

**MEETING OF THE
WATER QUALITY, QUANTITY AND ECOSYSTEMS
PORTFOLIO COMMITTEE**

**TO THE CHAIRPERSON AND MEMBERS OF THE
COMMITTEE**

MEMBERSHIP OF THE COMMITTEE

Cr M E Oldfield (Chairperson)

Cr T K Burke
Cr E H Cunningham
Cr R M Kirk
Cr R I R Little
Cr A R McKay
Cr J F Slee

A meeting of the Committee will be held on

Tuesday, 14 November 2006 at 11:15 a.m.

VENUE: Council Chamber
First Floor
Pegasus Building
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 COUNCIL**

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COMPLIANCE WITH LOCAL GOVERNMENT ACT 2002 DECISION-MAKING REQUIREMENTS

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

The compliance statement and checklist will not be used for:

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

COMPLIANCE STATEMENT

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

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

INFORMATION CHECKLIST

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

Notes:

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

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

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

ENVIRONMENT CANTERBURY
WATER QUALITY, QUANTITY AND ECOSYSTEMS
PORTFOLIO COMMITTEE

ORDER PAPER

1. APOLOGIES
2. MINUTES OF MEEING – 22 August 2006
3. MATTERS ARISING
4. DEPUTATIONS AND PETITIONS

MATTER FOR RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE

5. 2007/08 ANNUAL PLAN – PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES

6. NOTICES OF MOTION
7. EXTRAORDINARY AND URGENT BUSINESS
8. QUESTIONS
9. NEXT MEETING – TBA

ENVIRONMENT CANTERBURY

WATER QUALITY, QUANTITY & ECOSYSTEMS PORTFOLIO COMMITTEE

MINUTES OF THE MEETING OF THE WATER QUALITY, QUANTITY & ECOSYSTEMS PORTFOLIO COMMITTEE HELD ON WEDNESDAY 22 AUGUST 2006 IN THE COUNCIL CHAMBER, FIRST FLOOR, PEGASUS BUILDING, 58 KILMORE STREET, CHRISTCHURCH FROM 9.30PM.

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1. APOLOGIES
2. MINUTES OF MEETING – 31 August 2005
3. MATTERS ARISING
4. DEPUTATIONS AND PETITIONS

MATTER FOR RECOMMENDATION TO COMBINED PORTFOLIOS COMMITTEE

5. 2007/08 ANNUAL PLAN

MATTER FOR COMMITTEE DECISION

6. COMMUNICATIONS STRATEGY
7. NOTICES OF MOTION
8. EXTRAORDINARY AND URGENT BUSINESS
9. QUESTIONS
10. NEXT MEETING

PRESENT

Crs M E Oldfield (Chairperson), T K Burke, E H Cunningham, R I R Little, A R McKay and J F Slee.

IN ATTENDANCE

Crs A S Carroll, R H M Johnston and A G Neill

MANAGEMENT AND STAFF PRESENT

B R Jenkins (Chief Executive), D A Griffiths (Director Investigations and Monitoring), J D Talbot (Director Policy and Planning), K Crisley (Portfolio Manager Water Quality, Quantity and Ecosystems), E Walker (RMA Enforcement and Compliance Manager), W Simpson (Communications & Relations Manager), M O'Donnell (Community Relations Team Leader) and L M McDonald (Administration Officer).

1. APOLOGIES

Cr R M Kirk (leave of absence)

2. MINUTES OF MEETING – 31 AUGUST 2005

Cr Slee requested that it be noted that her apology for the 31 August 2005 meeting was due to her attendance at a Waitaki Plan hearing.

Resolved

The minutes of a meeting held 31 August 2005 were taken as read and, subject to the reason for Cr Slee's apology being noted and the inclusion of Cr Johnston as being in attendance, were confirmed as a correct record of proceedings and be adopted.

Cr McKay/Cr Little

3. MATTERS ARISING

Cr McKay asked for a progress report on the development of templates for stormwater consents issued by territorial authorities.

4. DEPUTATIONS AND PETITIONS

Nil.

MATTER FOR RECOMMENDATION TO COMBINED PORTFOLIOS COMMITTEE

5. 2007/08 ANNUAL PLAN

Kathleen Crisley introduced this item and drew Councillors attention to the current A-list priorities in the water portfolio listed on page 14 of the agenda.

The Committee discussed the process of identifying priorities and reviewing activities within the water portfolio and the wider issue of links to other portfolios, for example land and pests.

Cr Little raised the issue of monitoring of permitted activities, noting that this issue had been discussed by the Land Portfolio Committee. He suggested that Council should be considering self-management systems as well as an effective method of auditing permitted activities.

Cr Slee passed on concerns that she has heard in the community that the Council is considering charges for water when potentially affected landowners already pay high rates, consent charges, and charges for information. Cr Slee also voiced her concern about the feedback question on water resource management used through the LTCCP process to obtain a view on water charging, noting that some Waitaki constituents did not receive copies of "Living Here" in which the submission form was provided.

Recommended

That the Portfolio Committee workshop any changes to funding policies on water matters

Cr McKay/Cr Slee

(Note: at the Combined Portfolio Committee meeting of 23 August the words "any changes to" were deleted from this recommendation.)

During a discussion on review of minimum environmental flows, Cr Johnston said that there was a perception that that while Council consults with Advisory Groups, Council has already adopted a view.

Dr Jenkins replied that Council officers provide technical and scientific information, but the decision will be made by the Council after considering all the concerns presented.

