

# Appendix 2 - Assets

The assets listed below are involved in the delivery of Environment Canterbury's activities:

1. Civil Defence Emergency Management Group Emergency Co-ordination Centre and emergency communication network
2. Flood and erosion control works
3. Reserves, endowment land and regional parks
4. Protection forestry
5. Public passenger transport electronic systems
6. Hydrological network
7. Groundwater monitoring wells and the lysimeter network.

With the exception of regional park and flood and erosion control works, capital expenditure is funded directly from the asset replacement reserve. The balance in the asset replacement reserve is increased annually by depreciation and interest on capital and decreased by expenditure on assets. Flood and erosion control works are funded by the catchment district to which they relate.

The following sections describe the assets, the planned changes in capacity, and how maintenance renewal and replacement are to be carried out in 2008/09.

## 1. Civil Defence Emergency Management Group Emergency Co-ordination Centre and emergency communication network

The Emergency Co-ordination Centre (ECC) is a purpose-built facility located at 58 Killmore St, Christchurch, used by the Civil Defence Emergency Management (CDEM) Group. Its purpose is to provide a central facility that can be used when emergencies occur that require the co-ordination of several agencies. It is self-contained for power, water supply and sewerage.

The emergency communication radio network operates on the emergency services band and covers all Canterbury. This will enable communication between emergency service agencies in the event that normal telecommunications services are unavailable.

These assets are used in the delivery of services in the operations activity in the Emergency Management Group of activities. See page 94.

The current value of these assets is \$1,225,000 as at 30 June 2007.

### Changes to capacity

Existing capacity is expected to be adequate for the next 10 years.

The Emergency Co-ordination Centre has a life of 50 years and the radio and information communication network a four to 10-year life.

### Renewal and replacement

It is planned to replace radio equipment progressively to ensure the technology remains current and the system is reliable.

Renewal and replacement is undertaken by Environment Canterbury staff and by contractors.

Capital expenditure is funded from Environment Canterbury's capital asset reserves, which is repaid through annual charges over the life of the asset that cover depreciation and cost of capital. The annual cost is met from user charges recovered from the CDEM Group.

Planned capital expenditure for renewal and replacement		\$000
2008/09		2

### Maintenance

Maintenance requirements of the Emergency Co-ordination Centre and the radio network are expected to be minimal.

Maintenance is undertaken by Environment Canterbury staff and by contractors.

The cost of maintenance, is met from user charges recovered from the CDEM Group. These costs are shown below.

Planned maintenance		\$000
2008/09		10

### » What's changed since the 2006-16 LTCCP?

Renewal and replacement costs are less than expected, as in maintenance.

## 2. Flood and erosion control works

Flood and erosion control works include stopbanks, groynes, river control plantings, culverts and floodgates, lateral rock protection, drop structures, drains, roads, tracks, fences and signage.

These assets provide structural protection from flooding to protect life and property. They are an alternative to non-structural land-use controls, such as placing constraints on land use or restricting building. Often a combination of structural and non-structural methods are used. There are 60 flood protection and drainage schemes provided by Environment Canterbury. These assets are used in the delivery of services in the operations activity in the Hazards group of activities. See page 33.

The current value of these assets is \$287,697,432 as at June 2005.

### Changes to capacity

Demand for changes to the level of flood protection provided is community driven. Increased levels of protection from flooding are planned for the Waimakariri, Ashley and Kowhai rivers. Geotechnical investigations are planned into seepage under the stopbanks on the Ashley River downstream of Rangiora. All of these works are the result of extensive public consultation processes with the affected communities.

Capital expenditure for these works is funded from revenue. The cost is met from a mix of targeted differential rates, targeted uniform rates, general rates, and, in some cases, from rental income from leased reserve and endowment land and timber sales from protection forests.

Funding such major works is often spread over a number of years to smooth the impact for ratepayers and, because flood and erosion control assets are maintained in perpetuity, there are no annual charges for depreciation or cost of capital.

Planned new capital expenditure		\$000
2008/09	Waimakariri River	682
	Ashburton River	-82
	Ashley River bank improvements	500
	Kowhai River	15

### Maintenance, renewal and replacement

Flood and erosion-control assets are maintained in perpetuity at the capacity defined in asset management plans. This means that 'renewal and replacement' does not arise. Maintenance programmes are developed in collaboration with local communities. However, these programmes can be difficult to adhere to due to the dynamic nature of river systems and need occasionally to be adjusted.

Maintenance work is undertaken by Environment Canterbury staff and by contractors.

The cost is met from a mix of targeted differential rates, targeted uniform rates, general rates, and, in some cases, from rental income from leased reserve and endowment land and timber sales from protection forests, grants, and contributions from individual land holders and corporate entities.

Planned maintenance	\$000
2008/09	7,245

### Repairing major flood damage

Note that repairing major damage to flood and erosion control assets in catchment rating districts arising from major floods is not included in the above estimates. When major floods occur, the cost of immediate remedial works is met from catchment rating district reserves, and, if required, from other funding arrangements that Environment Canterbury has put in place. Plans for undertaking longer term repair works and agreements on how the work is to be ultimately funded are developed with affected catchment rating districts, after the event.

#### » What's changed since the 2006-16 LTCCP?

Capital expenditure for the Ashley River bank improvements and planned maintenance is different than planned as a result of flow-on effects of submissions from catchment district liaison committees from previous years.

Under 'Planned new capital expenditure', the Ashburton river work (\$82,000), which involved maintenance only, is now included in 'Planned Maintenance'.

