.50 p.m.

Lunch was taken from 12.50 p.m. to 1.35 p.m.

Item 10 was taken at this time.

10. TARGET PEST ENTERPRISES LIMITED – 2004/2005 ANNUAL REPORT

Crs Johnston and Woods declared a conflict of interest as Board members of Target Pest Enterprises Limited and took no part in the discussion and voting on this item.

Martin Hadlee, Chairman, Target Pest Enterprises Limited (TPE) led a presentation from TPE on the Annual Report 2005. He apologised for the lateness of the report and commented that they were waiting for audit sign off to ensure that everything was brought to account into the Annual Report. Mr Hadlee summarised key elements of the Annual Report and commented on the disappointment at the financial results for the year.

Cr Cunningham returned to the meeting at 1.45 p.m.

TPE received feedback and responded to questions from Councillors. It was stated that in light of the emphasis being placed by Mr Hadlee on managing risk, a comment on risk management should have been included in the “innovation, technology and risk management” section as well as details of the problems experienced in June. It was also commented that it would be useful to present the revenue information in dollar terms as shown in the heading rather than percentages. Paul Ash clarified that the 50% hold of the Canterbury market for contracts and tenders was a decrease from the previous year. Mr Ash also confirmed that TPE had the capability to respond to the current rabbit numbers and what they understand to be the increasing numbers in various areas.

Moved Cr McKay, seconded Cr Oldfield.

- (a) *That the annual report of Target Pest Enterprises Limited for the 2004/05-year be received.*
- (b) *That the Council endorse the recommendations of the directors of Target Pest Enterprises Limited regarding:*
 - *The minutes of 2004 annual meeting*
 - *Receipt and adoption of the annual report*
 - *Directors’ remuneration*
 - *Auditor’s appointment*

- (c) *That the Council Chairman (Cr Burke), the Finance and Audit Committee Chair (Cr Wagner) and the Chief Executive (Bryan Jenkins) be appointed to represent the shareholder at the company's annual meeting on 12 December 2005 to vote on the specified business of the annual meeting in accordance with the Council's decision in (a) above and to represent the shareholder as they think fit on any other business arising at the meeting.*
- (d) *That the Council's representatives be authorised to appoint alternates if circumstances prevent their attendance.*
- (e) *That following the Pest Liaison Committee meetings a Council Workshop be held in April 2006 to enable the Council to review the Target Pest Enterprises Limited Statement of Intent and Constitution.*

CARRIED

Item 6 was returned to at this time.

6. 2006-2016 BUDGET – BASIS FOR THE DRAFT 2006-2016 LTCCP (CONTINUED)

The meeting agreed to receive agenda item 19 – Notice of Motion – in conjunction with the discussion on item 6.

Moved Cr Neill, seconded Cr McKay.

That the following motion be uplifted from the table:

That in noting the draft 2005/06 Annual Plan:

- (a) *The Chair and Deputy Chair consult with the Chief Executive to investigate all methods to achieve an across the board general rate funded activities saving of 5% for implementation in the budget for 2006/07;*
- (b) *That savings are to be identified so that resources are made available for new or expanded priorities or responsibilities, and*
- (c) *That staff report to the Council on additional and alternative sources of revenue.*

CARRIED

The following document prepared by Cr Neill was tabled:

LTCCP 2006/16 budget 2006/07. "The Razor Gang Returns" – One man's view on fiscal responsibility and accountability.

Cr Neill talked to the document and presented the information using the overhead projector. Included in the presentation material was an alternative budget.

The meeting moved into public excluded from 2.47 p.m. to 3.23 p.m.

22. MEETING WITH PUBLIC EXCLUDED

Moved Cr Burke, seconded Cr Johnston.

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

- 22.1 *Briefing by Margo Perpick on the Waitaki Catchment Water Allocation Regional Plan High Court Appeal*
- 22.2 *Report of the Finance and Audit Committee*

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
22.1 <i>Briefing by Margo Perpick on the Waitaki Catchment Water Allocation Regional Plan High Court Appeal</i>	<i>That good reason exists for not discussing the matter with the public present and is not outweighed by the public interest.</i>	Section 48(1)(a)
22.2 <i>Report of the Finance and Audit Committee</i>	<i>That good reason exists for not discussing the matter with the public present and is not outweighed by the public interest.</i>	Section 48(1)(a)

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

- 22.1 *Maintain legal professional privilege – Section 7(2)(g).*
- 22.2 *Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the council-controlled organisation which supplied or which is the subject of the information - section 7(2)(b)(ii).*
Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities - section 7(2)(h).

The meeting further resolved that Margo Perpick remain for item 22.1.

CARRIED

IN OPEN MEETING

Moved Cr Burke, seconded Cr Budd.

That the meeting move into Open Meeting.

CARRIED

Afternoon tea was taken from 3.23 p.m. to 3.45 p.m.

The meeting returned to Item 6 following afternoon tea.

6. 2006-2016 BUDGET – BASIS FOR THE DRAFT 2006-2016 LTCCP (CONTINUED)

Dr Jenkins provided comment in response to the material tabled by Cr Neill. The debate continued on the process for this draft LTCCP. Dr Jenkins advised that the budget was not the staff budget, but Council's on behalf of the community and that it was the first LTCCP to undergo the full audit process. He said it was a total envelope combining both expenditure and levels of service and was a different style and approach to previous practice. With the integration of the service levels and the financial components he advised that any if Council made any changes to expenditure it would need to incorporate changes to levels of service.

It was commented that Public Passenger Transport (PPT) Portfolio contributed one-third of the increase. There was discussion on the appropriateness of cutting back on the Bio diesel and Dial-a-Ride projects within the PPT Portfolio.

An amendment was moved Cr Neill, seconded Cr Oldfield.

- (a) That Public Passenger Transport be ring fenced and that a reduction of \$400,000 be flagged in respect to that portfolio.
- (b) That Council directs that in respect to other portfolios, annual expenditure for each financial year does not exceed 5% increase on the previous year. The estimated expenditure for 2005/06 (excluding Public Passenger Transport) is \$58,001,684. The budget envelope for 2006/07 (plus 5%) shall be \$60,901,768.
- (c) Staff are directed to review the proposed budget 2006/07 and the 10 year budgets for 2006/2016 and, taking into account the draft projects levels of service for 2006/07 (Council Workshop 3 November 2005) and the 5% expenditure increase limitation, report to Council with a revised proposed 10-year budget.

Dr Jenkins clarified his advice regarding Council needing to identify both changes to expenditure and accompanying changes to levels of service by reading out extracts from Schedule 10, Part 2 of the Local Government Act.

In light of the advice from the Chief Executive, the Chairman ruled recommendations (b) and (c) out of order.

Cr Oldfield left the meeting at 5.05 p.m.

EXTENSION OF TIME BEYOND THE SIX-HOUR LIMIT

Moved Cr Waters, seconded Cr McKay.

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

CARRIED

Amendment (a) as moved earlier by Cr Neill, seconded Cr Oldfield was then put and LOST on division by 8 votes to 5, the voting being as follows:

Ayes	Noes	Absent
Cr Wagner	Cr Burke	Cr Oldfield
Cr Slee	Cr Waters	
Cr McKay	Cr Johnston	
Cr Neill	Cr Budd	
Cr Little	Cr Woods	
	Cr Kirk	
	Cr Carroll	
	Cr Cunningham	

The meeting continued to debate the advice from Dr Jenkins that it was Council's role rather than the staff's role to identify expenditure and the accompanying levels of service that would be reduced.

An amendment was then moved Cr Little, seconded Cr Slee.

That the proposed budget allocations be reduced by 20% (reducing both cash and service delivery) in the following project areas: Biodiversity Strategy, Urban Development Strategy, Satellite Imaging, District Planning Liaison, Permitted activities compliance monitoring Little River Cycle way. Waste transfer programme. Natural Resources Regional Plan (Water).

The amendment was put and LOST on division by 8 votes to 5, the voting being as follows:

Ayes	Noes	Absent
Cr Slee	Cr Burke	Cr Oldfield
Cr McKay	Cr Waters	
Cr Neill	Cr Johnston	
Cr Little	Cr Budd	
Cr Woods	Cr Kirk	
	Cr Carroll	
	Cr Cunningham	
	Cr Wagner	

Moved Cr Burke, seconded Cr Budd.

- (a) *That agenda item 19 (uplifting of the "5% motion") be considered as part of this (LTCCP) decision-making process.*
- (b) *That the proposed 2006 - 2016 budget be adopted as the basis for the Draft 2006-2016 Long Term Council Community Plan.*

CARRIED

A division was called for, the voting being as follows:

Ayes	Noes	Absent
Cr Burke	Cr Slee	Cr Oldfield
Cr Waters	Cr McKay	
Cr Johnston	Cr Neill	
Cr Budd	Cr Little	
Cr Kirk	Cr Wagner	
Cr Carroll	Cr Woods	
Cr Cunningham		

The meeting returned to consideration of Cr Neill's motion that was uplifted earlier in the meeting.

Moved Cr Neill, seconded Cr McKay.

That in noting the draft 2005/06 Annual Plan:

- (a) *The Chair and Deputy Chair consult with the Chief Executive to investigate all methods to achieve an across the board general rate funded activities saving of 5% for implementation in the budget for 2006/07;*
- (b) *Savings are to be identified so that resources are made available for new or expanded priorities or responsibilities, and*
- (b) *That staff report to the Council on additional and alternative sources of revenue.*

CARRIED

Cr Slee abstained as she considered the recommendation too vague and preferred to vote on a more specific recommendation.

Moved Cr McKay, seconded Cr Woods.

That equalised valuations be used as the basis for rating in the Draft 2006/16 LTCCP and that introduction of Uniform Annual General Charges be included for consultation, for possible implementation in a future year.

CARRIED

7. TRIAL CLEAN HEAT/WARM HOMES INITIATIVE IN TIMARU

Ken Lawn introduced this item and advised Council that the trial programme will commence in Timaru funded by Ministry for the Environment and managed by Environment Canterbury. It was agreed that it would be better not to provide Council funding from the source suggested in the report, and therefore there was no requirement for the recommendations presented to be adopted.

8. 2005 ENVIRONMENT ENHANCEMENT FUND

Moved Cr Little, seconded Cr Budd.

- (a) *That funding from the Environment Enhancement Fund, to the value of \$3,600.00 (GST excl) be given to fund 100% of the remaining costs of project GRAN/PROG/EEFU/392C.*
- (b) *That funding from the Environment Enhancement Fund, to the value of \$129,034.76 (GST excl for GST registered applicants) be given to fund 50% of the qualifying costs of the remaining 52 Category A projects.*
- (c) *That funding from the Environment Enhancement Fund, to the value of \$14,155.56 (GST excl for GST registered applicants) be granted to fund 50% of the costs of the qualifying costs of the top 3 ranked Category B projects.*
- (d) *That funding from the Environment Enhancement Fund, to the value of \$3,209.68 (GST excl) be granted to partially fund the 4th ranked Category B project to fully allocate the \$150,000 available.*
- (e) *That the balance of the Category B applicants be advised that the number of applications has exceeded the available size of the fund and be directed to other possible funding sources as appropriate.*
- (f) *That respective Council staff follow-up on projects referred to River Engineering, Biosecurity and Property.*
- (g) *That Category F projects be advised that their projects were unsuccessful.*

CARRIED

9. PROMOTIONAL NAME FOR STATE HIGHWAY 73

Moved Cr Budd, seconded Cr Waters.

That the Council agrees to support a promotional name for State Highway 73.

CARRIED

11. REPORT OF THE CHIEF EXECUTIVE PERFORMANCE REVIEW COMMITTEE

Moved Cr Burke, seconded Cr Neill.

That the Council receives the report of the Chief Executive Performance Review Committee and reconfirms the following Committee decisions as presented to the 27 October Council meeting:

- (a) *That the Committee receives the comments of the Chief Executive on his performance over the last year.*
- (b) *That the Committee commends the Chief Executive on his performance and in particular his management of the complex and unexpected issues that arise in the course of the business of Environment Canterbury.*
- (c) *Recommends that the Council approves the Committee's decisions.*

CARRIED

12. MINUTES OF THE CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP JOINT COMMITTEE

Moved Cr Burke, seconded Cr Budd.

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

CARRIED

13. REPORT OF THE FINANCE AND AUDIT COMMITTEE

Moved Cr Neill, seconded Cr Budd.

That the Council approves the recommendations in the report "Tri-annual Report of Progress on Internal and External Project Outputs for 1 July 2005 to 31 October 2005".

CARRIED

14. REPORT OF THE REGIONAL PLANNING COMMITTEE

Moved Cr Budd, seconded Cr Johnston.

That the report of the Regional Planning Committee be received.

CARRIED

15. MINUTES OF THE 21 NOVEMBER CANTERBURY MAYORAL FORUM

Moved Cr Little, seconded Cr Burke.

That the minutes of the Canterbury Mayoral Forum be received.

CARRIED

16. 2006 COUNCIL AND COMMITTEE MEETINGS

Moved Cr Budd, seconded Cr Little.

That the 2006 Meetings Schedule, amended to include the change of the February Civil Defence Emergency Management Group meeting date to 21 February, be adopted.

CARRIED

17. CHIEF EXECUTIVE'S ITEMS

17.1 DOCUMENTS SEALED

17.2 ACTING CHIEF EXECUTIVE

17.3 CHRISTCHURCH SCHOOL OF MEDICINE AND HEALTH SCIENCES ANIMAL ETHICS COMMITTEE

Moved Cr Johnston, seconded Cr Budd.

1. *That the information on the documents sealed be received.*
2. *That during the absence of Bryan Jenkins from 23 December 2005 to 1 January 2006 inclusive and from 12 to 17 January 2006 inclusive, Wayne Thomas assume the role of Acting Chief Executive.*
3. *That the Council endorses the appointment of Dr Max Rosser to the Christchurch School of Medicine and Health Sciences Animal Ethics Committee member as a lay member.*

CARRIED

18. COUNCILLOR REPORTS EXTERNAL APPOINTMENTS/CONFERENCES/ SEMINARS

Cr McKay – Lake Pukaki levels approaching the lows of 1992.

Cr Budd – The Urban Development Strategy is getting to an interesting stage. A meeting with Region's Mayors is being held early 2006 to discuss the review of the Regional Policy Statement.

Cr Kirk – Attended, along with Crs Johnston and Little, a meeting at Waikuku relating to vehicle access to the river mouth.

Cr Burke – Addressed a meeting of Ecologic Foundation where a water moratorium was suggested. Following the meeting deputations on this issue were made to the 3 November Council Workshop.