CURRENT A-LIST PRIORITIES

Kathleen Crisley described each of the current A-list priorities for the water portfolio that had been prepared by the Chief Executive and the Directors' Steering Group.

The following items and issues were identified:

- The need for consensus in relation to the Urban Development Strategy and the Christchurch Recharge zone.
- A variation to the NRRP on interpretation of key phrases and application of stream depletion, as a work priority, has value in its own right beyond any Environment Court aspects.

Cr Oldfield noted that more information would need to be available for further priority decisions to be made and this would be considered further at a Council workshop.

Cr Slee left at 12.20pm.

TABLE 4: BUDGETS 2006/07 & 2007/08

Cr Little queried the urgency for minimum flow reviews for the Waiau, Orari and other rivers and suggested that the priorities be reviewed.

Proposed Cr Little, seconded Cr Oldfield

That the committee recommends that the Council looks at river minimum flows under Natural Regional Resources Plan for various rivers to consider priorities and possible deferments.

This motion was LOST

Recommended

1. ***That the Portfolio Committee receives this information; and***
2. ***That the Portfolio Committee recommends that any changes to the planned 2007/08 outputs be signalled as soon as possible to a special meeting of the Portfolio Committee, to enable it to recommend matters that should be canvassed with key stakeholders; and***
3. ***That detail about the A-list work priorities is discussed with the Council in an October 2006 workshop item.***

Cr Burke/Cr McKay

6. COMMUNICATION STRATEGY 2006/07

Bill Simpson introduced this item and explained that Councillors' comments were invited on the current year's communication strategy.

The practice of having staff provide initial scientific data to the media was discussed. The value of having the portfolio chair, with the constituent councillor, for further comment was stressed.

In response to a question regarding which media outlets the Council uses, Bill Simpson advised that it is assessed on an issue by issue basis and consideration of the effectiveness of the costs.

Resolved

That the committee receives the 2006/07 Water Quality and Ecosystems portfolio communication strategy.

Cr Cunningham/Cr Burke

MATTERS FOR INFORMATION

7. NOTICES OF MOTION

Nil

8. EXTRAORDINARY AND URGENT BUSINESS

Nil

9. QUESTIONS

Nil

10. NEXT MEETING

2006

The meeting closed 1.00 pm.

CONFIRMED

DATE _____ CHAIRPERSON

AGENDA ITEM NO: 5	SUBJECT MATTER: 2007/08 ANNUAL PLAN - PROPOSED LEVEL OF SERVICE AND LEVEL OF FUNDING CHANGES
REPORT: Water Quality, Quantity and Ecosystems Portfolio Committee	DATE OF MEETING: 14 November 2006
FILE REFERENCES:	PORTFOLIO: Water Quality, Quantity and Ecosystems PROJECT: – OUTPUT: –
REPORT BY: Kathleen Crisley, Portfolio Manager, Water	ENDORSED BY: George Griffiths, Director Investigations & Monitoring

PURPOSE

1. To receive stakeholder feedback on possible shifts in direction identified in August 2006.
2. To recommend priorities, tradeoffs or deferrals for the 2007/08 Annual Plan to the Combined Portfolios committee, to enable staff to undertake the necessary budget amendments.
3. To prepare responses for the Finance and Audit Committee Review of Portfolios.

ATTACHMENTS

- Appendix 1: LTCCP Budgets for 2007/08
- Appendix 2: Water portfolio priorities spreadsheet

Please bring the following to the meeting:

- The 2006-16 LTCCP
- Project Levels of Service and Funding for 2006/07

BACKGROUND

Whilst the Annual Plan for 2007/08 was set as part of the long term delivery of ECan's contributions to community outcomes, it is appropriate to look at the need to fine tune the annual programme to:

- ensure we are on course,
- reflect new information about resource demand,
- respond to changes in the operating environment,
- review alternative methods of funding, and
- review alternative methods of service delivery.

The Portfolio Committee has two tasks to complete:

1. PROGRESSING THE 2007/08 ANNUAL PLAN PROCESS- This will involve consideration of stakeholder feedback on possible shifts in direction identified by the Committee in August 2006, and the provisional rates estimates for 2007/08 for a range of indicator properties across Canterbury. Following this, the Committee will make decisions on the shifts in direction to the levels of service and levels of funding in the LTCCP for 2007/08, if any, to recommend to the Combined Portfolios Committee, having regard to priorities, tradeoffs or deferrals to the levels of service and levels of funding in the LTCCP for 2007/08.

2. PREPARING FOR THE FINANCE AND AUDIT COMMITTEE REVIEW OF PORTFOLIOS- This involves the review of portfolios' preparations for the 2007/08 Annual Plan to be undertaken

by the Finance and Audit Committee. The review will examine the reasons behind budget decisions to ensure that proposals going forward into the 2007/08 budget have been systematically and rigorously analysed. Portfolio Committees will be asked 11 questions relating to:

- Level of service and level of funding
- Cost effectiveness and cost efficiency of service delivery
- Project priorities
- Funding alternatives

The questions are set out in Part 2 of this paper.

IS AN AMENDMENT LIKELY TO BE REQUIRED TO THE 2006-16 LTCCP?

At this stage it is considered that the proposed changes to the 2007/08 budget and work programmes identified in August are not significant enough to trigger an amendment to the LTCCP. Amending the LTCCP is to be avoided as any amendment would almost certainly involve a full financial audit. This would necessitate extra council meetings to adopt documents pre and post audit, with attendant timing constraints and costs. The intention of the Local Government Act in respect of LTCCPs is to provide a high level of certainty for ratepayers, which means not changing them more than necessary. The LTCCP concept is to provide programmes over 10 years and variations between years will occur, which do not constitute amendments to the 10 year plan. This could include variations to the levels of rates.