## 3. Reserves, endowment land and regional parks

Environment Canterbury owns 26,100ha of reserve and endowment land. Most lies within catchment rating districts. Leased land totals 12,152ha, providing income to fund river control works. The remaining 13,948ha is in a generally unmodified state and is available for public access; the Waimakariri River Regional Park occupies part of this area. These assets are used in the delivery of services in the Operations activity in both the Hazards and Land groups of activities. See pages 33 and 38.

The current value of these assets is \$81,333,859 as at 30 June 2007.

### Changes to capacity

There are no plans to acquire or dispose of any reserve or endowment land in 2008/09.

Programmes are in place to enhance biodiversity and protect habitats on all reserve and endowment land. Since 2000, this has been a condition on agreements for leased land.

The Waimakariri River Regional Park will be further developed during the year. Two further parks are being investigated on reserve and endowment land in the Ashley River and at Tekapo.

Investigations into the subdivision of land zoned commercial at Chaney's started in 2007/08 will continue in 2008/09. As a result development work previously planned for 2008/09 has been deferred to 2009/10.

Improvements, such as fencing or access tracks, can occur as a result of constructing and maintaining flood and erosion control assets, and managing forestry or leases.

Managing the Waimakariri River Regional Park, enhancing biodiversity and protecting habitats on land that is not leased are undertaken by Environment Canterbury staff and contractors.

The cost of enhancing biodiversity, protecting habitats and developing the parks is met from a mix of targeted differential, uniform and general rates, timber sales, grants and lease rentals.

Planned new capital expenditure	\$000
2008/09	250

### Maintenance

Land that is not leased, including land within regional parks, is maintained generally in its natural state. This involves controlling fire hazard and animal and plant pests, enhancing biodiversity and protecting habitats.

Regional park rangers are employed to ensure minimum conflict between different users, the public and the environment. Maintaining leased land is the responsibility of lessees. Maintenance work on the rest is undertaken by Environment Canterbury staff and contractors.

The cost of maintaining land is met from a mix of targeted differential, uniform and general rates, timber sales, grants and lease rentals.

Planned maintenance	\$000
2008/09	1,362

#### » What's changed since the 2006-16 LTCCP?

The area of leased land varies from year to year as short-term leases are not renewed or new areas are leased.

Planned new capital expenditure relating to subdivision of land zoned commercial at Chaney's is not now proceeding in 2008/09.

## 4. Protection forestry

Protection forests have been established on 2500ha of erosion-prone reserve and endowment land to reduce the risk of erosion. Most is on land that would be considered marginal for production forestry. While the primary purpose of the plantings is to reduce the risk of erosion, timber sales will generate income to help fund river control works and the maintenance of reserve and endowment land generally. These assets are used in the delivery of services in the Operations activity in both the Hazards and Land groups of activities. See pages 33 and 38.

The current value of these assets is \$4,060,624 as at 30 June 2007.

### Changes to capacity

No planting is planned for 2008/09.

Planned new capital expenditure	\$000
2008/09	-

### Maintenance (including replanting)

This work comprises forest management, silviculture, controlling fire hazard, controlling animal and plant pests and replanting of mature stands following harvesting around 30 years of age.

Forest management is undertaken by Environment Canterbury staff, with silviculture, controlling fire hazard, controlling animal and plant pests and replanting undertaken by contractors.

The cost of maintaining and replanting protection forestry is met from a mix of targeted differential rates, targeted uniform rates, general rates, rental income from leased reserve and endowment land, and timber sales.

Planned maintenance (including replanting)	\$000
2008/09	252

#### » What's changed since the 2006-16 LTCCP?

No change.

## 5. Public passenger transport electronic systems

The Metro public passenger transport operation in Christchurch relies on a number of electronic systems that manage Metrocard payments, measure real-time bus frequency, and display arrival and departure times at the Christchurch Bus Exchange and bus stops.

These assets are used in the delivery of services in the Operations activity in the Public passenger transport group of activities. See page 50.

The current value of these assets is \$921,077 as at 30 June 2007.

### Changes to capacity

It is planned to provide additional hardware as part of the expansion of the present Bus Exchange.

Design and installation is undertaken by contractors.

Electronic equipment and software has a four-year life.

Capital expenditure is funded from asset replacement reserves, which is repaid through annual charges over the life of the asset that cover depreciation and cost of capital. The cost is met from a mix of targeted rates and Government grant.

Planned new capital expenditure		\$ 000
2008/09	Hardware for Bus Exchange	20

### Renewal and replacement

Equipment is replaced when it reaches the end of its life. However, as prices to replace equipment reduce and new technology becomes available, service levels can be improved for little or no additional cost, such as by replacing old display screens with plasma screens.

Renewal and replacement is undertaken by contractors.

Renewal and replacement is funded from asset replacement reserves, which is repaid through annual charges over the life of the asset that cover depreciation and cost of capital. The cost is met from a mix of targeted rates and Government grant.

Planned capital expenditure for renewal and replacement		\$ 000
2008/09	Eftpos equipment	7

### Maintenance

Maintenance requirements comprise principally software licensing and support.

Maintenance is undertaken by contractors.

The cost of maintenance, which includes depreciation and cost of capital charges, is met from a mix of targeted rates and Government grant.

Planned maintenance		\$ 000
2008/09		640

#### » What's changed since the 2006-16 LTCCP?

No change.

## 6. Hydrological network

Rainfall and river flow gauging systems furnish information about the water resource, which is used in the delivery of services to provide early warning of impending floods and during floods to monitor river flows. It is also used in the Water quantity, quality and ecosystems group of activities in developing policy for managing water resources, assessing whether existing policies are achieving the expected outcomes, and in managing abstractions from rivers, particularly at times of low river flows when restrictions are often required. Information from telemetered sites is relayed automatically via radio and telephone links to Environment Canterbury's offices. Information from other sites is collected manually.