Cr Cunningham – To attend a meeting of Avon-Heathcote Ihutai Trust Wednesday 14 December. She reminded Councillors of the Charlesworth Wetlands opening to be held on 10 December at 1.00 p.m.

19. NOTICES OF MOTION

Cr Neill's notice of motion was considered as part of item 6 2006-2016 Budget – Basis for the Draft 2006-2016 LTCCP.

20. QUESTIONS

Nil.

21. EXTRAORDINARY AND URGENT BUSINESS

Cr Burke presented two items of extraordinary and urgent business and provided reasons as to why the items were not on the agenda and why the discussion of the items could not be delayed until a subsequent meeting of the Council.

Moved Cr Burke, seconded Cr Johnston.

That the Council receives the items – Deed to Enter into Encumbrance and Water Moratorium – to be taken in the open section of the meeting and suspends Standing Order 3.7.5.1 to enable decisions to be made on this extraordinary and urgent business.

CARRIED

21.1 WATER MORATORIUM

Cr Budd declared a conflict of interest and took no part in the discussion or voting on item 21.2

Moved Cr Burke, seconded Cr Johnston.

That the Council

- (a) *Indicates to interested parties that Environment Canterbury is opposed to any moratorium on the issue of new water consents, and*
- (b) *Enters into discussion on this matter with Central Government.*

CARRIED

21.2 CLEARWATER – KAIKANUI – DEED TO ENTER INTO ENCUMBRANCE

Moved Cr Burke, seconded Cr Budd.

That Council be a party to the 'Deed to Enter into Encumbrance' with the Trustees of the Isaac Wildlife Trust, Christchurch City Council, Transit New Zealand and Christchurch International Airport Limited, for the purpose of providing for the legal enforceability of the transfer of development rights at Clearwater as set out in the resource consent for the Kaikanui subdivision and development.

CARRIED

23. NEXT MEETING – 2 FEBRUARY 2006

24. CLOSURE

The meeting closed at 6.30 p.m.

CONFIRMED

DATE _____ CHAIRPERSON _____

AGENDA ITEM NO: 5	SUBJECT MATTER: LTCCP UPDATE
REPORT: Council	DATE OF MEETING: 2 February 2006
FILE REFERENCES:	PORTFOLIO: PROJECT: OUTPUT:
REPORT BY: Wilma Falconer, Director External Relations; Neil Pilbrow, Natural Hazards & Civil Defence Portfolio Manager; & Helen Sellwood, Finance Manager	ENDORSED BY: Wayne Thomas Director Finance & Corporate Services

PURPOSE

The purpose of this paper is to update Councillors on the progress of the Draft Long Term Council Community Plan (LTCCP) 2006-2016 and specifically to seek Council approval for:

- The proposed consultation and communications programme;
- The inclusion in the Draft LTCCP of information on the purpose and use of Uniform Annual General Charges;
- The reintroduction of the equalisation system of estimating projected valuations for the 2006/07 rating year and that this be included in the 2006/16 LTCCP for consultation as a proposal; and
- Moving the submission hearing dates to 30 and 31 May and the morning of 1 June, and adopting the LTCCP to the afternoon of 1 June.

ATTACHMENT

Appendix 1: Information previously presented on the use of Uniform Annual General Charges (UAGC).

COMMUNICATION & CONSULTATION PLAN

This communications and consultation strategy is aimed at meeting Local Government Act (LGA) requirements.

COMMUNICATIONS AND CONSULTATION AIMS

Clearly communicate across the region the purpose of the LGA and the LTCCP to:

- Enable democratic local decision-making and action by, and on behalf of, communities;
- Promote the social, economic, environmental and cultural well-being of communities in the present and the future; and
- Provide an opportunity for public participation in decision-making processes on activities to be undertaken by Environment Canterbury.

COMMUNICATIONS AND CONSULTATION PRINCIPLES

To:

- (a) Be consistent with the LGA principles and requirements;
- (b) Also be consistent with Environment Canterbury's consultation policy;
- (c) Ensure the identified community outcomes across the region are representative of the region and are prioritised by the community;
- (d) Ensure that the draft LTCCP is pitched to the level of the "moderately informed and interested reader" and that the summary document be pitched to the level of the "uninformed lay reader"; and

- (e) Ensure that the draft LTCCP is widely distributed as reasonably practicable and that key interest groups and influencing organisations and agencies and Maori are identified and informed of the draft LTCCP.

AUDIENCES

The identified LTCCP-related audiences are:

- Internal – Councillors, management and staff.
- External –
 - (a) The general community, local, regional organisations, central government organisations.
 - (b) Maori (Mana whenua and Maata waka).
 - (c) Territorial Authorities.
 - (d) Non-Government Organisations (NGOs) and the private sector.
 - (e) Key stakeholders – persons, group or organisation affected by the work of Environment Canterbury.

ACTION PLAN

Key Elements

- (a) Involvement of key local, regional organisations, central government organisations, NGOs and the private sector.
- (b) Involvement of all the Territorial Authorities in Canterbury.
- (c) Involvement of key stakeholders.
- (d) Participation of Maori (Mana whenua and Maata waka).
- (e) Presentations to staff.
- (f) LTCCP background information kit for councillors, directors and managers.
- (g) Internet and intranet host of draft LTCCP.

PLAN

The purpose of formal consultation is to promote the draft LTCCP 2006/16 and seek community comment on it.

What Task	When by	Notes	Participants
Backgrounder kit	March 2006	Key messages, questions and answers, useful information for local media.	Audience = Councillors, Directors and managers.
Staff Briefings	March 2006 (following Council Adoption of Draft Plan).	Series of briefings by CEO to staff at Environment Canterbury Offices on LTTCP key themes and work plan.	Audience = staff
Area Committees	Late February & March 2006	Canvass the key themes and work programmes in the Draft LTCCP.	Audience = Community Boards (Christchurch Area Committee) and Territorial Authorities and key stakeholders.
Living Here	April 2006	Draft LTCCP summary and Annual Plan edition.	Audience = householders

What Task	When by	Notes	Participants
Workshops with: Christchurch City Council & Timaru District Council	March / April 2006	Workshop with CCC and TDC prior to submitting on each other's Draft LTCCPs. Such workshops could possibly be extended to other Territorial Authorities, particularly those with specific interests in proposals in the Draft LTCCP.	Audience = Regional Councillors and Territorial Authority Mayors and Councillors
Direct Mail	April 2006	From the Chairman to encourage participation and outlining key themes of the 10-year work programme.	Audience = householders/ Mayors and Chairs/ statutory partners/ key stakeholders.
Website	April 2006	Website will contain the LTCCP and provide ability for people to analyse information in an interactive way and make submissions online.	Audience = all residents.
Advertising	April 2006	Will point people towards formal submission channels (website, e-mail, Living Here).	Audience = all residents.
Consultation with Maori	April 2006	Hui hosted by the Chairman.	Audience = Iwi and Maata Waka
Stakeholder and Community Meetings	April 2006	A programme of constituency-based meetings with key stakeholders and community members chaired by local Councillors.	Audience = key stakeholders and all residents.
Hearings	May 30 th & 31 st , and June 1 st 2006.	In Timaru and Christchurch.	Audience = submitters.
Feed back to submitters	To follow the adoption of the LTCCP 2006/16 on 29 June 2006.	By letter to each submitter. Summary of submissions and feedback available online.	Audience = submitters and all residents.

UNIFORM ANNUAL GENERAL CHARGES (UAGC)

At the 8 December 2005 Council meeting, Council was provided with information on the rationale for UAGC and their use by other regional councils as an alternative to a uniform general rate. (Refer Appendix 1)

We are now seeking to confirm that Council does not wish to proceed with a UAGC in the 2006/16 LTCCP. Council may wish, however, to include information on UAGC in the Draft LTCCP 2006/16 for consultation with the Community, and to invite their submissions.

The use of UAGC creates a redistribution of the rating incidence which impacts on the 164,693 ratepayers with properties under \$300k, particularly those at the lower end of the property valuation market, many of whom are more likely to be on lower or fixed incomes.

Before taking any further action we suggest the Council seeks the community's views on UAGC and what activities they should be used to fund before making any decision to change from the current funding policy.

Attached, as Appendix 1 is information previously presented on the use of UAGC.

ESTIMATION OF PROJECTED VALUATIONS ("EQUALISATION")

At the 8 December 2005 Council meeting, Council was provided with information on the use of estimated valuations to equalise rating impacts.

Since moving away from this system three years ago, ratepayers have experienced large fluctuations in rates from year to year, largely in years immediately following substantial revaluations. Equalisation has the effect of smoothing these fluctuations and removing the volatility introduced as revaluations are completed across the region.

Following submissions from District Councils and the Canterbury Mayoral Forum, it is proposed to return to a system of equalisation for the purposes of striking rates in the 2006/16 LTCCP.

Re-introducing the system in 2006/07 will mean that all Districts will have completed one cycle of revaluation.

LTCCP HEARINGS DATES

Submissions to the draft LTCCP close on 1 May 2006, with hearings and adopting the LTCCP set down for 16-18 May. On reflection, more time will be needed after the close of submissions to adequately process and consider the submissions. It is proposed that the hearings be moved to 30 and 31 May and the morning of 1 June, and adopting the LTCCP to the afternoon of 1 June. There is room in the meeting schedule to accommodate this.

RECOMMENDATIONS

- (a) *That the consultation process be approved.*
- (b) *That the Council notes the information provided on UAGC.*
- (c) *That the inclusion of information on the purpose and use of UAGC in the 2006/16 LTCCP is endorsed.*

- (d) *That Council confirms that UAGC will not be adopted as an alternative to a general rate in the 2006/07 financial year.*
- (e) *That the equalisation system of estimating projected valuations be proposed for reintroduction for the 2006/07 rating year and be included in the 2006/16 LTCCP for consultation as a proposal.*
- (f) *That submission hearings be moved to 30 and 31 May and the morning of 1 June, and adopting the LTCCP to the afternoon of 1 June.*

APPENDIX 1: INFORMATION PREVIOUSLY PRESENTED ON THE USE OF UAGC

DISCUSSION

UAGC are a flat rate levied on a property regardless of value. They are charged per rating unit with some exceptions to avoid charging for units not separately let such as motel units or granny flats.

Commonly, the justification for a UAGC is that they fund a core level of service that does not reflect the value of a particular property but is shared equally by ratepayers.

However where there is no direct service provided to a household (i.e. rubbish collection, water, sewage) the connection is more difficult to establish, as the UAGC does not take account of the number of people at a property. Capital value on the other hand recognises the difference in value between a one-bedroom and a four-bedroom property.

Both methods have different impacts on different groups of ratepayers. As shown in the tables below, if two core activities costing \$7 million in total were to be funded via a UAGC, 164,693 ratepayers with properties valued under \$300k will in total pay an additional \$2.5 million – this is an extra \$15.20 per ratepayer on average or an extra \$8.57 per \$100k. For the 65,986 properties over \$300k, when using UAGC the saving per ratepayer is an average of \$34.44 or \$4.57 per \$100k.

Property Value	No of Properties	General Revenue Raised with UAGC	General Revenue Raised with no UAGC	Difference
Less than \$300k	164,693	\$15,637,497	\$13,133,766	\$2,503,731
\$300k or More	65,986	\$20,045,216	\$22,318,132	(\$2,272,916)

Core Service:	Cost of Service:	UAGC based on 230,669 Properties
Democratic Process	\$3,614,991	\$15.67
Corporate Communications	\$3,425,829	\$14.85
	\$7,040,819	\$30.52

Property Value	Capital Value	% of Total Capital Value	General Revenue with UAGC	General Revenue with no UAGC
Less than \$300k	\$29,205,418,338	71%	44%	37%
\$300k or More	\$49,628,597,082	29%	56%	63%

AGENDA ITEM NO: 6	SUBJECT MATTER: TIMARU BUS SERVICES FINANCIAL PERFORMANCE REPORT
REPORT: Council	DATE OF MEETING: 2 February 2006
FILE REFERENCES:	PORTFOLIO: Public Passenger Transport PROJECT: OUTPUT:
REPORT BY: Matthew Noon Strategic Planner (Operations)	ENDORSED BY: Ken Lawn Director Operations

PURPOSE

Due to low cost recovery levels and significant increases in system costs, it has become necessary to recommend changes to the Timaru bus services fare schedule.

ATTACHMENTS OR DOCUMENTS PREVIOUSLY CIRCULATED

Nil.

INTRODUCTION

The Timaru urban public transport network currently consists of four routes operating Monday – Saturday, providing service to the Timaru urban area. In addition to meeting the everyday needs of the community, there is a greater recognition of the social role these services provide due to the different community demographics in the Timaru area.

There is a significantly higher proportion of bus users over 60 years of age in Timaru (27%)¹ compared to Christchurch (11%) as well as a lower proportion of people with drivers' licences (46% c.f 58% in Christchurch).

Given the different community demographics, a lower cost recovery has been accepted in Timaru due to community support and willingness to pay for the service.

Due to recent increases in the costs of providing the Timaru urban services, the Joint Timaru District Council – Environment Canterbury Committee on Passenger Transport Issues recommended that investigations be made into the effects of a fare increase for Timaru. This issue was identified due to the low cost recovery (23%) which is expected to decline further due to recent cost increases associated with service provision e.g. fuel and wage increases, reducing overall service viability.

¹ Bus User Survey 2005

BACKGROUND

The current Timaru fare structure consists of a \$1.00 adult fare and \$0.50 child fare and also includes a four hour transfer period. These fares were last reviewed in 1991.

The Canterbury Regional Passenger Transport Plan 2001 (RPTP) sets out the policies and objectives that guide the delivery of public transport in the Canterbury region. With respect to the issue of the financial viability of the Timaru urban services, direction is given in chapters 13 (Funding) and 14 (Fares) of the plan.

“Environment Canterbury shall aim to recover at least between 40% and 60% of total costs of providing the subsidised public passenger transport network from fare revenue.”

Chapter 13, Policy 3.1

“Environment Canterbury shall aim to recover at least 50% of total costs of running an individual contracted service from fare revenue unless there are community desires for that service to meet social needs and there is evidence of willingness of the affected community to pay for the service.”

Chapter 13, Policy 3.2

“Maximum fares for use of contracted services shall be set from time to time by resolution of Environment Canterbury to achieve the patronage and cost recovery objectives of this plan.”

Chapter 14, Policy 4.3

While the overall level of cost recovery achieved in Timaru is lower than the target set in the RPTP, policy 3.2 (above) identifies that where there is community willingness to pay for the service to meet social needs they may be maintained. For 2005, 95% of Timaru residents stated that they were satisfied or very satisfied with the affordability of the Timaru public passenger transport system.