Annual Plans are able to accommodate variations to the LTCCP, provided they do not include the matters listed in sec 97 of the Local Government Act and they do not alter significantly intended levels of service (significantly is not defined).

The question will become clearer when the extent of changes is confirmed at the December Council meeting.

WHAT IS THE NEXT STAGE?

At the completion of Portfolio Committee meetings and the Finance and Audit Committee Review of Portfolios, the Combined Portfolios Committee will consider individual Portfolio Committees' recommendations for recommending to the Council in November. The Finance and Audit Committee will report the findings of its Review of Portfolios separately to the Council in December.

Following this, staff will undertake the detailed budgeting work required and bring back a proposed draft budget in February to be adopted as the basis for the Draft 2007/08 Annual Plan.

Councillors are reminded that this November round of Portfolio Committee meetings is the second of three opportunities to introduce further changes. **The last opportunity is at the December Council meeting.**

PART 1: 2007/08 ANNUAL PLAN

Councillors will recall that the starting point for the 2007/08 Annual Plan is the levels of service and levels of funding in the LTCCP for 2007/08 and that increases in both have already been provided in 2007/08.

Councillors are reminded of the agreed principles for developing the 2007/08 Annual Plan.

1. The overarching objective is to manage variations to the LTCCP within the 2007/08 expenditure and revenue forecasts in the LTCCP (total exp +3.8%, gen rates +7.3%).
2. If possible, avoid introducing matters requiring the LTCCP to be amended.
3. Budget may be re-allocated within and between portfolios to manage changed circumstances.
4. Options must be developed for any variations.

Background information for this portfolio can be found as follows.

Portfolio information

Portfolio information for 2007/08 can be found in the following places in the 2006-16 LTCCP:

- Levels of service: pp 75-77
- Level of funding: p 79

Activity and parent project information

Activity and parent project level of funding for 2007/08 can be found in Appendix 1. This also includes a comparison with 2006/07 and the reasons for any significant increases. Details of the possible shifts in direction raised at the August Portfolio Committee meetings, if any, are also shown.

While parent project levels of service for 2007/08 have not yet documented, they will be generally similar to those for 2006/07, which can be found on p 45 of Project Levels of Service and Funding for 2006/07.

RECOMMENDATIONS FROM THE AUGUST PORTFOLIO COMMITTEE MEETINGS

The purpose of the August meetings was to identify, as early as possible in the budget process, any possible shifts in direction for 2007/08, over and above the LTCCP, and to consider the impact of these on the levels of service and levels of funding in the LTCCP. This early identification enables key stakeholders to be appraised of the possible shifts and their feedback taken into account at the beginning of the budget process, rather than receiving it at the formal submission stage, when it is often too late to make major changes.

Portfolio Levels of Service

The August meeting was advised that further work was needed before a recommendation could be made on whether improvements were needed or not. A review of all LTCCP levels of service has now been completed and it is recommended that the following changes be included in the 2007/08 Annual Plan, as a variation to the 2006-16 LTCCP.

TABLE 1: Recommended change to portfolio levels of service, as indicated in 2006-16 LTCCP

Reason for change	New or Revised Description	New or Revised Measure	New or Revised Target
Water quality, quantity and ecosystems			
LoS 4: Authorising resource users to use natural and physical resources in a way that the environmental effects remain acceptable to the			

Reason for change	New or Revised Description	New or Revised Measure	New or Revised Target
community. The development of this additional Level of Service will be considered by the Combined Portfolio Committees.			

Portfolio Levels of Funding

At the August meeting, the committee was made aware of the potential for impact to the 2007/08 programme because of the implementation of the Restorative Programme for Lowland Streams and the effects of major water permit hearings, including the Rakaia-Selwyn zone hearing and the hearing for Central Plains Water.

It now seems apparent that deferrals this financial year will cause minor re-adjustments in 2007/08 to ensure Levels of Service are maintained.

TABLE 2: Possible shifts in direction

Project number and name	Brief description	Indication of work that could be traded-off or deferred	Estimated change in budget	Impact on LTCCP levels of service
Water Quality, Quantity and Ecosystems.				
	The planning and implementation of the Restorative Programme for Lowland Streams and effects of major water permit hearings including proposed take in the Rakaia-Selwyn groundwater zone and the Central Plains Water proposal may impact on the ability to deliver some of the current year's work programmes, with flow-on effects to work plans for the 2007/08 year.	Components of groundwater quantity and quality investigations	Labour only shifts	None

The following resolution was adopted by the Council on 30 August 2006.

WATER QUALITY, QUANTITY AND ECOSYSTEMS

1. That any changes to the planned 2007/08 outputs be signalled as soon as possible to a special meeting of the Portfolio Committee, to enable it to recommend matters that should be canvassed with key stakeholders; and
2. That detail about the A-list work priorities is discussed with the Council in an October 2006 workshop item.
3. That the Portfolio Committee workshop funding policies on water matters.

STAKEHOLDER FEEDBACK ON POSSIBLE SHIFTS IN DIRECTION

There has been limited feedback to date. Federated Farmers had a particular focus on Land, Water and Pest Portfolio issues and expressed concern at rate increases and were clear that any new work should be accommodated within existing budget. Further feedback will be tabled at the combined portfolio meeting.