These assets include rain gauges, river flow gauging towers and equipment, data recorders and telemetry equipment at 68 rainfall sites (65 of which are telemetered) and 94 river sites (51 of which are telemetered). These assets are used in following activities in the Hazards and the Water quantity, quality and ecosystems groups of activities. See pages 33 and 64:

Hazards group of activities

- Operations activity

Water quantity, quality and ecosystems group of activities

- Monitoring activity
- Regulating and enforcing activity

The current value of these assets is \$587,91 as at 30 June 2007.

### Changes to capacity

Demand for accurate information about water resources has increased rapidly, and is still increasing, particularly in areas where demand for water approaches the limits of sustainable allocation. With greater pressure on the water resource, monitoring requirements also increase. As a result, there is pressure to increase the capacity of the system.

It is planned to expand the number of automated telemetered river flow monitoring sites by three in 2008/09 in the Kowai, Conway and Pahau catchments and install one additional rain gauge in the Rakaia Catchment.

Installation is undertaken by Environment Canterbury staff and by contractors.

This equipment has a 10-year useful life.

Capital expenditure is funded from the capital asset reserves, which is repaid through annual charges over the life of the asset that cover depreciation and cost of capital. The annual cost is met from general rates.

Planned new capital expenditure		\$ 000
2008/09	3 telemetered river flow monitoring sites	28
	1 telemetered rain gauge	10

### Renewal and replacement

The objective is to maintain all sites in operational condition in perpetuity.

Being sited in riverbeds, this equipment is prone to damage during floods and frequently requires replacement sooner than would otherwise be required. On average, due to damage, vandalism and wear and tear, sites are effectively rebuilt over a 10-year cycle.

Renewal and replacement is undertaken by Environment Canterbury staff and by contractors.

Capital expenditure is funded from the capital asset reserves, which is repaid through annual charges over the life of the asset that cover depreciation and cost of capital. The annual cost is met from general rates.

Planned capital expenditure for renewal and replacement		\$ 000
2008/09		85

### Maintenance, renewal and replacement

The objective is to maintain all sites in operational condition at all times.

Maintenance is undertaken by Environment Canterbury staff and by contractors.

The cost of maintenance, which includes annual depreciation and cost of capital charges, is met from general rates.

Planned maintenance		\$ 000
2008/09		133

#### » What's changed since the 2006-16 LTCCP?

One more river flow monitoring site and rain gauge than planned will be installed.

## 7. Groundwater monitoring wells and the lysimeter network

Groundwater monitoring wells provide information about groundwater levels and pressures required to manage the groundwater resource and lysimeters measure groundwater recharge. Information is telemetered automatically via radio and telephone links to Environment Canterbury's offices.

There are 135 wells, 10 barometric pressure recorders, 16 rainfall and recharge gauges and five lysimeters. Data is telemetered to Environment Canterbury's office from eight well sites. These assets are used in the delivery of services in the monitoring activity in the Water quantity, quality and ecosystems group of activities. See page 64.

The current value of these assets is \$587,941 as at 30 June 2007.

### Changes to capacity

It is planned to expand the number of deep observation wells by one in 2008/09 to provide a more comprehensive coverage of the region.

Design is undertaken by Environment Canterbury staff, with installation undertaken by contractors.

Wells have a 33-year life and associated recording and telemetry equipment has a four to 10-year life.

Capital expenditure is funded from the capital asset reserves, which is repaid through annual charges over the life of the asset that cover depreciation and cost of capital. The annual cost is met from general rates.

Planned new capital expenditure	\$000
2008/09	133

### Renewal and replacement

The objective is to have sites operational at all times. On average, sites are effectively rebuilt over a 10-year cycle.

Renewal and replacement is undertaken by Environment Canterbury staff and by contractors.

Capital expenditure is funded from the capital asset reserves, which is repaid through annual charges over the life of the asset that cover depreciation and cost of capital. The annual cost is met from general rates.

Planned capital expenditure for renewal and replacement	\$000
2008/09	35

### Maintenance

Maintenance is undertaken by Environment Canterbury staff and by contractors.

The cost of maintenance, which includes depreciation and cost of capital charges, is met from general rates.

Planned maintenance	\$000
2008/09	209

#### » What's changed since the 2006-16 LTCCP?

No change.

# Appendix 3 - Fees and charges All charges now include GST

Note: Shaded areas show what's changed since the 2006-16 LTCCP.

## Local Government Act Charges

Section 150 of the Local Government Act 2002 provides for charges to be set for various regulatory functions.

The administration of specific aspects of Land Improvement Agreements (made under the Soil Conservation and Rivers Control Act 1941) is a regulatory service. Land Improvement Agreement applicants or Land Improvement Agreement holders are the primary beneficiaries of these services.

1. Land Improvement Agreements:
  - a) Application to discharge a Land Improvement Agreement - **\$400**
  - b) Application for tenure review assessment (as part of a formal request for consent under s60(4) of the Crown Pastoral Land Act) - **\$475**
2. The response by an officer to any breach of a registered Rabbit and Land Management Plan Land Improvement Agreement - actual and reasonable costs.
3. Application under section 60 (4) of the Crown Pastoral Land Act 1998 for a consent to the acceptance of a substantive proposal - **\$475**

Note: Environment Canterbury has a policy that no cancellations will be accepted 24 hours after the application is received.