CONSIDERATION OF OPTIONS

As noted above, with a cost recovery of 23%, the financial performance of the Timaru service is below the desired target levels. Due to the greater recognition of the social needs that the services meet however, this is consistent with the RPTP 2001. Considering the already low level of cost recovery and the projected ongoing decline, the Joint Timaru District Council – Environment Canterbury Committee on Passenger Transport Issues felt that changes should be recommended to prevent a further deterioration of the cost recovery.

Recent cost increases, over and above those addressed through the indexing payments, are also impacting the viability of the service from the operator's perspective.

5.1 Options

(a) Use of Reserves

The South Canterbury Public Transport reserve has sufficient funds available to cover the additional costs until the contract is re-tendered. The strategic use of these reserves to maintain service viability is not without precedent. They could be used to offset the funding shortfall until January 2007 when the new contract will take effect. This will allow all recent cost increases to be factored into the new tenders and would not require a fare increase.

However, this option would further erode the already low cost recovery for services in Timaru and would not resolve the issue of long term service viability and achieving an acceptable level of cost recovery. It would also almost certainly result in a reasonably big increase in rates in subsequent years to fund the portion that was coming from reserves, as well any additional expenditure resulting from the service review process currently underway.

(b) Increased Public Transport Rate

Currently, Timaru resident's pay \$21.51 per \$100,000 C.V for the provision of a public transport service. If this rate were increased to cover the funding deficit, rates would need to increase to approximately \$27.00 per \$100,000 C.V.

As with option a), option b) would further erode the already low cost recovery for services in Timaru. Similarly, any increased costs associated with the outcome of the service review would require additional increases in the transport rate.

The Joint Timaru District Council – Environment Canterbury Committee also asked about the possibility of a “free” bus service, given the predominantly social needs of the service. While no fare would be charged to passengers, ratepayers would be required to fund the additional costs due to no fare box revenue. Current projections indicate that this would require an increase in rates to approximately \$37.00 per \$100,000 C.V. This option would also require Land Transport New Zealand's support.

(c) Increasing Fares

Given the low fare level and substantial cost increases since 1991, a fare increase is an option to consider as it will increase system revenue and hence cost recovery.

Of potential concern however is that fare increases may have a negative effect on patronage (elasticity of demand) which may limit the overall effectiveness of any fare change.

The fare level required to achieve a 50% cost recovery is estimated at \$2.15. This figure is based on current patronage with no reduction due to any fare increase. While community recognition of increasing costs may ameliorate the impacts of any fare increase on the community, a 115% fare would have some negative effects. Other fare options are discussed below.

There are also options around the level of discount provided to children. At present the fare discount is 50% and any reduction in the level of fare discount would contribute to improving cost recovery.

DISCUSSION

Public transport in Timaru is provided primarily on a social basis to ensure community mobility is maintained, especially in light of the older than average population in the town. Given this, the funding mix applied is important to ensure that the service continues to operate sustainably while maintaining mobility for the community.

While it may be desirable to offer a free public transport service, it must be recognised that the costs of providing the service still need to be met. Under the current funding regime this would entail an increase in the rates levied on the community which was not supported by the joint committee. In addition, any alterations to the funding of the Timaru service would also require LTNZ's approval as a co-funder of the services.

Similarly, the use of the passenger transport reserve to offset recent cost increases until the contract is re-tendered will only provide interim relief and is not sustainable in the long term. With the expiration of the current contract in January 2007, it must also be recognised that there are potential rating implications for the new contract.

To address the funding issues around the provision of public transport services in Timaru, it is recommended that consideration be given to an increase in the fare schedule.

While there are a range of fare levels that may be considered, issues around fare simplicity (round figures) and minimising boarding delays (cash handling) need to be factored in. At present, the metrocard is not offered in Timaru and the use of concession tickets is limited.

Table 1 illustrates a range of fare options and associated projected cost recovery. No demand elasticities² have been applied.

Table 1

Fare Level (Adult Cash)	Projected Cost Recovery
\$1.00 (existing)	23.3%
\$1.20	27.9%
\$1.30	30.3%
\$1.40	32.6%
\$1.50	34.9%
\$1.60	37.2%
\$1.70	39.6%
\$2.00	46.6%

As shown, a substantial fare increase would be required to raise the cost recovery above the 40% threshold. Given the greater social needs in the Timaru area and the role public transport has in enhancing mobility for the community, it is recommended that the adult cash fare is increased \$0.50¢ to \$1.50.

With respect to the child fare, it is recommended that the fare discount be reduced to 33% from the current 50% to better reflect the increasing proportion of costs due to additional school services. This would result in a child cash fare of \$1.00. The Regional Passenger Transport Plan 2001, while requiring reduced fares for persons under 18, does not state the level of reduction required.

Over the longer term however, it is advisable that the adult fare be increased to \$2.00. This could take affect after the commencement of the new contract in 2007 which should see super low floor buses operated across all services and the introduction of other system improvements so that passengers and residents can see an overall improvement in the level of service being provided.

As with any fare change, there is the potential for some loss of patronage. However, when evaluated against the backdrop of increasing system costs as well as the lack of any fare increase since 1991, the impacts of the change on patronage are envisaged to be minor.

Prior to Christmas, Ritchies Coachlines Limited increased the fare on the Temuka to Timaru service (within the maximum allowed fare schedule). Discussions with the operator have

² Fare elasticity refers to the change in patronage due to a change in fare and are calculated to indicate the likely consequences of the change.

indicated there was very little negative response from passengers as people were expecting an increase.

No changes to the four hour transfer ticket are recommended at this time.

VIEWS OF AFFECTED AND INTERESTED PARTIES

As noted earlier, the maximum fare schedule is set by Council to achieve the patronage and cost recovery objectives of the Canterbury Regional Passenger Transport Plan 2001. Consultation over this matter has included discussions with the operator as well as the Joint Timaru District Council – Environment Canterbury committee on Passenger Transport Issues.

Both the Joint Committee and the operator endorse the increase in Timaru urban fares to \$1.50 for the adult cash fare and \$1.00 for children.

FINANCIAL

Low cost recovery due to poor farebox revenue directly impacts on the public transport rate residents pay and impacts on service viability. If the fare level remains at its present level, it is likely that the public transport rate will need to be raised to compensate when the new contract price takes effect in 2007.

CONCLUSION

The low cost recovery achieved with the Timaru bus service is a reflection of the low fares being charged and the fact that there has not been a fare increase since Environment Canterbury assumed responsibility for service provision in 1991.

While a cost recovery lower than the RPTP target is permitted given recognition of the greater social needs and community willingness to support the service, at 23% and falling, this level of cost recovery is unsustainable. By increasing fares, the cost recovery level is expected to increase to approximately 35%, and a fairer and more equitable system may result.

Increasing fares is never desirable, but given the issues facing the provision of the Timaru public transport system and to fairly apportion the costs between the passengers and the wider community, a fare increase is the most appropriate option.

RECOMMENDATIONS

That the following changes to the Timaru urban service maximum fare schedule be adopted:

	<i>Adult</i>	<i>Child</i>
<i>Cash</i>	<i>\$1.50</i>	<i>\$1.00</i>
<i>Multi-trip ticket (12 rides)</i>	<i>\$15.00</i>	<i>\$10.00</i>
<i>Monthly Pass</i>	<i>\$50.00</i>	<i>\$30.00</i>

AGENDA ITEM NO: 7	SUBJECT MATTER: REVISED CLEAN HEAT PROJECT POLICY
REPORT: Council	DATE OF MEETING: 2 February 2006
FILE REFERENCES:	PORTFOLIO: PROJECT: OUTPUT:
REPORT BY: Ken Lawn Director Operations	ENDORSED BY:

PURPOSE

The purpose of this report is to consider and adopt a revised Clean Heat Project Policy Document. The Policy Document has been revised in order to include the Clean Heat Loan, which will be commencing from 1 February 2006.

ATTACHMENT

The revised Clean Heat Project Policy Document is attached.

BACKGROUND

The Clean Heat Project Policy Document provides the objectives and key principles of the Clean Heat Project. It enables the Project Manager to implement and operate the Project within the parameters of the Policy Document. The Policy Document is the opportunity for Councillors to have input to, influence and adopt the objectives and principles of the Project.

The original Policy was prepared and adopted by the Council on 9 October 2002. A revised Policy was considered and adopted in February 2004.

REVISED POLICY DOCUMENT

The Revised Policy Document has been substantially rewritten. It now more accurately reflects the operation of the Clean Heat Project, and takes into account a number of the improvements and refinements that have been incorporated or considered through the experience of operating the Project over the past three years. It now includes the Clean Heat Loan.

RECOMMENDATION

That the revised Clean Heat Project Policy Document 2006 be adopted by the Council.

Clean Heat Project

Incentives and assistance for
clean heating and energy
efficiency in the Christchurch
area

The revised policy Document 2006

Report No. R06/2
ISBN 1-86937-583-1
February 2006

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Clean Heat Policy Document 2006

1 INTRODUCTION

The Clean Heat Project is an incentives and assistance project designed to encourage and assist homeowners who are currently using solid fuel domestic heating appliances to change to cleaner forms of home heating. The Clean Heat Project was developed as a result of new rules in the air chapter of the Proposed Canterbury Natural Resources Regional Plan (Proposed NRRP) and more recently required under the National Environmental Standard (NES). These have been itemised in the Long Term Council Community Plan (LTCCP).

National Environmental Standard (NES)

Environment Canterbury, under the NES, is required to achieve, by 2013, a standard of 50 micrograms of particulate per cubic metre of air (averaged over 24 hours) with no more than one exceedence per year. Currently, this standard is exceeded 30 to 40 times annually with independent surveys indicating that 80% of the winter air pollution is created by burning solid fuel. Consequently, particulate emissions from the use of solid fuel for home heating need to be reduced.

If this standard is not met, the consequences for granting resource consents to discharge PM₁₀ into the air will be significant, in that the Council will be unable to grant any such consents if the standard is not being met by 1 September 2013. This is stricter than the NRRP and applies nationally.

Proposed Canterbury Natural Resources Regional Plan (Proposed NRRP) – Chapter 3: Air quality

Environment Canterbury has a proposed plan to clean up Christchurch's air: The Air Chapter of the Proposed NRRP sets an Objective for ambient air quality in Christchurch, as follows:

“Objective AQL3 Objective for ambient air quality in Christchurch.

In the Christchurch Clean Air Zones 1 and 2, improve current poor winter ambient air quality so that by the year 2012 there is a reduction in the concentration of PM₁₀ to less than 50 µg/m³ (24 hour average), with no more than one annual exceedence (averaged over three years), so as to reduce nuisance effects and adverse effects on human health.”

In order to achieve this, 11 rules for small-scale solid fuel burning were proposed, including prohibiting the use of open fires from 1 January 2006 (or whenever the rule became operative – whichever was the later); and the phasing out of the use of non-complying enclosed burners older than 15 years from 1 January 2008. The Clean Heat Project is a voluntary method of financial incentives and assistance that was identified as a specific method in the Proposed NRRP to be used to implement the various policies to achieve the objective and to enable and encourage households to meet the new rules.

Long Term Council Community Plan (LTCCP)

The Canterbury Long Term Council Community Plan (LTCCP) provides for the Clean Heat Project as a key voluntary tool for improving wintertime air quality throughout Canterbury. The project provides for financial support for households to install cleaner forms of heating and insulation in Christchurch. With the enactment of the NES, the Clean Heat Project could be applied to other Canterbury towns with air pollution problems, such as Timaru, Kaiapoi and Rangiora.

2 CLEAN HEAT PROJECT OVERVIEW

The Clean Heat Project is designed to encourage and assist homeowners to voluntarily convert from fireplaces and solid fuel appliances to approved clean heat appliances. The project is provided in advance of regulatory requirements under the Proposed NRRP to make those conversions. The project also recognises that individual homeowners are being asked to make a change to their heating source for the benefit of cleaner air for the wider community.

The Clean Heat Project has a number of alternative incentives available, partly based on need, but also to provide a range of opportunities to encourage participants to undertake conversions. These incentives are described later in this policy document.

The Clean Heat Project for Christchurch is funded by a special targeted rate over the entire area of Christchurch City, and over a period from July 2002 to June 2013.

The project currently applies only to the Christchurch area. However, Environment Canterbury is currently investigating the extension of the Clean Heat Project to other areas of Canterbury that have wintertime pollution problems and may not meet the NES.

3 CLEAN HEAT PROJECT OBJECTIVES AND KEY PRINCIPLES

Objectives

- To meet the ambient air standard as outlined in the NES.
- To encourage and assist homeowners to replace open fires and solid fuel burners with Clean Heat Approved heating appliances.
- To keep the costs of the assistance within the budget provided in the LTCCP.
- To encourage and assist homeowners to install insulation that makes better use of home energy.

Key Principles

As a result of the objectives, the following key principles apply to the project:

- The greatest level of assistance will be for those on low incomes who are more likely to find it hard to make the conversions without assistance. The Community Services card will be used as the means of identifying those on low incomes.
- Assistance is provided for home heating conversions in residential homes that currently use solid fuel as their main source of heating in their main living area on a typical winter's night.
- Replacement heating appliances and technologies must be Clean Heat Approved. Refer to Section 5 - Clean Heat Approved Appliances.
- Assistance is provided for those properties where a solid fuel burner has been installed before 1 January 2004 (when the lower emissions and efficiency criteria of 1g/kg and 65% thermal efficiency took effect). Appliances installed after that date will have complied with new criteria for low emissions.
- In order to ensure that the project provides warm homes, as well as cleaner air, the project requires the retrofitting of energy efficiency measures, including insulation in accordance with current Building Code Standards.
- Where the property dwelling has already had the benefit of a local authority or central government subsidy scheme for replacement of an open fireplace or a solid fuel burner, the value of that subsidy will be subtracted from any subsidy under this project.
- This project is not available for dwellings that are government owned, such as Housing New Zealand Corporation or Christchurch City Council.
- Participation may be declined for properties that are considered structurally unsound, or in a serious state of disrepair for which it is not economical to install clean heating and insulation.
- As part of the project, an Assessment will be provided by a Clean Heat Assessor to determine eligibility, and measures required, and to provide options.
- The fireplace or solid fuel burner needs to be in place, have been authorised, and able to be used in order for the Assessor to determine eligibility. Removing, disabling, or sealing the appliance prior to the assessment can render the property ineligible.
- The new appliance will be sized to adequately heat the main living area in which the existing appliance is situated. The project is designed to replace the existing

form of heating, and is not intended to provide heating for larger areas, or the whole house.