PART 2: FINANCE AND AUDIT COMMITTEE REVIEW OF PORTFOLIOS

The Finance and Audit Committee will meet on 22 November 2006 to review Portfolio Committees' preparations for the 2007/08 Annual Plan. The Committee wishes to understand the reasons behind budget decisions to ensure that proposals going forward into the 2007/08 budget have been systematically and rigorously analysed. Portfolio Chairs have been asked to furnish a brief written summary of responses to each question before the Finance and Audit Committee meeting on 22 November. This will ensure all portfolios' views are heard and the review completed within the one day available.

The Finance and Audit Committee has compiled 11 questions relating to:

- A. Level of service and level of funding
- B. Cost effectiveness and cost efficiency of service delivery
- C. Project priorities
- D. Funding alternatives

The questions are set out in the following sections. Some of the questions will involve matters that have already been well aired by the Portfolio Committee. For these it should simply be a matter of recording the Committee's position and moving on. Other questions may require fresh discussion.

To facilitate the process, where the Committee's views are already known, the "response" has already been entered, but can be altered at the meeting. In other cases the response has been left blank, to be completed at the meeting.

A. LEVEL OF SERVICE AND LEVEL OF FUNDING

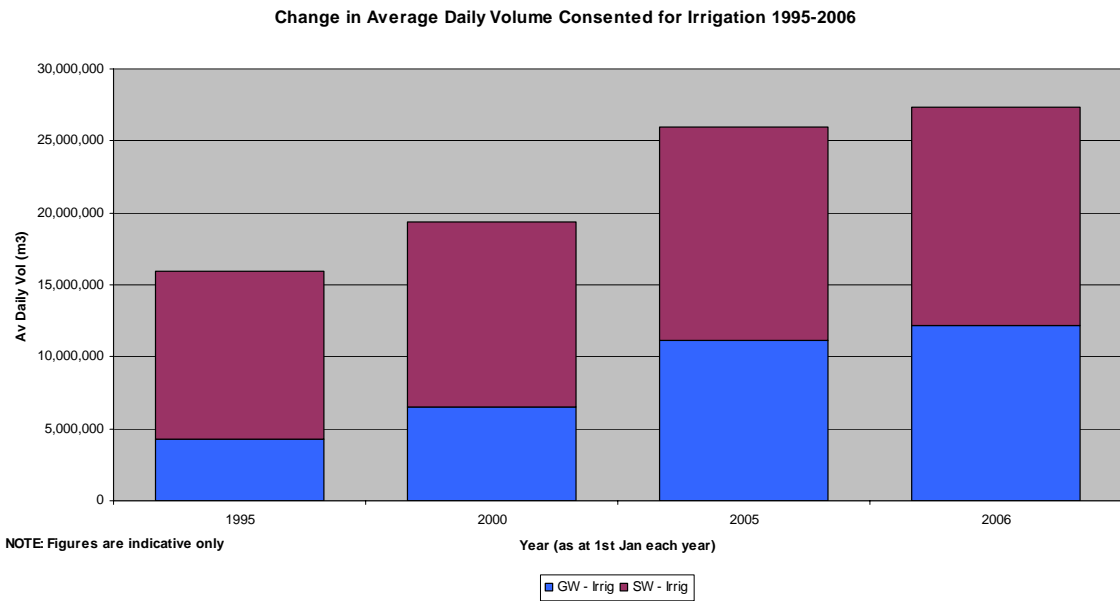
Questions 1 to 5 are aimed at ensuring that the demand driving planned changes in levels of service and levels of funding for 2007/08 are substantiated by facts and figures and that changes to services are reflected in changes in funding (this is a requirement of Schedule 10 of the Local Government Act).

RELEVANT REFERENCE MATERIAL

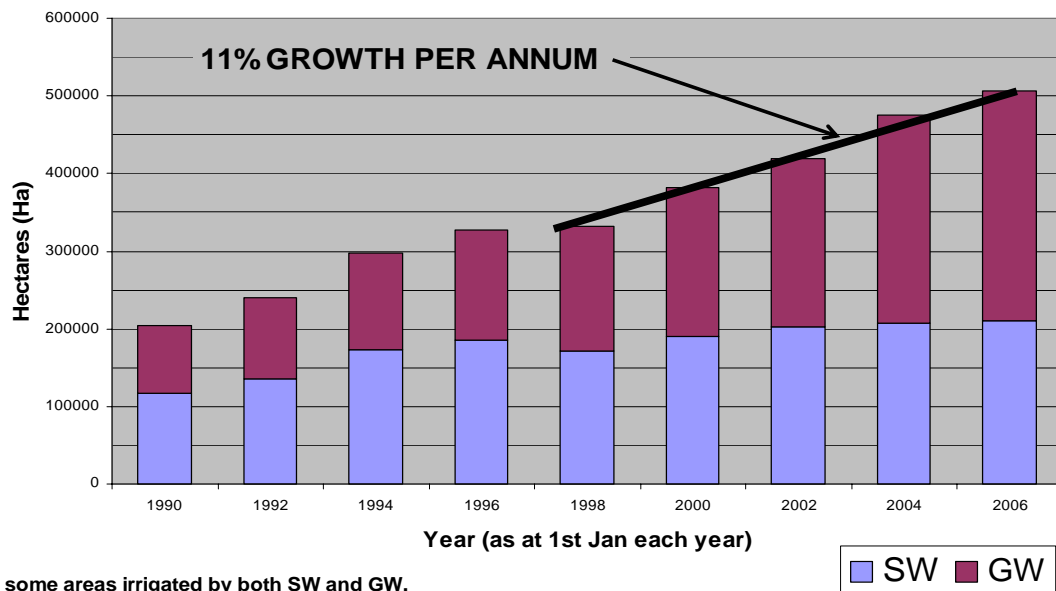
- LTCCP: pp 75-77 and 79
- Project Levels of Service and Funding for 2006/07: p 45
- Appendices 1 and 2 of these papers
- Trend information (refer to Q1, below)