The costs of undertaking some functions under the Resource Management Act and the Local Government Official Information and Meetings Act are recovered via charges set under section 150 of the Local Government Act.

1. Processing the application for authorisation in a clean air zone for the use of any class of fuel (Resource Management Act section 369 (11) (a)) - **\$5,625**
2. Processing an application for authorisation in a clean air zone for the use of and installation of any class of fuel-burning equipment (Resource Management Act section 369 (11) (b)). Costs of processing the applications will be invoiced to the applicant on the following basis:  
Charge = (staff hours x hourly charge rate) + disbursements  
Refer to schedule 2 for hourly charge rates.
3. Monitoring and supervision of fuel-burning equipment that has been authorised under section 369 (11) (b) of the Resource Management Act.  
Costs of monitoring and supervision will be invoiced to the applicant on the following basis:  
Charge = (staff hours x hourly charge rate) + disbursements  
Refer to schedule 2 for hourly charge rates.

4. Processing an application for a reclamation survey plan approval under section 245 of the Resource Management Act - **\$168.75**
5. Monitoring of a dairy shed or piggery discharge authorised as a permitted activity<sup>1</sup> by a rule in a regional plan or a proposed regional plan, to determine compliance with the conditions of the relevant rule - **\$281.25**
6. Applications for information on a specific property through the formal Land Information Request System and for Flood Hazard Information under section 35 of the Resource Management Act and section 13 of the Local Government Official Information and Meetings Act - **\$168.75**

## Charges for publications

Environment Canterbury documents, plans and reports generally are published in electronic form at no charge on the Environment Canterbury website: [www.ecan.govt.nz](http://www.ecan.govt.nz)

Many Environment Canterbury brochures, guides and information documents are available at no charge. However, charges apply for the provision of certain information.

Printed plans and documents published for public consultation or submissions:

Statutory recipients:

- no charge for first copy

Other recipients:

- documents less than 100 pages: **\$20** (\$0.10 per side over 100 pages)
- CD (if available): **\$5**
- documents with special production requirements will be charged at cost.

Fixed charges for providing printed documentation relating to resource consent applications (copies of Assessment of Environmental Effects provided free to notified parties - paid for by applicant):

- up to 10 pages: no charge
- over 10 pages: **\$0.10** per side (black), **\$1** per side (colour)
- CD (if available): **\$5**
- applications for information on a specific property through the formal Land Information Request System (Resource Management Act section 35) - **\$168.75**

Technical, planning and general printed reports and documents:

- documents less than 100 pages: **\$20** (\$0.10 per side over 100 pages)
- documents with special production requirements will be charged at cost
- CD (if available): **\$5**

On-demand photocopying and reproduction:

- up to 10 pages: no charge
- over 10 pages: **\$0.10** per side (black); **\$1** per side (colour)
- CD (if available): **\$5**

Environment Canterbury may waive or adjust any charge for specific reports or documents.

## Resource Management Act Charges

It is the policy of Environment Canterbury to fund the processing of resource consent applications by way of charges to applicants.

Section 36 of the Resource Management Act enables Environment Canterbury to fix charges to recover the reasonable costs incurred in carrying out its functions specified in section 36 (1) of the Act. This will include the costs of staff, contractors, councillors, commissioners, and all other disbursements incurred in carrying out those functions.

## Fixed Charges

Fixed Charges listed in Parts A-F are payable by the applicant or, where a resource consent is already issued, by the resource consent holder.

## Additional Charges

In many instances, the total cost of processing applications will exceed the Fixed Charge. In these cases an Additional Charge will be made to reflect the actual and reasonable costs incurred, having regard to the provisions of Section 36 (3) and Section 36 (4) of the Resource Management Act.

The charge will be determined by the following formula:

Charge = (staff hours x hourly charge rate) + disbursements + all actual and reasonable additional costs.

Refer to Schedule 2 for hourly charge rates.

## Refund

Where a fixed or additional charge exceeds the actual costs of processing a resource consent application then the balance will be refunded to the applicant after the decision has been released.

### Part A Fixed Charge - Receiving, Processing and Granting Resource Consent Applications

The following fixed charges are payable by the applicant and shall be due when the application is made.

#### i. Application for a resource consent

(a) To install a bore/gallery	<b>\$275</b>
(b) To place a swing mooring	<b>\$450</b>
(c) To discharge sewage tank effluent (domestic)	<b>\$675</b>
(d) To discharge to air from a domestic pellet burner	<b>\$225</b>
(e) To discharge to air from a small scale burner	<b>\$562.50</b>
(f) To discharge dairy effluent	<b>\$1,125</b>
(g) To stockpile effluent/organic waste. (When applied for in conjunction with a discharge of dairy effluent)	<b>\$337.50</b>
(h) To take surface water	<b>\$1,687.50</b>
(i) To take groundwater (replacement consents only)	<b>\$1,687.50</b>
(j) To take groundwater (other than a replacement) within any of the areas identified in Schedule 3	<b>\$11,250</b>
(k) To take groundwater (other than a replacement) within any area not specified in Schedule 3	<b>\$1,687.50</b>
(l) For all other activities	<b>\$1,125</b>

Applications may be processed as notified or non-notified. Notified applications may require a consent hearing.

If an application is scheduled for a hearing then the fixed charge shall increase by an amount, which shall be 90 percent of the cost of a hearing calculated by Environment Canterbury in accordance with information contained in the application file and Schedule 1.

If any additional amount is required it shall be due at a date set by Environment Canterbury that shall be at least 10 working days prior to the commencement of the hearing. If the additional amount is not paid by the due date then Environment Canterbury reserves the right under S36 (7) of the Resource Management Act to stop processing the application. This may include cancellation of the hearing.