- Installation of the new heating appliance in another living area in the property is allowed, provided that the original sizing, as determined by the Assessor, remains consistent, and the existing appliance is removed or rendered inoperable in the assessed living area.
- The assistance is provided for the replacement of one appliance or fireplace in each residential unit. Any other appliance or fireplace will need to comply at the appropriate time, with the relevant NRRP rules, without any further assistance under this project.
- Assistance will not be available if there is already an alternative complying and sufficient heating appliance in the living area from which the open fire or solid fuel appliance is being removed.
- Homes that are held in family trusts will be eligible based on the eligibility of the settlor beneficiaries of the Trust (ie those who set up the family trust) who permanently reside in the home.
- The fireplace or solid fuel appliance being replaced must be removed or rendered inoperable as part of the project.
- The Project Manager has flexibility in consideration of project objectives including, but not limited to, technology improvements, changes in the building code, and to tailor solutions to individual households where appropriate.

4 THE INCENTIVE OPTIONS

The Clean Heat Project provides four main incentive options. The options target different groups with different levels of subsidy or assistance.

- Full Assistance
- Subsidy
- Landlord Subsidy
- Loan

Full Assistance

Full Assistance is provided for low-income owner-occupiers who it is expected will have the greatest difficulty funding the conversion to cleaner forms of heating. Full Assistance provides for the full cost of the conversion to be funded. The conversion includes:

- the removal or boarding up of the existing solid fuel burner or fireplace;
- the provision and installation of a Clean Heat Approved heating appliance;
- the retrofitting of necessary insulation to meet building standards.

The eligibility for Full Assistance will be determined by the property owner having a Community Services card.

New appliances offered under Full Assistance will be from a selection of appliances for which Environment Canterbury has negotiated contract prices and installations.

Subsidy

A Subsidy is available for owner-occupiers who do not qualify for Full Assistance. The level of subsidies towards the cost of the conversion is set out in the following table:

Heating Appliance	Incentive (inc GST)
Electric Heat Pump	\$500.00
Electric Night storage appliance	\$300.00
Clean Heat Approved Fixed-flued liquid or Gas appliance	\$500.00
Clean Heat Approved Solid Fuel Burner	\$500.00
Energy Efficiency Measures	
Ceiling Insulation R3.2	3.50/M ²
Underfloor insulation R1.1	3.50/M ²
Removal of existing fireplace or solid fuel appliance	\$100

Appliances and energy efficiency measures are offered at contracted purchase rates obtained by Environment Canterbury, and include the project management and arrangement of the installation work. The participant will need to sign a participation agreement, and pay to Environment Canterbury the difference between the full cost of the project and the subsidies available. Once paid, Environment Canterbury will arrange the purchase and installation of the works.

Alternatively, participants may purchase a Clean Heat Approved appliance and/or energy efficiency measures from approved retailers and installers, and receive the subsidies in the form of a discount on the installed cost from those approved retailers and installers.

Landlord Subsidy

The Landlord Subsidy is provided to encourage landlords to participate by offering a higher level of subsidy (40% of the cost).

Appliances and energy efficiency measures are offered at the contracted purchase rates obtained by Environment Canterbury, and include the project management and arrangement of the installation work. The landlord will need to sign a participation agreement, and pay to Environment Canterbury their 60% share of the cost. Once paid, Environment Canterbury will arrange the purchase and installation of the works.

Provision can be made for landlords who wish to upgrade to a different approved technology than the one offered but they must meet the full cost differential.

Clean Heat Loan

An interest free Clean Heat Loan is offered as an alternative to the subsidies. Environment Canterbury will provide an advance of the capital cost (by way of a loan) of the installation project. The loan (capital cost only, no interest) will be repaid over a period of 10 years through a targeted rate that applies only to those properties that choose to take up the loan.

The targeted rate applying to any particular property will be determined depending on a \$200 band within which the “total installation cost” falls. The targeted rate will be 10% of the lowest amount of that \$200 band, and will apply for 10 years. For example, a total installation cost of \$2720, that falls within a targeted rate band of \$2600 to \$2800 will pay a targeted rate of \$260 for 10 years.

The “total installation cost” includes the assessed cost of the installation of the chosen heating appliance, any necessary insulation, the removal or boarding up of the existing open fire or solid fuel burner, and together with a \$100 Environment Canterbury administration fee, and a \$50 Christchurch City Council rating administration fee.

The targeted rate will commence in the financial year (1 July) following the signing of the agreement for the installation of the agreed heating appliance and insulation.

Participants in the Clean Heat Loan will be required to sign a contractual agreement, agreeing that:

- the recovery of the total installation cost will be by way of a targeted rate on their property;
- Environment Canterbury can, if it considers necessary, register a caveat against the title to secure repayment of the loan;
- any outstanding balance of the loan will be repaid if the property is sold within the 10-year period, unless that sale is to a related family person.

The maximum loan for any one conversion will be \$4200 including GST.

5 CLEAN HEAT APPROVED APPLIANCES

The Clean Heat Project will only promote technology that is consistent with Environment Canterbury's environmental objectives as far as an approved laboratory test can determine.

All heating appliances must meet a specified laboratory test for particulate emissions criterion. For fixed flued gas or diesel oil appliances, and for solid fuel appliances, to be eligible for participation in the project, the appliance supplier must satisfy Environment Canterbury that the appliance meets the qualifying criterion of emitting less than 40 milligrams of particulate per megajoule of usable room heating output using the following standard tests or their functional equivalent:

- AS/NZS 4012 Domestic Solid Fuel Burning Appliances - Method For Determination of Power Output and Efficiency
- AS/NZS 4013 Domestic Solid Fuel Burning Appliances-Method for Determination of Flue Gas Emission

The appliance supplier must also satisfy Environment Canterbury that the appliance cannot be readily altered or tampered with by an operator so as to materially change its emission characteristics to a degree that it would fail to meet the tests above.

The qualifying particulate emissions criterion uses test standards that do not necessarily reflect emissions from actual (real-life) usage of an appliance. A start up period, periodic refuelling, and variations in fuel type and quality, significantly increase particulate emissions in practice for some solid fuel appliances.

The qualifying particulate emissions criterion shall be subject to reviews during the term of the project to recognise improving technology in reducing emissions and investigations into emissions from normal actual usage.

Eligible appliances include: electric heat pumps; electric nightstore heaters; fixed-flued gas appliances, fixed-flued diesel oil heaters; solid fuel burners; and pellet fires where they can meet the project's particulate emissions criterion.

6 ENERGY EFFICIENCY MEASURES

While the Clean Heat Project has the principal objective of providing cleaner air, it is important that it also ensures warm homes. Therefore, the options all provide for the retrofitting of energy efficiency measures. It is a requirement of participation that the energy efficiency measures, determined by the Clean Heat Assessor as being required, are installed as part of the project.

Energy efficiency measures will include, where not already provided to building code standards:

- underfloor foil
- ceiling insulation.

Energy efficiency measures, where deemed appropriate, may also include:

- hot water cylinder wraps (if accessible)
- door seals/ door weatherproofing.

All energy efficiency products must meet AS/NZS 4859.1:2002.

7 REMOVAL OF EXISTING APPLIANCES

The project requires the removal of, or rendering unusable, the existing solid fuel burner or open fire, and either meets those costs, or subsidises them.

For open fires, the existing fireplace will be sealed with a permanently fixed wooden panel across the opening cavity of the fireplace, and the chimney fitted with a weatherproof cap to stop moisture ingress.

For solid fuel burners, the burner and the flue, but not normally the flue liner, will be removed. If the woodburner is to remain in situ for any reason, the project will provide for permanently sealing and making the burner inoperable.

Where there is an existing wetback, the project provides for the disconnection of the wetback plumbing system. While every care will be taken with disconnection of wetbacks, particularly with older style hot water cylinders, there are a number of factors that can lead to consequential issues with the hot water cylinder:

- accessibility
- condition of fittings
- previous plumbing work
- condition of valves
- location of hot water cylinder.

Environment Canterbury cannot guarantee or be held responsible where the wetback disconnection may disturb the hot water cylinder.

8 PROJECT REVIEW

The policies and implementation of the Clean Heat Project shall be reviewed annually. That annual review will consider, among other things:

- the level of uptake of the project incentives, compared to that budgeted for;

- the assumptions underlying the forward projections;
- the progress towards the reduction of PM¹⁰;
- the extent of choice of low emission woodburners as a replacement option;
- the qualifying emissions standard for heating appliances to be included in the project.

9 MORE INFORMATION

For more information on the Clean Heat Project, the Air Chapter of the Proposed Canterbury Natural Resources Regional Plan (Proposed NRRP) or other information on clean heating and energy efficiency, please contact us:

- www.cleanheat.org.nz
- Environment Canterbury, 58 Kilmore St, Christchurch
- 'Clean Air' line on (03) 353 9726 (353WARM)

AGENDA ITEM NO: 8	SUBJECT MATTER: HEARING ARRANGEMENTS FOR VARIATION 1 NRRP CHAPTERS 4 - 8
REPORT: Council	DATE OF MEETING: 2 February 2006
FILE REFERENCES:	PORTFOLIO: Various PROJECT: NRRP OUTPUT: Decisions on Submissions
REPORT BY: John Glennie Natural Resources Policy Manager	ENDORSED BY: John Talbot Director Policy and Planning

PURPOSE

The purpose of this paper is to seek Council resolution about the composition of the hearing panel for Variation 1 of the NRRP Chapters 4-8 so that staff can make progress with project management planning. Additional information about the process for getting to the stage of releasing decisions is provided so that Councillors are aware of factors that may affect progress to this goal, and also other Council work that may be affected by resourcing this NRRP process. Karen Holland from Schema, who assisted with project management for getting NRRP Chapters 4-8 from the draft plan to the proposed plan stage has been engaged to assist with project management of the next phases.

BACKGROUND

Variation 1, introducing Chapters 4-8 to the Proposed NRRP, was notified on 3 July 2004. A total of 667 submissions were received. Staff then broke each submission down so that all the decisions requested within any one submission were allocated to the specific part of the plan they related to. The 667 submissions yielded over 35,000 submission points.

On the 15 October 2005 the Summary of Decisions Requested was notified as being open for further submissions until 19 December 2005. Further submissions can only be in support of, or opposition to, points raised in the original submissions. About 90 have been received. While these will not increase the number of parts of the plan submitted on, it will increase the number of recommendations the hearing panel has to make and the range of matters to be considered. It is anticipated that it could take until the end of March or early April 2006 to complete loading of these on to the database. This could take the number of submissions requiring a decision to close to 50,000.

Around 410 submitters have asked to be heard at a hearing.

Staff will commence preparing the RMA section 42A officer reports once the further submissions have been entered.

MAIN TASKS AND TIMEFRAME

Perhaps the greatest uncertainty in terms of time is how long it will take to prepare officer reports. Many will be very straight forward, others will be more complex and will require input from technical staff or consultants as part of the evaluation. Some may require additional analysis by scientists. The level of resourcing needed to meet target dates for hearings will need to be monitored to ensure officer reports get completed on time.

For the Chapter 1-3 hearings, the commissioners, because they had had no involvement in the process, prior to the actual hearing of submissions, requested that staff give presentations about the science and the policy intent of Chapter 3. This took quite a lot of time for planning and science staff to prepare for, and took 3 days of actual presentation time. Assuming the same process occurs for Chapters 4-8 then this is likely to take 9-12 days of actual presentation time. While staff are doing this they are not working on officer reports.

It is not possible to accurately predict how many days of hearings would be needed. Chapters 1-3 took 31 days of hearings, and therefore it is estimated that between 70-95 days of hearings would be needed for Chapters 4-8. This is comprised of Chapter 4 at 30-40 days, Chapter 5 at 30-40 days, Chapter 6 at 4-6 days, Chapter 7 at 4-6 days and Chapter 8 at 2-3 days. It is likely that each day of hearings needs to be matched with not less than half a day of decision making by the panel, i.e. 35-48 days. This gives a range of between 105-143 days for hearings and deliberations.

On the assumption that on average no more than three hearing days per week is possible, that is a total of 35-47 weeks. If the hearing panel will all be available at the same time for no more than 35 weeks of the year, then the calendar running time is between 52-70 weeks.

Following completion of the hearings, time will be needed for ensuring integration of decisions within and between chapters, making all the final changes to the decision documents, checking the vires of changes to policies and rules, inserting all the changes into the chapters themselves and checking these are accurate etc. This will take about 16 weeks and assumes that NRRP Chapter 4-8 staff are heavily involved in doing this. If it is done by the panel themselves then it will take longer.

Revision of the Section 32 report for each chapter is a legal requirement. If this is done by NRRP Chapter 4-8 staff acting to the panel's instructions, then in part it can be done in parallel with the decision making process and will not entirely be additional time. However, if there is only one officer assisting the panel, or if the hearing panel does it themselves as for Chapters 1-3, then this will be additional time. As a minimum, assuming NRRP Chapter 4-8 staff do it, this could take 4-8 weeks.

Assuming Council does not delegate the final decision making to the panel, and Council wants time to read the amended chapters, then ideally Councillors would have received the panel's recommendations and the amended chapters at least two weeks prior to the Council meeting. Should Council take more than one meeting, then the release of decisions will be delayed by that extra period.

Following Council approval of the panel's recommendations, time needs to be allowed for staff to get paper copies and CDs made of all documents, and for these to be bundled ready for mailing. This requires 2-3 weeks.

Some contingency time needs to be allowed for the inevitable unforeseen events that are likely to occur in a project running over this length of time, say 8 weeks.

This gives a total minimum “running time” of 93 – 111 weeks. Assuming there is one hearing panel, and that this process commences in May/June 2006, then the earliest finish time is between about May 2008 and October 2008, with the later date being more likely. Note this is indicative only and requires more detailed project management programming. A lot of assumptions and risks surround these dates. If a risk becomes real or an assumption doesn’t hold then this may affect whether this time frame is met.

ASSUMPTIONS

A key assumption is that NRRP Chapter 4-8 staff will largely work full time on officer reports and that other projects they are scheduled to work on will be delayed or alternative resources will need to be found until officer reports are completed. One project affected by this is providing Council reports to assist the Tenure Review process. Contributions by NRRP Chapter 4-8 staff to some other Council activities may also need to be curtailed.

Except for work on Variation 3, no new variations will be initiated where these would be driven by, or significantly involve, one of the NRRP Chapter 4-8 staff. This will affect progress with known variations, for example, relating to Chapter 5 Appendix WQN4 to bring in further catchments where low river flows will be adversely affected by significant changes from short to tall vegetation by, for example, afforestation.

NRRP Chapter 4-8 staff will not be involved in any appeal/consent order processes following the release of decisions on Chapters 1-3.