QUESTIONS

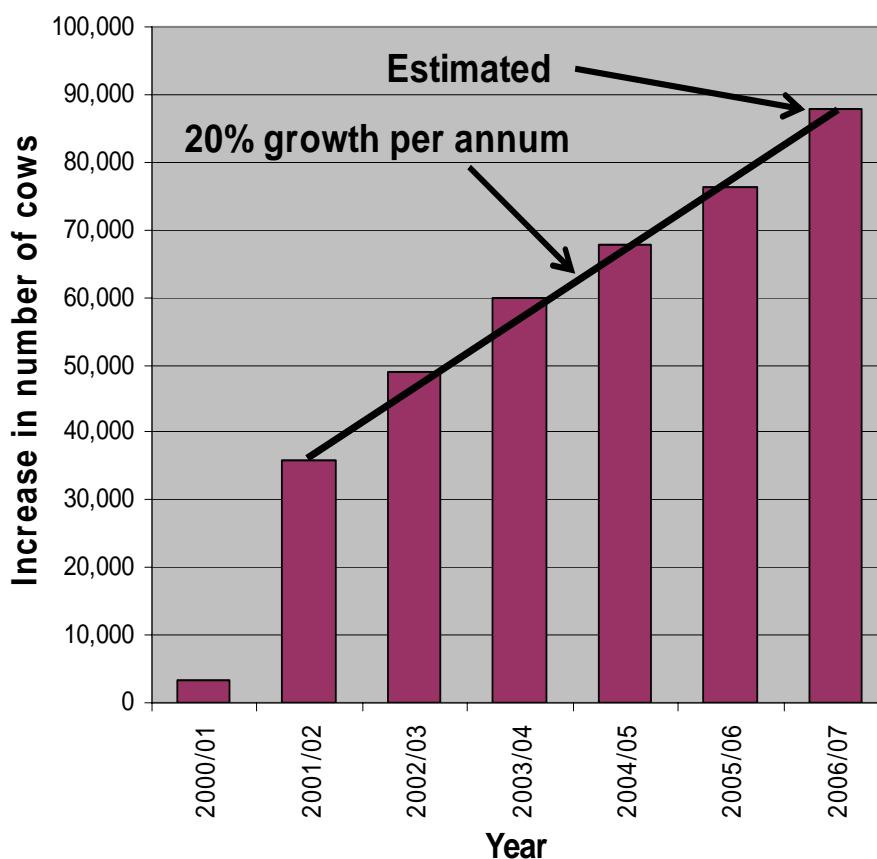
Q1: For the underlying service requirements at group of activity and parent project level, what are trends in the demand for this service or the driver for activity?



Increase in Consented Irrigated Area



Increase in Dairy Cows in Canterbury



Based on average of 570 cows per herd.

Given the inter-related nature of the portfolio's activities, it is not possible to draw a 1:1 relationship between a trend/driver and an individual activity.

With natural water systems reaching their sustainability limits and ongoing land use intensification, the contention over access to water resources increases demand for service in the consenting area, but also drives demand for information, monitoring and communications services. The demand for water also drives our investigations programmes to characterise flow regimes, aquifer characteristics and the functioning of aquatic ecosystems. Decision-making around water allocation also requires assessments of effects on water quality. Therefore, there is also a driver here for water quality investigations.

The Council has previously indicated that the progression of Chapters 4-8 of NRRP through the statutory process is a priority. This is a major driver for the policy making and planning activity.

The Council has also indicated on numerous occasions its support for community-based processes which include the Living Streams projects and the larger-scale Integrated Catchment Management projects. This is a driver, of sorts, which also links back to the Investigations and Monitoring activities that underpin these projects.

Q2: Do changes in the level of service warrant adjustments in the level of funding?

Response

No. The portfolio will operate within the planned budget with adjustments between and within projects to achieve the Levels of Service.

Q3. Are there any new areas of work for project input and development to address changes in level of service?

Response

No, however Council's decision to advance NRRP in 2006/07 defers work from the current year to 2007/08, for which funding will need to be found to maintain Levels of Service.

Q4: What effect would deferral, amendment or deletion have on service delivery?

Response

Refer to Q3, above, and Table 4 for budget cuts already undertaken. Any further deferrals, amendments or deletions will affect Levels of Service.

Q5: How does the proposed total budget for the portfolio compare with the budget in the LTCCP?

Response

No change.

B. COST EFFECTIVENESS AND COST EFFICIENCY OF SERVICE DELIVERY

Questions 6 and 7 are aimed at ensuring that the portfolio has considered all opportunities for improving cost effectiveness and cost efficiency of service delivery.

Category 4 in the Finance and Audit Committee Review of the Draft LTCCP identified opportunities for cost efficiencies and recommended they be referred to individual portfolio committees for consideration in August 2006. These are shown again below and along with the committee's the decisions. Questions 6 and 7 require the committee to review again that material and the action to be taken.