Should a hearing be cancelled or postponed due to the non-payment of the fixed charge; the applicant will be invoiced for any costs that arise from that cancellation or postponement.

<sup>1</sup> Except where a certificate of compliance has been issued.

## All charges now include GST

Note: Shaded areas show what's changed since the 2006-16 LTCCP.

- ii. **Application to change or cancel conditions of a resource consent**
- (a) Application to change or cancel condition(s) on a land-use consent to install a bore or a gallery (section 127 of the Resource Management Act) **\$225**
- (b) Application to change or cancel condition(s) of any other, type resource consent (section 127 of the Resource Management Act) **\$562.50**
- iii. **Application to transfer a holder's interest in a resource consent from site to site.**
- An application to transfer a holder's interest in a resource consent to another person on another site or to another site in the same catchment or aquifer (section 136 (2) (b) (ii) of the Resource Management Act) **\$1,125**
- iv. **Application to partially transfer a holder's interest in a resource consent from site to site.**
- An application to partially transfer a holder's interest in a resource consent to another person on another site or to another site in the same catchment or aquifer (section 136 (2) (b) (ii) of the Resource Management Act) **\$1,125**
- v. **Application for a certificate of compliance** **\$225**
- vi. **Application for a certificate of existing use** **\$225**

### Part B Fixed Charge - Administration, Monitoring and Supervision of Resource Consents

The following fixed charge is payable by the consent holder at notification.

- i. To process a notification of a partial surrender of a resource consent **\$168.75**

The following fixed charges are payable by the consent holder when compliance monitoring activity has occurred.

- ii. To process the notification of a partial transfer of a water permit **\$225**

- iii. To carry out compliance monitoring and supervision of a resource consent

- (a) To monitor compliance and to complete the administration requirements of a bore installation (per bore) **\$56.25**

- (b) To monitor compliance with resource consent conditions and the effects of the exercise of resource consents **\$25.31**

- iv. To determine and communicate flows and any restrictions for minimum or residual flow condition water resource consents

Fixed charge **\$25.31**

Where the total cost of low flow monitoring exceeds the Fixed Charge an Additional Charge will be made, determined by the following formula:

Charge = ((staff hours x hourly charge rate) + disbursements + share of the costs of operating and maintaining the recorder/telemetry sites + share of actual and reasonable costs of maintaining the communication systems)/number of consents.

Refer to Schedule 2 for hourly charge rates.

### Part C Fixed Charge - Resource Consent Reviews

- i. To review resource consent conditions to address any adverse effect or for any other purpose specified in the consent (section 128 (1) (a) or (c) of the Resource Management Act)

Fixed charge **\$1,125**

### Part D Fixed Charge - Processing Requests to Prepare or Change a Regional Policy Statement or Regional Plan

The following fixed charge is payable by the applicant and shall be due when the application is made. Should the request be adopted by Environment Canterbury no further fixed or additional charges will be payable.

- i. Preliminary fixed charge payable at the time of lodging a formal written request for the preparation or change of a regional policy statement or regional plan **\$1,125**

- ii. Further fixed charge should the request be accepted but not adopted **\$3,375**

### Part E Fixed Charge - Provision of Resource Consent Advice

The following fixed charges will be made to provide information not provided for under the Charges for Publications policy, on resource consent applications.

For time exceeding one hour:

- (a) Advisory Officer - **\$90** per hour
- (b) Any other officer - refer schedule 2 for hourly rates.

### Part F Fixed Charge - Undertaking Resource Management Functions Relating to Gravel in Rivers

Fixed charge **\$0.09** per consented cubic metre

### Policy for Joint Hearings

Where Environment Canterbury is the lead authority in a joint consent application hearing with another Consent Authority (e.g. district or city council), a portion of the joint costs incurred by Environment Canterbury to hold the hearing will be invoiced to that other Authority.

This apportionment will be to recover those costs incurred by Environment Canterbury to process the additional consents for the other Authority. This may include a portion of Commissioner costs, equipment and venue costs, organisation costs and any other costs directly related to the processing of their consent applications.

These costs may or may not be passed on to the applicants by the other Consent Authority. Applicants should check with other local authorities for their particular charging policy for consent processing.

### Payment

The payment of any charge that has not been required in advance of the work occurring, shall be due within 20 days of invoice.

### Minimum amount for invoicing and refunds

Refunds of charges or invoicing of charges owed for Parts A-E shall only occur if the amount is greater than **\$25.31**.

### Information

Detailed information about the activities carried out by Environment Canterbury under Parts A to F referred to above can be obtained by contacting Customer Services at Environment Canterbury.

### Building Act Charges

Section 243 of the Building Act provides that the Regional Authority may recover the costs for performing its functions under the Act. The costs for undertaking some of the functions in relation to the regulation and management of dams are to be recovered as follows:

#### To process a consent application

Charge = (staff hours x hourly charge rate) + disbursements.

Refer to schedule 2 for hourly charge rates.

#### To monitor consent compliance and dam safety and to take any corrective action

Charge = (staff hours x hourly charge rate) + disbursements.

Refer to schedule 2 for hourly charge rates.

Where external contractors and consultants are used to assist Environment Canterbury to complete its functions, their actual charge out rates will apply.

Environment Canterbury is required by regulation to collect and pay the Department of Building and Housing and BRANZ levies for certain functions carried out under the Act. These levies may change in accordance with amendments to regulations. These levies will be collected in addition to any fees listed above.

Note: Shaded areas show what's changed since the 2006-16 LTCCP.