NRRP Chapter 4-8 staff, as needed, will be able to get input from other staff, for example, scientists in the Environmental Monitoring Directorate.

For all previous ECan regional plan hearings, except Chapters 1-3, a senior planner not involved in writing officer reports assisted the hearing panel by: providing advice on request; getting any legal checks done; making amendments to the officer’s reports to turn them into Council decisions including writing new evaluations to reflect recommendations of the panel where these differed from the officer’s reports; and amending the plan itself to reflect changes the panel is recommending. In many Councils the officer assisting is also the person who worked on the plan and wrote the officers report, as that person is best placed to provide advice to the hearing panel when asked, and will be aware of the implications of decisions on other parts of the plan. However, because NRRP Chapter 4-8 staff would need to be working full time on officer reports so as to meet the May – October 2008 timeframe, it has been assumed that they will not be officers assisting the panel, at least until actual hearings are completed. This would be done by another experienced senior planning person. However, once hearings are completed they will be available to assist.

Pre-hearing meetings are provided for in the RM Act, but there is no obligation to use them. In some situations they may be useful, however, all parties must be at the table and the outcomes are not binding on any party. For the purposes of this exercise it has been assumed that NRRP Chapter 4-8 staff will not be involved in setting up or running pre-hearing meetings as they will be working on officer reports. Should such meetings be needed then this is likely to extend the time frame for completing officer reports.

It is assumed that the hearing panel will meet on average 3 days per week for not less than 35 weeks per year.

Assuming Council does not delegate decision making powers to the panel, it is assumed that Council will only take one meeting to approve the panel’s recommendations.

It is assumed that Council's normal hearing procedures will be followed.

It is assumed that NRRP Chapter 4-8 staff will be able to spend between 50 -55% of their time on officer reports. This percentage of time for this core task is based on previous work by Karen Holland within this and other organizations. Annual leave, sick leave, general unavoidable Council processes, administration time, meetings etc, account for the balance.

RISKS

There are a number of risks to the process:

- NRRP Chapter 4-8 staff members may leave or get sick thereby slowing the process.
- Panel members may become unavailable. Note, if a Councillor on the panel should lose their seat at elections, they can be appointed as a commissioner.
- The length of time allowed ahead of anticipated hearing stages may have been underestimated. If so, additional consultancy assistance will be needed.
- The length of time needed for hearings may have been under-estimated.
- The budget for consultants may be insufficient if further external consultancy work is needed, or additional consultants are required to prepare officer reports.
- Staff from other parts of Council may not be available when needed because of other priorities, e.g. for consent hearings.
- If only commissioners are used, they may vary the procedures from what has been assumed above, as happened for NRRP Chapters 1-3.
- Council may be confronted with more pressing issues and staff may need to be redirected to work on them.

CONSIDERATION OF OPTIONS FOR TIMING – ONE OR TWO PANELS

The above timeframe of decisions released by October 2008 is based on there being one hearing panel. If it was desired to accelerate this process, for example to have decisions released by October 2007 when Council elections occur, then it would be necessary to have two hearing panels and a much higher level of involvement of consultants in the preparation of officer reports.

The advantages and disadvantages of the 2007 and 2008 dates are briefly outlined below.

Option 1 decisions released by Council elections in October 2007

Advantages

- This accelerates the release of decisions and more quickly takes NRRP to a higher level of "legal weight".
- Politically, Council is seen to be making progress faster.

Disadvantages

- This will need two hearing panels of either three or five people each. Assuming a majority of Councillors on each panel, it may be difficult to find enough Councillors who can commit the time required to form two panels.
- Similarly, it may be difficult to find enough commissioners experienced in water management and who have not already been engaged by submitters.
- There is a greater risk of inconsistencies between decisions of each hearing panel, and the risk that further variations may be needed to remedy them.

- There is less time for checking that decisions from each panel, and between each panel, are coherent and consistent within and between chapters.
- There is little time available for writing the amended Section 32 report following completion of hearings.
- This will require a high level of involvement from external consultants to write officer reports. There is a greater risk of recommendations being inconsistent within and between chapters because of the interconnected nature of the chapters.
- Higher cost for commissioners and consultants.
- Council will probably get negative reactions from submitters because they are likely to get only the minimum legal time ahead of a hearing to read officer reports. Officer reports will be substantial documents.
- Assuming having two panels halves the hearing time set out above (not necessarily valid) and other estimates of time remain constant, then the total "running time" is 63 - 76 weeks. Assuming a June 2006 start, the earliest the release of decisions could occur is between October 2007 and January 2008. Given the uncertainty surrounding the time estimates, and it is likely that they are optimistic, then even having two panels would not meet the target date of September 2007.

Option 2 decisions released by October 2008

Advantages

- Only one hearing panel is needed, so likely to be easier to find Councillors and commissioners who are available.
- Less risk of inconsistencies in decisions within and between chapters because the panel would be aware of all content changes they are recommending.
- There is more time for submitters to read officer reports and prepare for hearings.
- Less reliance on consultants to prepare officer reports thus easier to ensure consistency between officers reports on different parts of a chapter and between chapters. Less goods and services cost as staff will do most of the work.

Disadvantages

- The release of decisions will take 8-12 months longer and therefore delay the chapters gaining more "legal weight".
- Likely to be ongoing criticism of how long the process is taking, although for a document of this size and complexity, the time frames are in keeping with other Councils plans.
- May be harder to get panel members who will be available over this long period of time.

CONSIDERATION OF OPTIONS FOR PANEL MEMBERSHIP

There are three main options for composition:

- 1) One panel comprising all Councillors.
- 2) One panel comprising either three Councillors and two commissioners, or alternatively, two Councillors and one commissioner. If two commissioners, one could be a lawyer and one a technical person, or they could both be technical people.
- 3) One panel comprising two or three commissioners.

Policy making on behalf of the community is one of the key functions of Council and Councillors and therefore it is desirable that Councillors have a major role in the hearing process. Ideally there should be a majority of Councillors on a hearing panel. Option three therefore is not favoured.

Assuming one hearing panel, having five members on the panel allows for a good balance of backgrounds and also provides a buffer if for some reason a panel member is no longer able to continue. This could be all Councillors, or three Councillors and two commissioners. However, a panel comprising two Councillors and one commissioner can equally perform the same tasks.

Many Councillors were involved in the development of NRRP and have an understanding of the soil and water management issues being addressed.

The issue of whether there is one panel or two panels is very much driven by the target date for the completion of hearings and release of decisions. For the 2007 date two panels will be necessary and the number of Councillors may need to drop to two per panel, depending on availability. The functioning of two panels will be limited by the rate at which staff and consultants can deliver officer reports. Additional consultants will be needed to service an accelerated hearing programme.

Being on the hearing panel will be a significant commitment of time. As far as possible hearing panel members need to remain constant as principles of natural justice require that a panel member may only be involved in making decisions on submissions that are heard, where they have heard the evidence presented. Ideally this would be the same panel across all chapters but if there were changes in membership for different chapters, this should not be a problem.

The more commissioners, the more expensive the process, perhaps up to \$3500/day for two commissioners depending on their charge out rates. Based on the number of hearing days (105 – 143), two commissioners could cost between \$367,000 and \$500,000.

RECOMMENDATIONS

That the Council resolves for hearings into submissions on Variation 1 of the Proposed NRRP Chapters 4-8 to:

- *Either appoint one hearing panel comprising three Councillors and two Commissioners to consider submissions and recommend decisions to the Council.*
- *Or appoint two hearing panels each comprising two Councillors and one Commissioner to consider submissions and recommend decisions to the Council.*

That the Councillor members be

That the Chief Executive undertake discussions with potential Commissioners and make recommendations to the next Council meeting.

AGENDA ITEM NO: 9	SUBJECT MATTER: REGIONAL GRAVEL MANAGEMENT REPORT
REPORT: Council	DATE OF MEETING: 2 February 2006
FILE REFERENCES:	PORTFOLIO: Hazards PROJECT: Regional Gravel Management Investigation OUTPUT: Consultation Report
REPORT BY: Natasha Sitarz Resource Management Planner	ENDORSED BY: John Talbot Director Policy and Planning

PURPOSE

To receive Council approval for release of the Regional Gravel Management Report for public consultation.

ATTACHMENTS PREVIOUSLY CIRCULATED

Regional Gravel Management Report (RGMR) previously circulated at workshop.

BACKGROUND

In May 2005 staff presented Council with information showing that the current management approach for gravel extraction is problematic for users and current consenting processes. This is especially evident in the southern rivers of the region where some river reaches are over allocated and consent applications have been put on hold.

In June 2005 Council agreed to fund a Regional Gravel Management Report (RGMR) to be completed by December 2005. The purpose of that report is to investigate the supply of, and demand for gravel in the region, and to propose options for future management.

Because of the time required to prepare the report and implement any resulting Council resolutions, an interim approach is also being developed by Consents and Engineering staff in consultation with southern river gravel contractors and chairpersons of river rating district.

Although public consultation was not undertaken for the initial report it was felt that this was necessary before any recommendations for a new approach to gravel were proposed.

On 27 October 2005 council agreed that a further \$20,000 be made available:

- to the Regional Gravel Management Investigation project to facilitate the validation of gravel cross-section information on the Pareora River by carrying out sample cross sections.
- to provide for region wide stakeholder consultation, on a future management approach for gravel, to be carried out from February to May 2006.

REGIONAL GRAVEL MANAGEMENT REPORT FOR PUBLIC CONSULTATION

The Regional Gravel Management Report is now complete. As tabled for discussion at the Council workshop 30 January 2006, the report provides background on management of river gravels in Canterbury and addresses a number of management options for the future. Although the options are assessed against a set of criteria within the report, there is no recommendation to council for a future management approach. This is to ensure that the results of consultation with key stakeholders and the wider public can be considered and incorporated into any recommendation to council, as proposed for the end of this financial year.

To facilitate public consultation it is proposed that this report be made publicly available. The report and appendices have been externally peer reviewed by a technical expert and the policy aspects have also been peer reviewed internally.

The results from public consultation and the RGMR will form recommendations for a future management approach, which should be presented to Council at the end of this financial year, 30 June 2006.

PROPOSED CONSULTATION

As tabled for discussion at the Council workshop 30 January 2006, public consultation on the RGMR is proposed with the following parties:

- River Rating Districts;
- TRONT;
- Runanga;
- Transit;
- Meridian;
- Trustpower;
- TOLL;
- Department of Conservation;
- Fish and Game;
- Royal Forest and Bird Protection Society;
- District Councils; and
- wider public.

Feedback sought from consultation will focus options for fluvial gravel management in the region.

RECOMMENDATION

That the Regional Gravel Management Report be released for public consultation.

10. REPORT OF THE REGULATION OVERVIEW COMMITTEE

The report of the 31 January 2006 Regulation Overview Committee meeting will be tabled.

11. REPORT OF THE REPRESENTATION REVIEW COMMITTEE

The Council Chairman and Chairman of the Representation Review Committee will provide a verbal update to Council on the review of representation arrangements.

AGENDA ITEM NO: 12	SUBJECT MATTER: CHIEF EXECUTIVE'S ITEMS
REPORT: Council	DATE OF MEETING: 2 February 2006
FILE REFERENCES:	PORTFOLIO: PROJECT: OUTPUT:
REPORT BY: Jude Pani Manager Secretariat	ENDORSED BY:

12.1 DOCUMENTS SEALED

The following documents have been sealed under delegated authority.

- Heads of Agreement Russley Business Park, Johns Road
- Tenancy Agreement Deborah Jean Cumming
House No. 018
97 Kainga Road
- Tenancy Agreement Norman Alfred Ching
House No. 025
1280 Main North Road, Belfast
- Deed to Enter into Encumbrance Diana Isaac & Robert Geoffrey McGregor,
Christchurch City Council, Transit New
Zealand, Canterbury Regional Council
and Christchurch International Airport
Limited
- Memorandum of Agreement for the Provision of Passenger Transport Services
Contracts – Red Bus Limited
277/05 Bryndwr-Barrington
276/05 Burnham-Rolleston & Burnham-
Rolleston Shuttle
274/05 Lincoln
273/05 Templeton-Hornby Shuttle
272/05 Hornby-Southshore & Aranui
271/05 Avondale-Russley
270/05 Burwood-Hei Hei
268/05 Shirley
267/05 Wainoni
269/05 North Shore
- Memorandum of Agreement for the Provision of Passenger Transport Services
Contract 275/05
Lincoln-Hornby Shuttle – Christchurch Bus
Services Limited
- Memorandum of Agreement for the Provision of Passenger Transport Services
Contract 260/04
Orbiter – Leopard Coachlines Limited

- Release of Registered Statutory Land Charge
Hickory Bay Road, Akaroa
Lot 3 DP 72977 & Part Lot 2 DP
8884, & Part Rural Section 33598 &
Part Rural Section 34806

Alexander Thomas Urquhart

- Hickory Bay Road, Akaroa
Part Rural Section 34111, Part Rural
Section 34304, & Part Rural Section
34111.

Alexander Thomas Urquhart and Vicky
Norgate Urquhart

- Christchurch Total Mobility
Wheelchair Accessible Vehicle Grant
2005/06

Cathedral Cabs Limited

- Credit Facility Agreement

Target Pest Enterprises Limited

- Tenancy Agreement
House No. 025
1260 Main North Road

Ian John Rosewarne

- Tenancy Agreement
House No. 048
Lilybank Road, Tekapo

Christopher Mark Morgan

- Deed
Remediation of Sandilands
Residential Area

Ministry for the Environment

- Agreement
Remediation of Sandilands
Residential Area

Ministry for the Environment, Christchurch
City Council and Canterbury Regional
Council

- Deed of Assignment of Lease
Lots 7 and 8 Eyre-Cust Reserves

S W Cowles and Others to T D Harrison

RECOMMENDATION

That the information be received.

12.2 ANNIE DENTON MEMORIAL SCHOLARSHIP TRUST

The Annie Denton Memorial Scholarship Trust (Trust) was established on 15 December 1995 with the Chief Executive Officer of the Canterbury Regional Council as one of three trustees. Mike Bowden was a founding trustee. The Trust is seeking decisions by the Board and has requested the Canterbury Regional Council nominate the current Chief Executive, Dr Bryan Jenkins, as trustee, as Mike Bowden has retired as Chief Executive.

RECOMMENDATION

That the Council nominates the Chief Executive, Dr Bryan Jenkins, as trustee for the Annie Denton Memorial Scholarship Trust.