TABLE 3 Category 4: Finance and Audit Committee Review of the Draft LTCCP

OPPORTUNITIES FOR COST EFFICIENCIES	CONSEQUENCES	ACTION RECOMMENDED BY THE PORTFOLIO COMMITTEE IN AUGUST 2006
4. SERVICE DELIVERY		
Water Quality, Quantity And Ecosystems <ul style="list-style-type: none"> Reduce amount of enforcement activity. 	<ul style="list-style-type: none"> Increasing level of breach of rules. Public reactions about "ineffectiveness" of ECan. 	None
Resource Consents Compliance Monitoring and RMA Enforcement The review identified a number of opportunities for cost efficiencies. A number of these have been actioned and others are being considered for action. It is proposed that these be referred to the Regulation Overview Committee for further consideration, as necessary.	N/A	None

QUESTIONS

Q6: What opportunities exist for cost efficiencies in service delivery?

Response

There are several initiatives underway aimed at the enhancement or automation of business processes. For example, development of on-line consent applications and automation platforms for the return of water use data.

Q7: Are there possible alternative methods of service delivery?

Response

See Q6, above.

C. PROJECT PRIORITIES

Questions 8 to 10 are aimed at ensuring that relative priorities within portfolios have been considered and that any new work associated with proposed shifts in direction has been assessed against them. Finally, has the portfolio identified any work that could be deferred?

Category 7 in the Finance and Audit Committee Review of the Draft LTCCP identified areas of low priority work and recommended specific project deferrals and cuts to the value of \$75,000 for 2006/07, as shown in the following table. The deferrals and cuts were actioned as agreed. Questions 8 to 10 require the Committee to identify further areas of low priority work and consider opportunities for further deferrals or cuts in 2007/08.

TABLE 4 Category 7: Finance and Audit Committee Review of the Draft LTCCP

OPPORTUNITIES FOR COST EFFICIENCIES	CONSEQUENCES	ACTION TAKEN
7. SPECIFIC PROJECT CUTS		
<p>Water Quality, Quantity And Ecosystems <u>0261 G/Water Investigations, Drilling & Testing</u></p> <ul style="list-style-type: none"> • Reduce available funds for consultant assistance in Chch-West Melton groundwater model. \$5,000. • Reduce consultant support for groundwater modelling work. \$20,000. <p><u>0268 Groundwater Quality Investigations</u></p> <ul style="list-style-type: none"> • Cost savings for Integrated Research on Aquifer Protection project support. \$20,000. <p><u>0340 Natural Resources RP - Water</u></p> <ul style="list-style-type: none"> • Savings for ecosystem assessment (this is likely to be less than budgeted based on expenditure patterns in other projects). \$20,000. <p><u>0259 Groundwater Quality Monitoring</u></p> <ul style="list-style-type: none"> • Rationalise expenditure on all projects for laboratory testing. \$10,000 	<ul style="list-style-type: none"> • This can be done with no adverse impact. • This can be done with no adverse impact • This is a savings based on actual patterns of expenditure with no risk to the project. • This can be done with no adverse impact. • This can be done with no adverse impact to the projects involved. 	<p>All of these were cut from the 2006/07 budget and the change carried through to future years.</p> <p>No further action is required.</p>

Q8: What are the relative priorities among the projects in relation to the group of activities in the portfolio?

Response

Prioritisation in this portfolio is more about timing than of specific project content because of project interdependencies.

Q9: Are there new projects (or project adjustments) that have higher priority than existing projects?

Response

No.

Q10: To accommodate new projects or project adjustments what other projects can be deferred?

Response

OPPORTUNITIES FOR FURTHER DEFERRALS	CONSEQUENCES
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OPPORTUNITIES FOR FURTHER DEFERRALS	CONSEQUENCES
N/A	

D. FUNDING ALTERNATIVES

Question 11 is aimed at ensuring that funding alternatives have been considered.

Uniform Annual General Charges and other alternatives to general rates (possibly for work associated with water investigations and monitoring), will be brought to the Council for consideration in due course. In response to feedback to the Draft 2006-16 LTCCP, these issues will be taken back to the public for further consultation before they can be considered to introduction. Portfolio Committees may wish to defer discussion on them until further analysis of them has been completed.

The Finance and Audit Committee Review of the Draft LTCCP identified no alternative sources of funding. Question 11 requires the committee to consider this again.

Q11: Are there alternative funding sources to undertake the activities of the portfolio?

Response

Yes. Refer to report to the Finance & Audit Committee of 7 November 2006 including the report by Hill Young Cooper for the Sustainable Water Programme of Action.

RECOMMENDATION TO THE COMBINED PORTFOLIOS COMMITTEE

That there be no changes to the Water Portfolio's budget and Levels of Service for 2007/08.