## Objections and remissions

Resource consent applicants and holders can object to additional charges (section 357) or apply for remission (section 36 (5)) of charges for processing or monitoring resource consents.

When considering any objection or remission application relating to any resource management charge Environment Canterbury will consider the following:

- i. whether the charge represents the actual and reasonable costs incurred by it to undertake the activity to which the charge relates.
- ii.
  - (a) the primary purpose(s) of the activity;
  - (b) the benefits of the activity to the person responsible for the activity;
  - (c) the level of social, cultural or environmental benefits of the activity;
  - (d) the legal responsibility of the person to undertake the activity;
  - (e) the legal status of the person responsible for the activity; and
  - (f) the ability of the person responsible for the activity, to pay the charge
- iii. whether the need for Environment Canterbury's actions to which the charge relates was occasioned by the actions of the applicant or authorisation holder
- iv. the extent to which a submitter on a resource consent application causes a hearing to be held due to unwillingness to resolve issues through other means such as pre-hearing meetings or consultation
- v. whether the need for Environment Canterbury's actions to which the charge relates was occasioned by the vexatious or frivolous actions of another person
- vi. any other relevant matter.

## Schedules

Basis for calculating fixed and additional charges

Schedule 1:	Schedule 2:	Schedule 3:
<p>Basis for calculating the increased fixed charge as set out in Part A.</p> <p>The increased fixed charge will be calculated using the following components, applying the relevant time periods or applicable units considered by Environment Canterbury to be needed to complete the application decision-making process.</p> <p>Preparation S42a report for hearing      Estimated staff hours x staff rate set out in Schedule 2</p> <p>Organise hearing      Estimated staff hours x staff rate set out in Schedule 2</p> <p>Assembling papers for hearing committee/commissioner      Estimated staff hours x staff rate set out in Schedule 2</p> <p>Distribution of Section 42A report(s)      Estimated staff hours x staff rate set out in Schedule 2</p> <p>Photocopying      \$16.88/report</p> <p>Venue hire      \$281.25/day of hearing</p> <p>Equipment hire      \$112.50/day of hearing</p> <p>Hearing committee      \$2025/day of hearing</p> <p>Commissioners      \$2025/commissioner/day of hearing</p> <p>Accommodation - hearing committee/commissioner      \$168.75/person/day</p> <p>Accommodation - staff      \$168.75/person/day</p> <p>Travel - hearing committee/commissioners      \$281.25/person</p> <p>Staff at hearing      Estimated staff hours x staff rate set out in Schedule 2</p> <p>Photocopying      \$16.88/decision</p> <p>Prepare Notice of decision      Estimated staff hours x staff rate set out in Schedule 2</p>	<p>Staff and consultant charge out rates \$/hour      GST Inclusive</p> <p>Consents Administration Officer      \$56.25</p> <p>Advisory Officer      \$90.00</p> <p>Compliance Monitoring Officer/Consents Investigating Officer/ Consents Hearing Officer      \$101.25</p> <p>Consents Senior Investigating Officer/Specialist Officer/ Management Officer      \$112.50</p> <p>Where consultants/external contractors are used to assist the processing of consents, and their charge out rate exceeds \$100/hour, their actual charge out rates may apply.</p>	<p>Groundwater areas to which Part A (i) (j) of this charging policy applies:</p> <p>All of the area that falls within the boundaries of any of the following groundwater zones as defined in Environment Canterbury Report No. U04/02 Chapter Three and Appendix A.</p> <ul style="list-style-type: none"> <li>• Ashburton River</li> <li>• Ashburton/Lyndhurst</li> <li>• Chertsey</li> <li>• Eyre</li> <li>• Hook</li> <li>• Makikihi</li> <li>• Otaio</li> <li>• Orari-Opihi</li> <li>• Pareora</li> <li>• Rakaia-Selwyn</li> <li>• Rangitata Orton</li> <li>• Selwyn Waimakariri</li> <li>• Valetta</li> <li>• Waipara</li> </ul> <p>Report no. U04/02 can be viewed either by contacting Customer Services or on the Environment Canterbury website <a href="http://www.ecan.govt.nz">www.ecan.govt.nz</a></p>

## Appendix 4 - Consent reviews

In 2008/09 the Restorative Programme for Lowland Streams continues along with reviewing conditions of any other consents where there are unanticipated environmental consequences resulting from exercising the consent. Also as plans become operative and National Environmental Standards (NES) become effective, the conditions of currently issued consents will be reviewed to ensure that they are consistent with these plans and standards.

The review programme is funded by a mix of general rates and charges to consent holders. General rates cover the cost of work involved in establishing whether or not a review of the consent is required, the issuing of notices advising consent holders of the review and all costs associated with a review arising as a result of an operative plan or an NES. Consent holders pay for amending conditions and reissuing a consent for all reviews as a result of an adverse environmental effect.

Table 1 sets out the two options put out for consultation, with the lower cost option, Option 2 being the council's preferred option. No submissions were received regarding either option.