AGENDA ITEM NO: 13	SUBJECT MATTER: FINANCIAL REPORTS ON COUNCIL PORTFOLIO ACTIVITIES
REPORT: Council	DATE OF MEETING: 2 February 2006
FILE REFERENCES:	PORTFOLIO: PROJECT: OUTPUT:
REPORT BY: Mark Smith Financial Accountant	ENDORSED BY: Wayne Thomas Director Finance and Corporate Services

Attached is the financial summary of the Council's activities for the six months ending 31 December 2005.

RECOMMENDATION

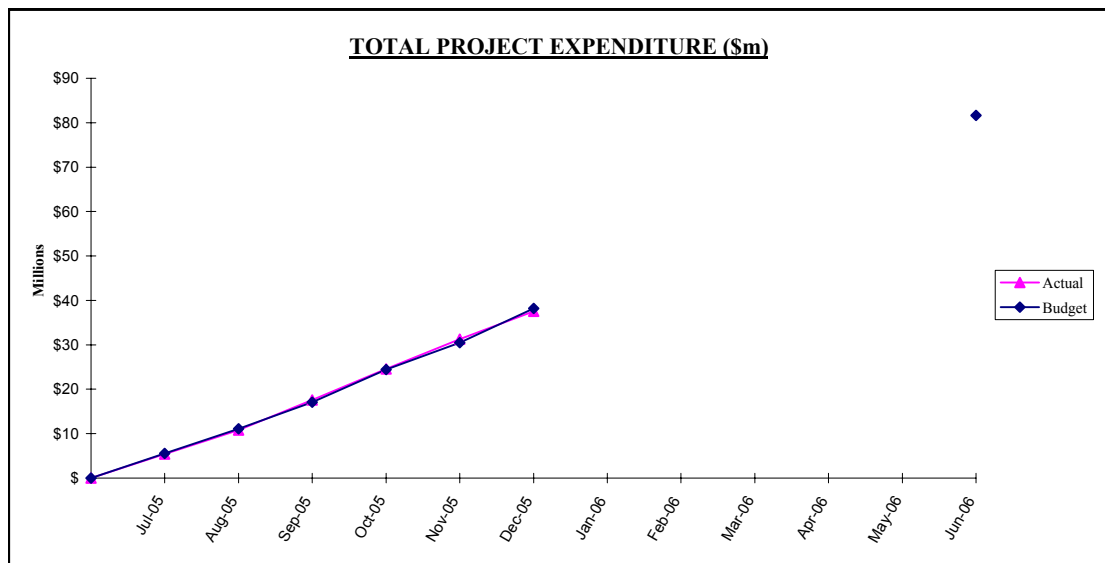
That the information on the financial reports for the period ending 31 December 2005 be received.

Environment Canterbury Financial Summary for the six months to 31 December 2005.

<i>\$000</i>	<i>Revenue YTD</i>			<i>Expenditure YTD</i>			<i>(Surplus)/Deficit YTD</i>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance (f/u)</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance (f/u)</u>	<u>Actual</u>	<u>Budget</u>	<u>(Surplus)/Deficit variance to budget (f/u)</u>
<i>Summary</i>									
Total Projects	\$ 36,650,220	\$ 35,325,245	\$(1,324,975)	\$ 37,532,969	\$ 38,195,309	\$ (662,340)	\$ 882,749	\$ 2,870,064	\$ (1,987,315)
<i>By Portfolio</i>									
Air Quality	3,823,522	2,736,019	(1,087,503)	5,703,102	3,896,472	1,806,630	1,879,580	1,160,453	719,127
Civil Defence	836,937	782,328	(54,609)	753,490	796,960	(43,470)	(83,447)	14,632	(98,079)
Coastal Environment	580,226	622,043	41,817	457,356	621,916	(164,560)	(122,870)	(127)	(122,743)
Energy	110,162	109,982	(180)	90,936	109,952	(19,016)	(19,226)	(30)	(19,196)
Land	1,100,071	1,048,017	(52,054)	794,389	1,027,152	(232,763)	(305,682)	(20,865)	(284,817)
Natural Hazards	4,768,331	4,594,475	(173,856)	4,286,205	4,260,891	25,314	(482,126)	(333,584)	(148,542)
Navigation & Safety	332,230	324,192	(8,038)	244,610	324,175	(79,565)	(87,620)	(17)	(87,603)
Pest & Biosecurity	4,207,115	3,944,676	(262,439)	3,869,510	3,989,524	(120,014)	(337,605)	44,848	(382,453)
Public Passenger Transport	10,439,708	10,412,864	(26,844)	12,159,543	12,098,479	61,064	1,719,835	1,685,615	34,220
Regional Land Transport	355,512	431,233	75,721	242,305	505,794	(263,489)	(113,207)	74,561	(187,768)
Waste, Haz Sub & Cont Sites	423,105	422,823	(282)	305,649	457,826	(152,177)	(117,456)	35,003	(152,459)
Water	3,076,752	3,038,537	(38,215)	2,542,209	3,082,329	(540,120)	(534,543)	43,792	(578,335)
RMA Regulatory	3,480,113	3,893,677	413,564	3,380,966	3,893,506	(512,540)	(99,147)	(171)	(98,976)
Democratic Process	3,116,436	2,964,379	(152,057)	2,702,699	3,130,333	(427,634)	(413,737)	165,954	(579,691)
	\$ 36,650,220	\$ 35,325,245	\$(1,324,975)	\$ 37,532,969	\$ 38,195,309	\$ (662,340)	\$ 882,749	\$ 2,870,064	\$ (1,987,315)

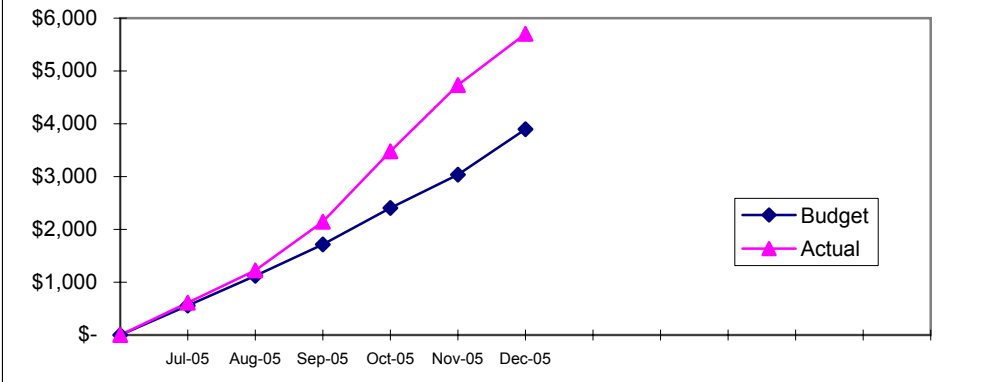
(Surplus) to budget (\$000's):

General Rate Funded	(2,459)
Separate Rate Funded	368
User Pays Funded	104

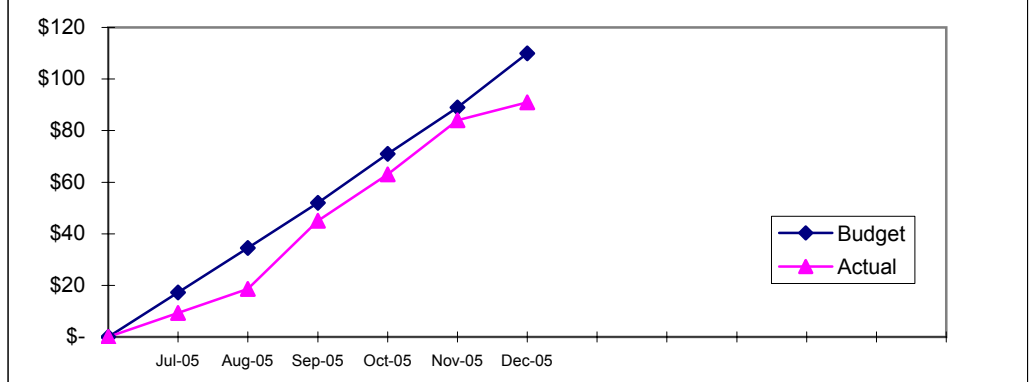


Expenditure By Portfolio

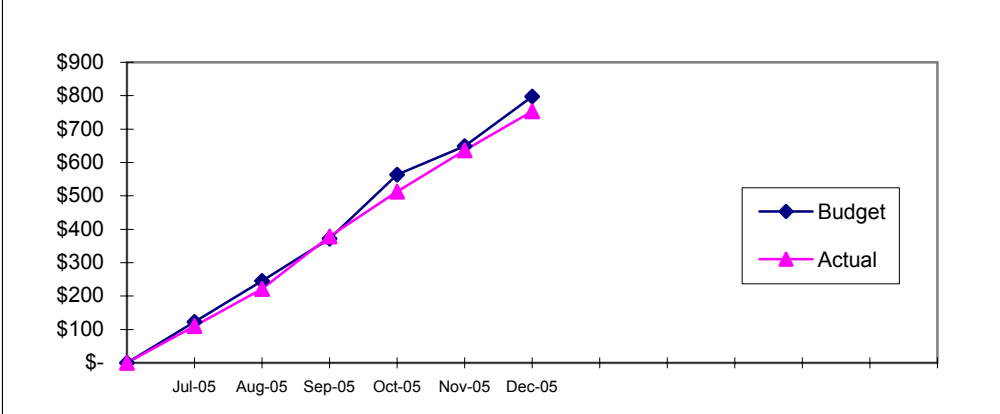
Air Quality (\$000)



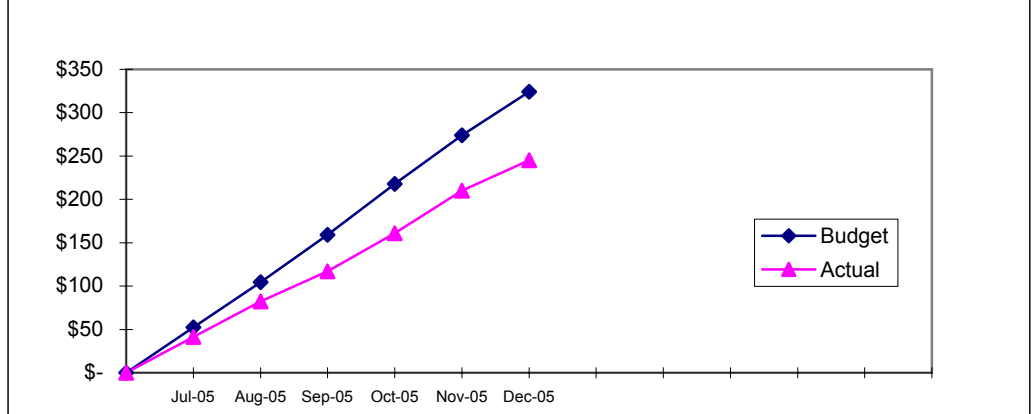
Energy (\$000)



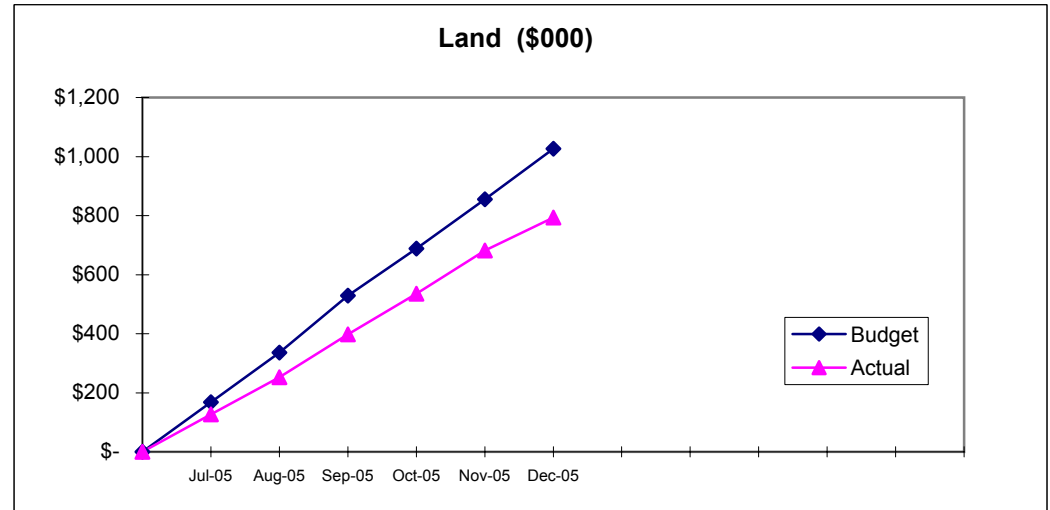
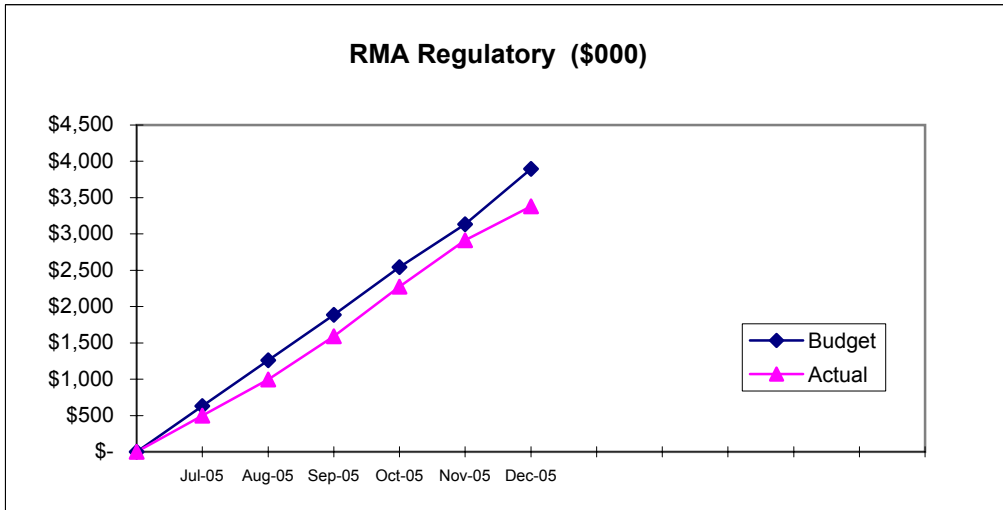
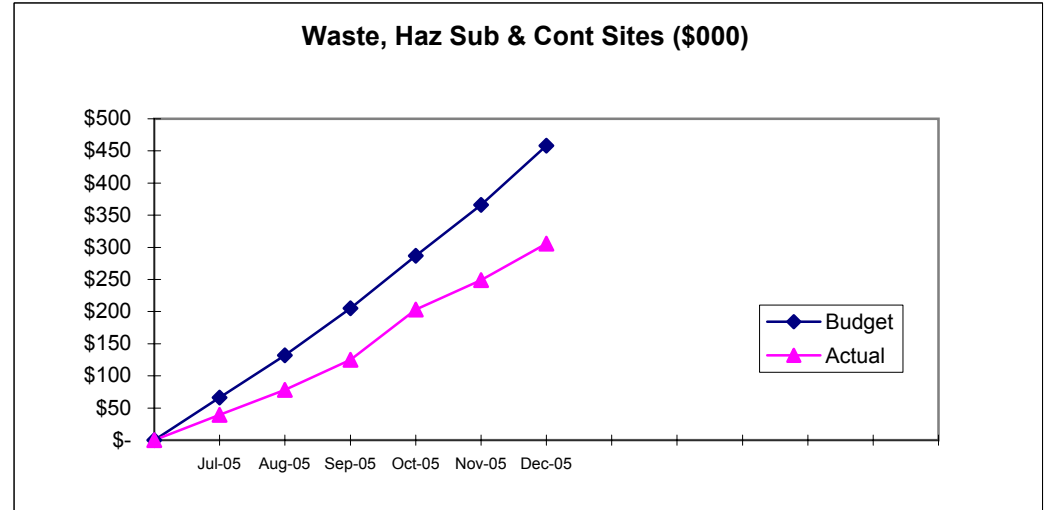
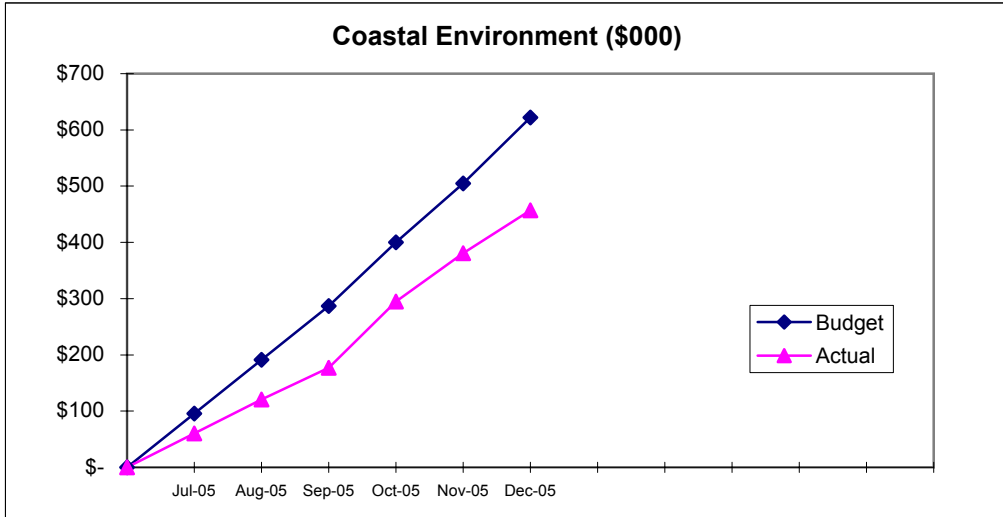
Civil Defence (\$000)