APPENDIX 1: PARENT PROJECT LEVELS OF FUNDING FOR 2006/07 AND 2007/08

TABLE 4: LTCCP Budgets 2006/07 & 2007/08

ACTIVITY	PROJECT	2006/07 \$000	2007/08 \$000	% CHANGE	PLANNED FOR THE ANNUAL PLAN FOR 2007/08 <i>[KEY SHIFT IN DIRECTION FOR 2007/08]</i>
Water quality, quantity and ecosystems		<i>14,043</i>	<i>15,012</i>	7%	
1. Investigations		<i>2</i>	<i>2</i>	-7%	<p>Waimakariri-Selwyn zone to second order limit: investigations continuing for other priority zones (Refer to p. 75 of the LTCCP). Canterbury Groundwater Modelling Project to continue.</p> <p>Investigations will continue, plan variation was delayed in late stages of LTCCP preparation to focus staff effort on NRRP Chapters 4-8.</p> <p>Orari catchment investigation continues for informing minimum flow and groundwater allocation requirements; gauging programmes for Fairlie, Mackenzie, Culverden, Cust, Hanmer, Kaikoura and Parnassus zones.</p> <p>Projects linked to Living Streams based on identification of catchments to be launched in the programme in 3 year's time. (To be identified.)</p> <p>Support for Styx River Living Laboratory continues.</p>
0261	G/Water Investigations, Drilling & Testing	<i>647</i>	<i>769</i>	19%	
0267	Surface Water Quality Investigations - Regional Issues	<i>281</i>	<i>291</i>	4%	
0268	Groundwater Quality Investigations	<i>209</i>	<i>234</i>	12%	
0275	Investigating Flow Regimes	<i>653</i>	<i>663</i>	2%	
0276	Surface Water Quality Investigations - Community Programme Support	<i>140</i>	<i>141</i>	1%	
0631	Canterbury Strategic Water Study	<i>355</i>	<i>28</i>	-92%	
2. Policy making and planning		<i>3,035</i>	<i>3,657</i>	20%	<p>Waihao and Ashley Integrated Catchment Management programmes commence; Hurunui, Pareora and Upper Waitaki programmes continue.</p> <p>Establish Community Advisory Groups for minimum environmental flow reviews of the Waiau, Ashley tributaries, Waimakariri tributaries, and Orari. Variations for Opihi tributaries and the Pareora River are notified. (Refer to p. 77 of the LTCCP)</p> <p>NRRP Chapters through hearing process towards appeals.</p>
0291	Water Allocation Group - Surface Water	<i>19</i>	<i>0</i>	-100%	
0292	Water Allocation Group - Groundwater	<i>37</i>	<i>38</i>	2%	
0300	Waimakariri River & Catchment RP	<i>35</i>	<i>135</i>	287%	
0308	Opihi River & Catchment RP	<i>62</i>	<i>56</i>	-10%	
0340	Natural Resources RP - Water	<i>2,444</i>	<i>2,877</i>	18%	
0399	Integrated Catchment Management	<i>157</i>	<i>251</i>	60%	
0597	Review of existing Minimum Flows	<i>143</i>	<i>159</i>	12%	
0642	District Planning Liaison - Water	<i>138</i>	<i>140</i>	2%	
3. Monitoring		<i>2,485</i>	<i>2,678</i>	8%	<p>Monitoring programmes continue, as planned. 5-yearly sampling project for pesticides occurs this year.</p> <p>Effectiveness assessments for Living Streams catchments to be identified.</p> <p>Monitoring undertaken to support non-statutory management plans with</p>

					requirements to be identified.
0258	Surface Water Quality Monitoring	595	610	2%	
0259	Groundwater Quality Monitoring	306	373	22%	
0263	Groundwater Resource Monitoring	583	591	1%	
0265	Surface Water Resource Monitoring	960	1,060	10%	
0636	State of Environment Report - Water	41	44	8%	
5. Communicating, educating and advocating					Programmes proceed, as planned. River Guardians programme continues. Te Ngawai and Chertsey metering trials continue; support given for development of metering collection and data processing methods.
		1,664	1,738	4%	
0223	Public Information - Water	126	136	8%	
0238	Environmental Advisory Services - Water - Quality	41	43	4%	
0239	Environmental Advisory Services - Groundwater Resources	45	50	11%	
0245	Surface Water Advice	137	122	-11%	
0248	Advisory Services - Consents - Water	736	769	4%	
0394	Water Care	472	441	-7%	
0712	Compliance & Enforcement Special Projects - Water	105	176	67%	
6. Regulating and enforcing		5	5	5%	Consent hearings will continue to be a major demand in 2007/08. Groundwater zone hearings and Central Plains Water proposal will be major water-related hearings. As planned. <i>[The recently announced Restorative Programme for Lowland streams will create additional demand in this area.]</i>
0659	Resource Consent Processing - Water	2,262	2,221	-2%	
0660	Resource Consent Compliance Monitoring - Water	1,052	1,328	26%	
0665	RMA Enforcement - Water	757	754	0%	
0670	Permitted Activities Compliance Monitoring - Water	166	165	0%	
0675	Environment Court Consent Objections and Appeals - Water	339	345	2%	

TABLE 5: Funding Summary

Funding source	LTCCP 2006/07	LTCCP 2007/08
Interest	42	62
User pays/Other	3,365	3,614
Grants	217	32
Targeted rates	142	—
General rates	10,261	11,304
Total income	14,027	15,012
Operating expenditure	14,043	15,012
Operating surplus/(deficit)	(16)	—
General Reserve	16	—
Total funding from reserves	16	—