	Option 1	Option 2 (adopted option)
Progress planned in 2008/09	All 600 consent reviews in the Rakaia-Selwyn groundwater zone completed.  700 of 900 consents in the Selwyn-Waimakariri investigated and notices issued.  200 operative plan related reviews investigated, notices issued and some completed (Coastal or Air Plan related).  240 consents investigated and notices issued relating to the NES for human drinking water.	All 600 consent reviews in the Rakaia-Selwyn groundwater zone completed.  200 of 900 consents in the Selwyn-Waimakariri investigated and notices issued.  110 operative plan related reviews investigated, notices issued and some completed (Coastal or Air Plan related).  100 consents investigated and notices issued relating to the NES for human drinking water.
Staff requirement	10	6
Estimated time to complete the red groundwater zones	All 10 completed by 2012	All 10 completed by 2014
Estimated costs: Ratepayer funded	\$630,000	\$400,000
Consent holder charges	\$300,000	\$215,000
Total	\$930,000	\$615,000

The adopted option is realistic as staff recruitment beyond that recommended would be extremely difficult in the first year. An increase in resourcing may be necessary in future years to complete the anticipated work programme. While the smaller team will mean slower progress than Option 1, the anticipated outcomes will still be beneficial in addressing the adverse environmental effects occurring.

## Appendix 5 - Uniform annual general charges (UAGCs)

As a result of submissions to the 2006-16 LTCCP the council decided to further investigate the introduction of a UAGC and to consult with the community. For background information and examples of possible costs, refer to page 84 of the 2006-16 LTCCP.

The matter is still under consideration, but as yet no decision to proceed has been made. Commonly, the justification for a UAGC is that they fund services shared equally by ratepayers, regardless property values. One of the issues with this is that some rate payers will pay more, the rest will pay less. An often perceived difficulty with UAGCs is ratepayers with properties at the lower end of the market are the ones who will pay more. As many will be on fixed incomes, they will be least able to pay the additional charge.

When these investigations have been completed, proposals will be consulted with the community.

As a result of submissions to the 2008/09 and 2007/08 Annual Plans, and the 2006-16 LTCCP, the council will continue to investigate options for UAGCs and consult with the community later in 2008.

## Appendix 6 - Water charges for water resource management

As a result of submissions to the 2006-16 LTCCP the council decided to investigate options for water charges for funding water resource management and to consult with the community. For background information and examples of possible costs, refer to page 117 of the 2006-16 LTCCP.

Since then the Council has been investigating ways to charge that are fair and equitable, simple to administer and will encourage efficient and sustainable water use. Investigations into using rating on the basis of consented volume as a mechanism for water charging have shown that this is unlikely to be possible under current rating legislation. As an alternative, funding water resource management using section 36 charges under the Resource Management Act is being looked at. Another option being considered is simplifying the existing resource consent monitoring charges for water takes, by moving from the current user pays hourly basis for charging to a annual fee incorporating both consent monitoring and water management costs.

When these investigations have been completed, proposals will be consulted with the community.

As a result of submissions to the 2008/09 and 2007/08 Annual Plans, and the 2006-16 LTCCP, the council will continue to investigate options for charging for water resource management and consult with the community later in 2008.

# Appendix 7 - Council Controlled Organisation (CCO)

Having considered submissions on the proposal to establish the Canterbury Regional Governance Group, the council has agreed to proceed as proposed.

The Canterbury Regional Governance Group, is a Council Controlled Organisation (CCO) in which Environment Canterbury will be an equal shareholder along with the Christchurch City Council and the Kaikoura, Hurunui, Waimakariri, Selwyn, Ashburton, Timaru, Mackenzie and Waimate district councils

The purpose of the group is to act as an interface with central Government and to co-ordinate the disbursement of Government funding - particularly the Regional Strategy Fund and Enterprising Partnerships Fund.

The following sets out details regarding establishment of the group.

## Section 1: Orientation and background

Central Government has adopted a new mechanism to manage the distribution of funding for economic development. The approach adopted by the Ministry of Economic Development (MED)/New Zealand Trade and Enterprise (NZTE) has been to shift to a model based on regional council groupings. This change has been made to ensure that Government funding is targeting regionally significant opportunities, rather than being diluted amongst a range of local (and possibly not transformational) initiatives.

The Council Controlled Organisation (CCO) acts as a regional governance group for economic development across Canterbury on behalf of all the councils (including Environment Canterbury). The following sets out:

- The Rationale
- The key issues and considerations
- The institutional framework

### 1.1: Rationale for the proposal

In August 2006, Cabinet agreed to refresh the framework for regional economic development policy. The Government's goal is to improve the quality of the regional business environment to support the development, attraction and retention of globally competitive firms. This ensures that regional policy is aligned with the Government's economic transformation agenda. The re-focusing of the regional policy is being implemented through the creation of two new programmes – the Regional Strategy Fund (RSF) and the Enterprising Partnerships Fund (EPF) funding. Table 1.1 summarises the main features of the programmes and highlights the key implications of the changes. The funds focus on encouraging regions to:

1. Develop robust regional economic development strategies and to undertake activities arising out of their strategies
2. Take a longer term perspective, and
3. Take a productivity based approach to improving the quality of the regional business environment to support the development, attraction and retention of globally competitive firms.

A need exists to establish a regional (Canterbury-wide) governance structure that complies with the Government's revised criteria in order to access the available Crown funding. Input and ownership of the governance group must be regionally and sectorally representative of the region.

Table 1.1: Policy shift

	Key movements	Funding	Implications
RSF	Transition from 26 regional groupings to about 14.	1. \$750,000 over 3 years, two funding rounds per year, March and September.	Canterbury has been identified as one of the 14 regions.  The establishment of a Canterbury-wide governance body to act as the regional interface with the central government departments.
EPF	Reshaped as the Enterprising Partnerships Fund and will focus on regionally based projects. The fund will focus on: <ol style="list-style-type: none"> <li>1. Commercially driven projects</li> <li>2. Substantial regional economic benefits</li> <li>3. Alignment with national goals and priorities.</li> </ol>	2. Funding is contestable 3. Approximate value of funding <ol style="list-style-type: none"> <li>a. 2007/08 \$9m</li> <li>b. 2008/09 \$10.5m</li> <li>c. 2009/10 \$10.5m</li> <li>d. 2010/11 \$11.5m</li> </ol>	The contestable nature of the funding implies that the region should ensure that the project with the highest net (positive) impact is selected for funding.