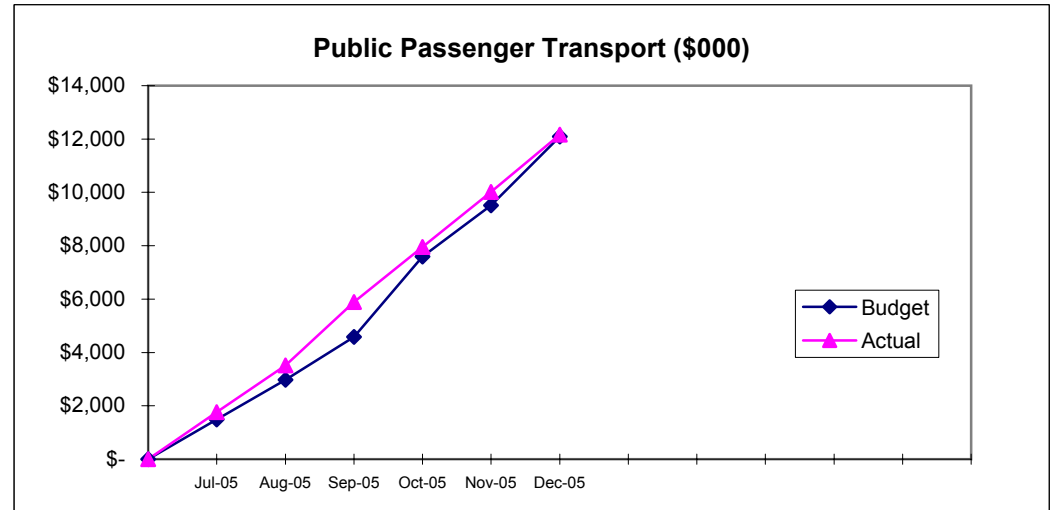
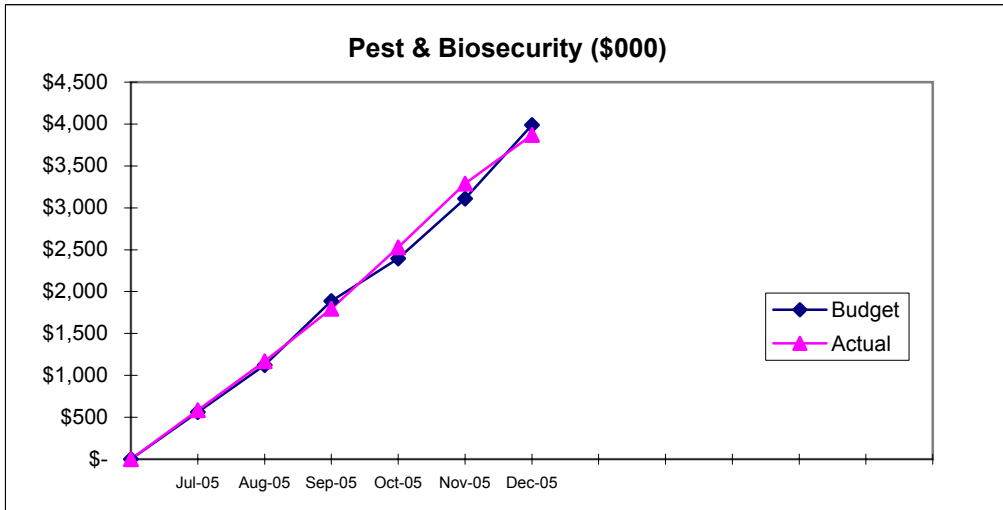
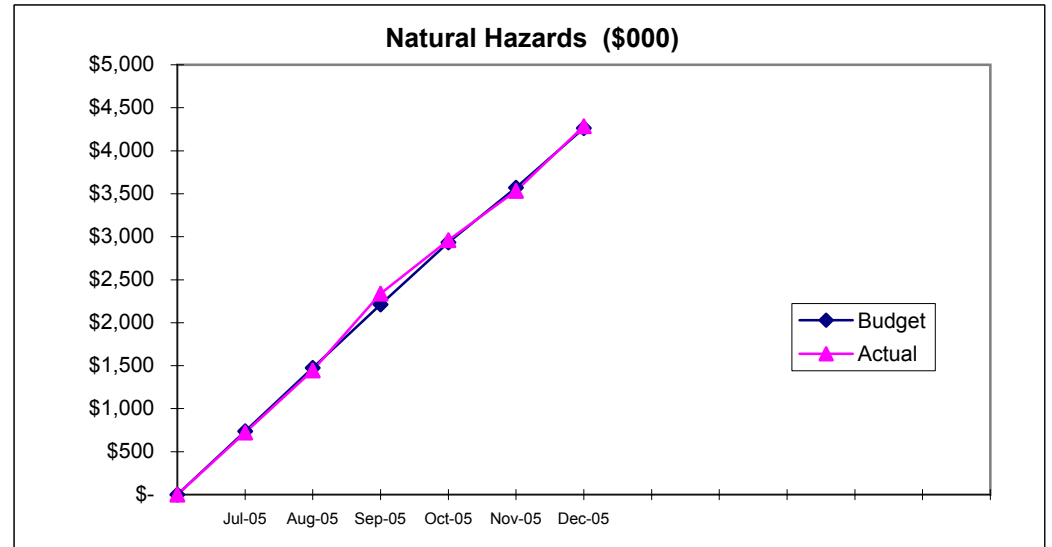
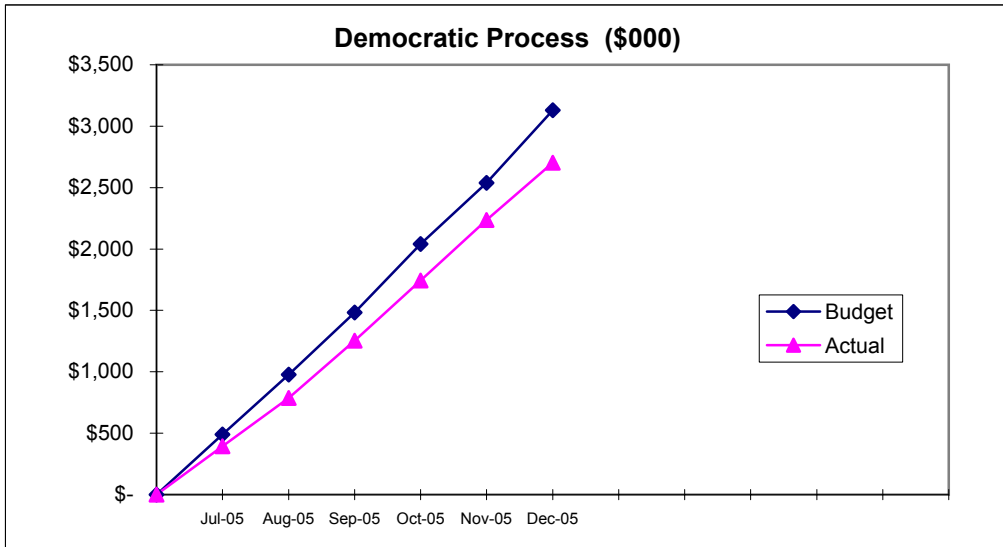
Navigation & Safety (\$000)



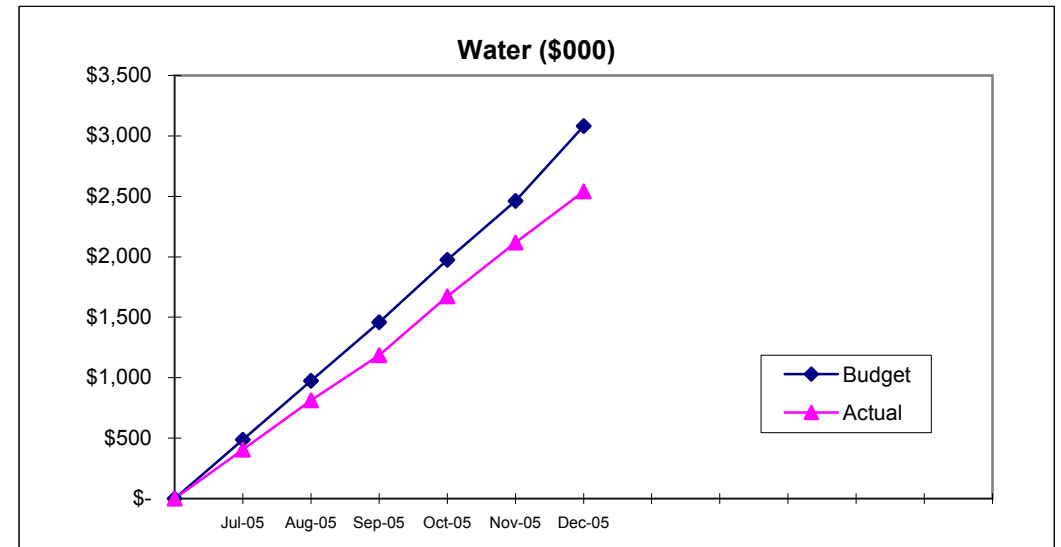
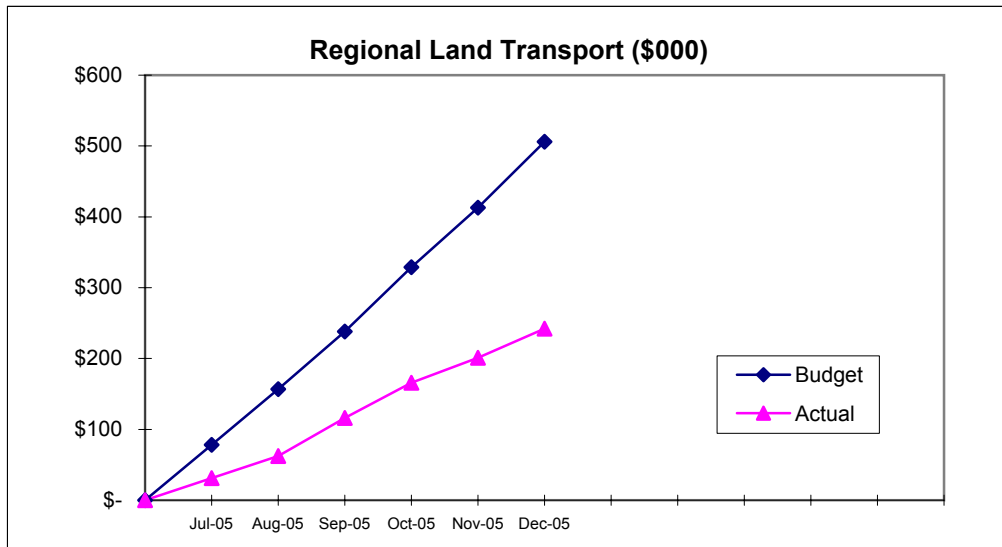
Expenditure By Portfolio