**APPENDIX 2: WATER PORTFOLIO PRIORITIES SPREADSHEET FROM 11 OCTOBER
2006 COUNCIL WORKSHOP**

NAME	DESCRIPTION OF WORK	HAS RESOURCE?	TIMEFRAME (year references in terms of financial years)	
NRRP Chapters 4-8	Officer reports and hearings on the Chapters; technical staff will need input No staff time for implementation planning until after hearings; but funding for performance management system Variation to Chapter 5, going to Council meeting on 28 September; will attempt to minimise hearing delays by using consultants	Yes Yes (database only) Yes (but deferments likely)	Ongoing from 06/07 with appeals in 07/08 Ongoing from 06/07 Commence in 06/07; variation to catch up with Chapter hearing	
Rakaia-Selwyn Allocation Zone	Consent hearing decision likely in December 06; appeal to Environment Court appears likely	Yes (but deferments likely)	Consent decision in 06/07; appeal in 07/08	
Restorative Programme for Lowland Streams	Consent reviews of all groundwater take consents in the Rakaia-Selwyn zone; rollout in future to other zones under pressure	Yes (but deferments likely)	06/07 to 08/09?	
Other Groundwater Allocation Zones	Investigations to support characterisation and limit changes as per LTCCP Next consent hearing likely to be Waimak-Selwyn zone in February 2007 and possibly Valetta later in the 06/07 financial year	Yes (but deferments likely) Yes	Refer to page 75, Part A, LTCCP Ongoing from 06/07	
Consents for Abstraction from the Rakaia River	Clarify application of the Water Conservation Order Judicial review of lapsing decision to extend Barhill-Chertsey consents	No Yes (limited appeals budget)	Ongoing from 06/07 End of 1st half or early 2nd half of 06/07	
Synlait Consent Application	New issues surrounding takes of 'unused' water; hearing scheduled for 16-20 October	Yes	By end of 06/07	
Central Plains Water Proposal	Environment Court declaration on priority being appealed by CPW to High Court Ngai Tahu and Fish & Game appealing Environment Court decision Joint hearing w/Selwyn District Council will require major resources from technical and planning sections	Yes (limited appeals budget) Yes (limited appeals budget) Yes (but deferments likely; some costs recoverable)	End of 1st half or early 2nd half of 06/07 By end of 06/07 Hearing in 2nd half of 06/07	
Water Programme of Action	Input from staff into working parties to inform Cabinet paper in March 2007 (refer to additional paper on projects including project on cost recovery)	Yes	Ongoing from 06/07; implementation requirements unknown	
Charges for Water Management	Council resolutions: <i>(i) That the Council agrees in principle to formally consult on proposals for a regime for charging for water management services</i> <i>(ii) That the Council decides on a process for consultation</i> No action until outcome of Water Programme of Action is known	No	No action until after March 2007 Cabinet paper	
Lake Ellesmere	Minimum flow reviews in Ellesmere 1, 2, and 3 as per LTCCP Community-based plan will need to take into account DoC/Ngai Tahu intentions and Waihora-Ellesmere Trust Studies required in support of next consent application for Lake opening (in 5 years)	Yes Yes Yes	Refer to page 77, Part A, LTCCP Ongoing from 06/07 Ongoing from 07/08	
Christchurch Aquifer - Recharge Zone	Approval to prepare variation, linked to UDS	Yes	Ongoing from 06/07	
Canterbury Strategic Water Study	Stage 2 in peer review; Stage 3 underway as planned	Yes	To be completed by end of 06/07	
Monitoring & measuring water use	Business analysis to support water use database development funded from IT budget Environmental Protection budget for Meters, Telemetry & Water User Groups (071201) and Resource Care budget for Water User Groups (039409) to support some rollout of meters	Yes Yes	Analysis completed by 3rd quarter 06/07 Ongoing from 06/07	
Water User Groups	A variety of groups existing with different purposes and goals	Yes	Ongoing from 06/07	
Stormwater Management	Aidanfield Settlement Implementation Stormwater Protocol with Christchurch City Pollution Prevention Wider stormwater/sediment management	Programme outline agreed between CCC and ECan Implemented through Southwest Area Plan Pollution prevention guide and officers (Waste Portfolio) Sediment & Erosion Control Guidelines in final stages of preparation; training & outreach needed	Yes Yes Yes Yes	Ongoing implementation from 06/07 Ongoing from 06/07 Ongoing from 06/07 Ongoing from 06/07
Non Statutory Plans & Other Community Initiatives	Orari Hurunui Lower Waitaki Upper Waitaki/Mackenzie land use intensification Pareora Lake Forsyth Fish screens River guardians Living Streams projects (Refer to additional paper on individual projects)	Yes Yes Yes No Yes Yes Yes Yes Yes	Ongoing from 06/07 Ongoing from 06/07 Ongoing support requirements Pending outcome of community meeting on 29 September Ongoing from 06/07 Ongoing from 06/07 To be completed by end of 06/07 Ongoing from 06/07 Ongoing from 06/07	
Annual Plan Programmes	Routine State of the Environment monitoring and underpinning investigations	Yes	Ongoing from 06/07	

Clean Streams Accord	Regional Action Plan implementation by Environmental Protection and Resource Care	Yes	Ongoing from 06/07
Client Management of External Trusts and Organisations	A management programme to assign client relation managers, can be accommodated within existing budgets	Yes	Ongoing from 06/07
Consent Monitoring Programme & Reporting	Report to be presented in November portfolio meetings	Yes	Ongoing from 06/07
Land Use Impacts on Water Quality - Other Projects	IRAP continues through 08/09; cropping model delayed by MAF negotiations but now on track for 06/07 to 08/09	Yes	Ongoing from 06/07
Minimum Flow Regimes & Reviews	No new catchments started until Officer Reports for NRRP hearings are completed.	Yes	Refer to page 77, Part A, LTCCP
Opihi Plan	Consent reviews have been done, but need an implementation plan for other requirements	Yes	Following completion of NRRP hearings
RPS Review	Water chapters to be the last reviewed following outcome of NRRP hearings	Yes	Water chapters after completion of NRRP hearings
Waimakariri Plan	Consent reviews and minimum flow reviews; implementation plan needed for other plan requirements	Yes (reviews only)	Commencing end of 2nd quarter 06/07
Waitaki Plan Implementation	Project team in place; consent processing of called-in consents following reviews	Yes	Ongoing from 06/07
Water Communications Strategy	As per budget in Democratic Process	Yes	The strategy will be updated annually