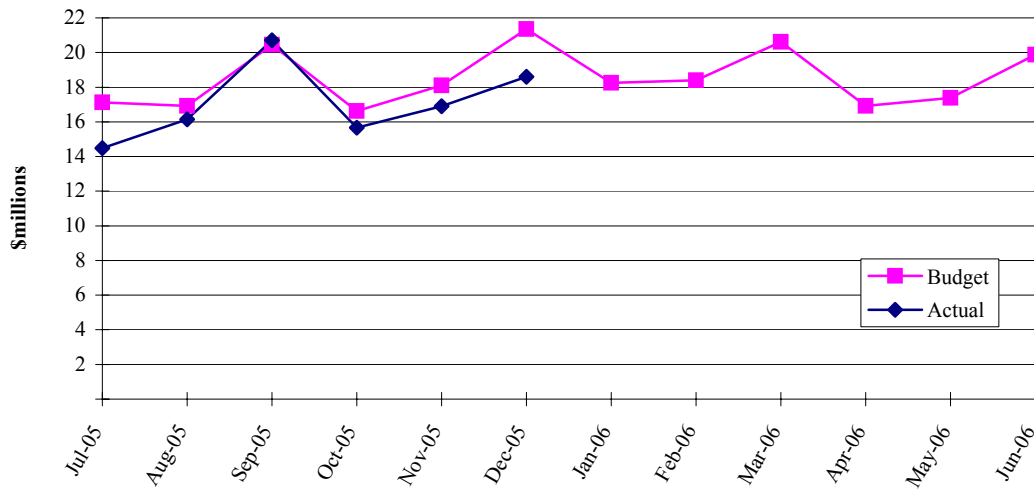
Expenditure By Portfolio



Expenditure By Portfolio

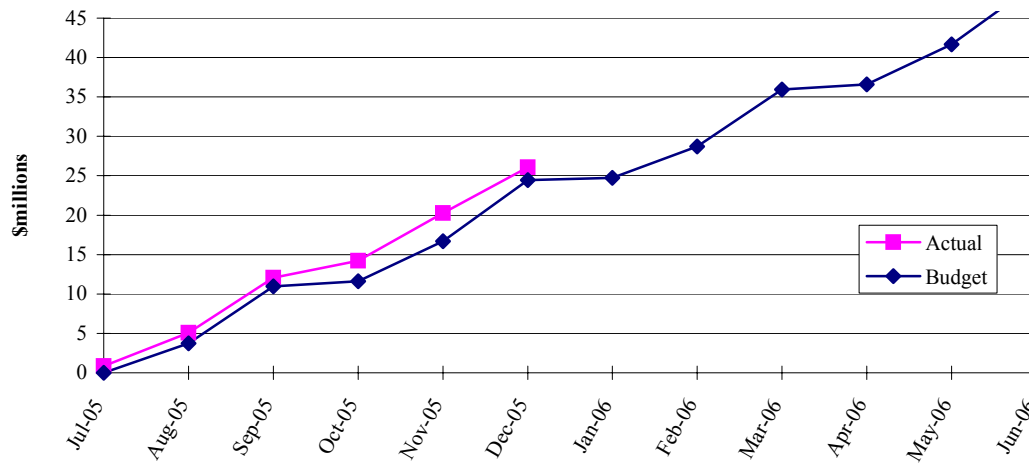


CASH POSITION



The cash position during the period ending 31 Dec 2005 fluctuated between \$16.8m and \$20.4m with an actual cash position at the end of the month of \$18.5m, \$2.7m below budget

RATES CASHFLOW



Rates cashflow to 31 Dec 2005 is showing a favourable variance compared to budgeted rates cashflow of \$1.6m due to receipt of 2004/2005 residual rates (CCC) and early receipts of rates from CCC/Ashburton.

VARIANCE COMMENTARY ON DECEMBER 2005 RESULTS

Air Quality \$719k unfavourable

- Incentives Scheme – Air (\$879k unfavourable): Uptake of the full assistance subsidies has been higher than budgeted this year however uptake of the partial subsidy air incentives is still lower than anticipated. A proposal has been developed for a loans scheme to commence in February 2006 with the intention of increasing participation while maintaining the same cost to ratepayers.
- Air Quality Investigations (\$64k favourable): A grant from the Sustainable Management Fund was carried forward from the 2004/05 year.
- Natural Resources RP – Air (\$51k favourable): Commissioners have requested background material to the Proposed NRRP and one additional hearing is to be held on 30th January 2006.

Emergency Management \$99k favourable

- CCC & BPDC Training (\$27k favourable) & CCC & BPDC Readiness Response (\$15k favourable): Expenditure will come back into line with budget over the coming months.
- Public Information – Civil Defence – Regional (\$28k favourable): Main expenditure will now occur during the last quarter of the year.

Coastal Environment \$123k favourable

- Regional Coastal Environmental Plan (\$50k favourable): Issues in relation to water space allocation are still being worked through. These issues relate to coastal occupation charges and aquaculture implementation.
- Coastal Water Quality Monitoring (\$25k favourable): Planned lab analyses are yet to be undertaken, however these will occur in the coming months.

Land and Biodiversity \$285k favourable

- Sustainable Land Use Practices Promotion (\$125k favourable): Income is higher due to an unbudgeted grant from the Biodiversity Condition Fund for the protection and enhancement of Lake Pearson wetlands. Due to a delay in replacing a staff member, expenditure is lower than budgeted. The position has now been filled and activity within this project will increase.
- Landscape, Ecology & Heritage Monitoring (\$69k favourable): Planning is underway to determine how goods and services should be spent on the protection and enhancement of sites of significance on reserve lands.
- Regional Identity (\$30k favourable): A grant from the Biodiversity Fund in relation to Wetlands was carried forward from the 2004/05 year.
- Urban Development Strategy (\$33k favourable): Work has been slower than anticipated due to a change of key staff member at the Christchurch City Council. Also currently awaiting an invoice for work completed to date.
- Living Steams Communications (\$23k favourable): Expenditure will come back into line with budget over the coming months.
- Tenure Review (\$30k unfavourable): A greater number of tenure review proposals have been received that initially anticipated. There have been a larger number of proposals notified up to the end of December than for the whole of 2004/05.
- District Planning Liaison – Land (\$25k unfavourable): Environment Court costs have been higher than budgeted however it is anticipated that these will reduce in early to mid 2006.

Hazards \$149k favourable

- Advisory – River Engineering (\$64k unfavourable): Un-programmed work on managing gravel extraction was not budgeted for and has required additional staff time.
- Earthquake Hazard and Risk Assessment (\$25k favourable): A number of consultancy studies are currently underway and the invoices for this work will be received in the coming months.
- Catchment Works In Rating Districts (\$45k favourable): All work to date has been as per programme and we expect this project to be on budget by year end.
- Regional Reserves (\$41k favourable): Actual expenditure to date has been lower than planned however this will come back into line during the year. Lease income has also been higher than budgeted.
- Ashley Floodplain Hydraulic Modelling (\$21k favourable): Expenditure within this project will come back into line in the second half of the year.
- State of the Environment Report – Natural Hazards (\$21k favourable): The template has now been developed and writing is due to get underway during the last six months of the year.

Navigation Safety \$87k favourable

- Harbours Recreational (\$70k favourable): Expenditure is driven by external events which have not occurred to budgeted levels.

Pest & Biosecurity \$382k favourable

- Biodiversity Strategy (\$24k favourable): Currently working through the consultation process however the costs of full consultation will now be incurred in the second half of the year.
- Rabbit Compliance Inspections (\$39k favourable): The bulk of the work will take place following the RHD epidemics that occur later in the year.
- Bovine TB Management (\$26k unfavourable): Operational work is ahead of the budgeted work programme.
- Canterbury Contribution to the NPMS for Varroa Bee Mite (\$99k favourable): ECan's contribution will be made later in the year.
- Surveillance of Potential Pests (\$101k favourable): The payment to maintain pest control capabilities in Canterbury has not yet been made.
- Containment Control Plants Compliance Insp – Old Mans Beard (\$39k favourable): This project is currently on target and actual expenditure will come back into line over the year.
- Wilding Conifer Control (\$42k favourable): Will come back into line during the coming months.
- Rabbit Population Trend Monitoring (\$28k unfavourable): The collection of field data has been completed and analysis of results is ahead of schedule.
- Progressive Control Plants Compliance Inspections (\$49k favourable): The project is well advanced with high levels of compliance being found. Expenditure will come back into line with budget over the coming months.
- Plant Pests Threats to Biodiversity (\$23k favourable): Wild Thyme and Bell Heather control is due to commence in Jan-06.
- Animal Pests Threats to Biodiversity (\$20k unfavourable): Feral goats control programme is fully complete for the year and ahead of schedule.
- CC Plants Biological Operations – Rating Districts (\$21k favourable): Biological operations do not commence until agents become active during the summer period.

Public Passenger Transport \$35k unfavourable

- Passenger Services Tendering & Contract Mgmt (\$38k unfavourable): The overspend in this project is due to a number of commercial and contracted services being handed back, requiring either variations or re-tendering.
- Passenger Services Contract Payments CHCH (\$73k unfavourable): An accounting adjustment to Transfund grant is required. This will be made in Jan-06.
- Passenger Service Ticketing (\$28k unfavourable): Additional expenditure has been due to further investigation into alternatives for the Clearing House and Ticketing system.
- Passenger Contract Payments South Canterbury (\$23k unfavourable): Expenditure is higher than budget due to Inflation indexing and revised contracts. This has been offset to some degree by increased grants.

Regional Land Transport \$189k favourable

- Road Safety Co-ordination (\$41k favourable): LTSA Grants have been budgeted for later in the year and will be back in line with budget by the end of the financial year.
- Regional Land Transport Strategy (\$109k favourable): Due to staff availability, work will now take place later in the year.
- Stock Effluent Disposal Sites (\$34k favourable): ECan's contribution towards the construction costs of the Kaikoura effluent disposal facility will be paid later in the year when the facility is completed.

Waste, Hazardous Subs and Contaminated Sites \$152k favourable

- Regional Hazardous Waste Management Strategy (\$53k favourable): Work is underway and will come back in line with budget during the year.
- Regional Waste Exchange (\$20k unfavourable): Work is on schedule and will come back into line in the coming months.
- Regional Hazardous Substances Management (\$29k favourable): Some larger pieces of work are due to be underway by Jan/Feb05 so expenditure will come back into line at this stage.
- Contaminated Site Investigations (\$23 favourable): Expenditure will come back into line once contract invoices are received.

Water Quality, Quantity and Ecosystems \$578k favourable

- G/Water Investigations, Drilling & Testing (\$82k favourable): Expenditure is down due to the loss of a staff member and additional work required on consents.
- Surface Water Quality Investigations (\$35k favourable): Programmed work has been delayed by Didymo surveys, however it will be starting again over the coming months.

- Surface Water Resource Investigations (\$87k favourable): Additional work on monitoring has been offset by a reduction of investigation work. This is planned to even out during the year.
- Surface Water Resource Monitoring (\$69k unfavourable): Additional work on monitoring has been offset by a reduction of investigation work. This is planned to even out during the year.
- Natural Resources RP – Water (\$204k favourable): Notifications haven't occurred as early as expected due a number of factors including staff capacity.
- Minimum Flow Establishment (\$49k favourable): Notifications haven't occurred as early as expected due a number of factors including staff capacity.
- Canterbury Strategic Water Study (\$62k favourable): Work is currently underway on Stage 3 of the study and further expenditure will now occur as funding has been received from the Ministry of Economic Development.
- State of the Environment – Water (\$24k favourable): The template has now been developed and writing is due to get underway during the last six months of the year.
- Groundwater Quality Investigations (\$26k favourable): Field investigations began in November 2005 and expenditure will come back into line with budget.
- Groundwater Resource Monitoring (\$32k favourable): This variance is being investigated.
- Water Resource Monitoring (\$21k favourable): Flood and drought reporting is behind because of Selwyn/Rakaia hearing work taking priority.
- Opihi River & Catchment RP (\$29k favourable): NRRP Variation 2 has diverted staff from working on this project.
- District Planning Liaison – Water (\$25k unfavourable): Environment Court costs have been higher than budgeted however it is anticipated that these will reduce in early to mid 2006.

Regulation \$99k favourable

- Advisory Services (\$48k favourable), Permitted Activities Compliance Monitoring (\$43k favourable): Staff time on these projects is reduced due to a combination of leave, vacancies and work required on other projects.
- Resource Consent Compliance Monitoring (\$73k unfavourable): Staff have been diverted to other projects which has affected the margin earned on this user pays activity.
- RMA Enforcement (\$102k favourable): Enforcement activity has been lower than expected during the first half of the year.
- Annual Compliance Monitoring Report (\$32k favourable): Annual reports are to be completed later in the year.
- Permitted Activities Compliance Monitoring – Air – North (\$43k favourable): Expenditure will come back into line with budget over the following months.

Democratic Process \$579k favourable

- Public Information – Corporate (\$95k favourable): Due to work on the Annual Report & LTCCP staff time on this project has been lower than expected.
- Annual Report (\$86k unfavourable): Most work on the annual report is completed between July and October of the financial year and by year end this project will be back on budget.
- Long Term Council Community Plan – LTCCP (\$40k favourable): Significant work on the LTCCP will be undertaken in the next few months bringing the project back into line with budget.
- Plan Implementation & Effectiveness Monitoring Systems (\$130k favourable): Staff time is under budget as staff are fully committed at this time of year, however activity will increase during the year although the staff budget is unlikely to be fully utilised by year end.
- Chatham Islands Council Services (\$296k favourable): This contract commenced in February 2005 and the full amount was not utilised by balance date resulting in some funds being carried forward to this financial year. In addition staff have been fully occupied on ECan projects during the first half of the year and have had less time available for work on CIC. This is expected to change over the next few months.
- Liaison Tangata Whenua (\$37k favourable): Requests for Liaison staff time have been higher than budgeted.
- Regional Strategy (\$27k favourable): Expenditure on this project is as required. There are a number of initiatives which will call on these funds later in the year.
- Council Elections (\$41k favourable): Due to 2005-06 year not being an election year, expenditure will not be incurred but will be taken to reserves for use in election year.
- Regional Policy Statement Review (\$59 favourable): This is currently being investigated.
- Portfolio Strategic Communications (\$25k favourable): Activity within this project will occur between Feb-Jun06.
- Advisory Services – Corporate (\$41k unfavourable): The variance is a result of the fluctuation of LIR sales against target.
- Ratepayer Servicing (\$42k unfavourable): Expenditure should move closer to budget in Jan-06 however the demand for enhanced communication aids may impact later in the year.

AGENDA ITEM NO: 18	SUBJECT MATTER: MEETING WITH PUBLIC EXCLUDED
REPORT: Council	DATE OF MEETING: 2 February 2006
FILE REFERENCES:	PORTFOLIO: PROJECT: OUTPUT:
REPORT BY: Jude Pani Manager Secretariat	ENDORSED BY:

MEETING WITH PUBLIC EXCLUDED

The Chairman will move:

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

Public Excluded Minutes – 8 December 2005

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Confirmation of Minutes	That good reason exists for not discussing the matter with the public present and is not outweighed by the public interest.	Section 48(1)(a)

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

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

Maintain legal professional privilege – Section 7(2)(g).

Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the council-controlled organisation which supplied or which is the subject of the information - section 7(2)(b)(ii).

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