The current Canterbury economic development governance framework, consisting of the different Economic Development Agencies (EDAs) and the in-house council services, does not meet the NZTE/MED requirements. The region does not currently have the governance structure required to access the RSF and/or EPF and the proposed Regional Governance Group will address this gap.

## Section 2: Key considerations

A key requirement for the establishment of the Regional Governance Group is the need to align with the requirements of the LGA 2002. The considerations are grouped into main segments as follows:

- Primary Considerations – dealing predominantly with the issues to consider regarding the set up and design of the RGG
- Secondary Considerations – capturing the environmental, cultural and social considerations.

In addition to the above, the penultimate section provides an overview of the criteria to which the RGG needs to conform in order to satisfy the MED/NZTE requirements.

### 2.1 Primary considerations

The primary considerations relate predominantly to the RGG and the various issues that should be taken into account during the set up of the entity. It is acknowledged that the RGG will operate in the economic development field, and that, from an economic development perspective, a failure to establish the regional governance group would reduce the potential funding to Canterbury under the mentioned programmes. Furthermore, if the RGG is not established, the entire Canterbury region would potentially forfeit any future disbursements for regional economic development and related leveraging opportunities. Apart from the obvious loss of funding outlined above, the failure to establish an entity that is aligned with the MED/NZTE requirements could translate into a potential isolation of the region from the economic development agenda being pursued by central Government.

#### 2.1.1 Design considerations

This section focuses on the design considerations associated with the RGG and also introduces some of the considerations which have been identified relating to the probable work stream. The establishment of the regional governance group for Canterbury should not be regarded as an entity to replace any of the existing parties active in the economic development field. The establishment of the regional governance group should be done in a manner that will ensure that a cost-effective mechanism is created, that aligns with the MED/NZTE guidelines, while maximising the outcome for Canterbury. The RGG will be deemed as a committed organisational structure with the mandate and responsibility to act as the interface with Government.

The RGG will also facilitate collaboration amongst the various Canterbury economic role players (including the council economic development units, economic development agencies and the private sector). The RGG will need to address the following considerations:

- Alignment with key parties to overcome problems of co-ordination, accountability to local institutions, legitimacy and transparency
- The regional governance groups' aims and approaches should be informed by the Canterbury economic dynamics and performance.

The terms of reference are outlined later in this appendix. However, the main elements that should be addressed and incorporated into the over all institutional framework are summarised in Table 2.1.

Table 2.1: Issues to consider

Aspect	Description
Mandate	The RGG should have a clearly defined mandate that provides an indication of the accountability and responsibility of the RGG.
Roles and responsibilities	Clarify and outline specifics regarding the roles and responsibilities of the different role players, i.e. local government, economic development agencies, the RGG, as well as industry.
Legal and institutional arrangements	To ensure that the RGG has appropriate decision-making powers, a suitable legal entity should be created for this purpose. The relevant legal structure should address the need to retain control over the ongoing operations/focus of activities in the short, medium and long term.
Feedback mechanisms	A mechanism should be put in place through which the stakeholders are provided with feedback in a standardised manner with specific reference to the project selection/approval process.

As the RGG will be involved in the review of regional development strategy (Canterbury Regional Economic Development Strategy – CREDS) and the selection of economic development project proposals (requests for funding), the specific criteria to be applied should align with the criteria of the applicable Government fund. In addition to the “programme criteria”, the RGG will also ensure that the projects address the following:

- Ensure that the selected projects are based on building strengths and opportunities throughout Canterbury (and hence not primarily aiming to address weaknesses and removing bottlenecks)
- Facilitate quick and visible implementation of the projects.
- Ensure that the projects being selected have been subjected to prioritisation
- Ensure that the selected projects contribute meaningfully to the economic transformation agenda in the Canterbury context and focus on aspects such as advancing the economy through encouraging innovation, improved industry collaboration and ongoing upgrading of the economy.
- Ensure that the projects align and support the Canterbury Regional Economic Development Strategy (CREDS).

The successful establishment of the RGG will bring a greater alignment and co-ordination of the interaction between the different parties active in the economic development area. More specifically, the co-ordination of the Canterbury projects attempting to attract Government funding will be improved in-line with the requirements of the MED and NZTE.

### 2.2 Other considerations

In assessing the proposal, due cognisance has been taken of “non-economic development considerations”. These considerations are also important in the over-all development context and are discussed in the following sections.

#### 2.2.1 Social considerations

The economic and social development themes are interrelated. The activities of the RGG will be focused on the long-term and strategic economic environment of Canterbury. An improvement in the economic situation would, therefore, translate (directly and indirectly) into an improvement in the social welfare of the community through features such as:

- Income growth (higher discretionary and disposable income)
- Employment growth (and the corresponding unemployment decreases)
- Improved participation rates (by the different groups – gender and ethnic).

#### 2.2.2 Environmental considerations

The assessment of the proposal did not highlight any major environmental considerations. The selected transformational projects may have both positive or negative environmental effects.

#### 2.2.3 Cultural considerations

As part of the establishment of the RGG, consideration should be given to include measures that would ensure inclusivity and representation of the cultural groupings into the RGG. This inclusion of a Maori representative (Ngai Tahu) in the RGG is part of the Canterbury region response and meets the requirement of the MED and NZTE.

## Section 3: Institutional framework

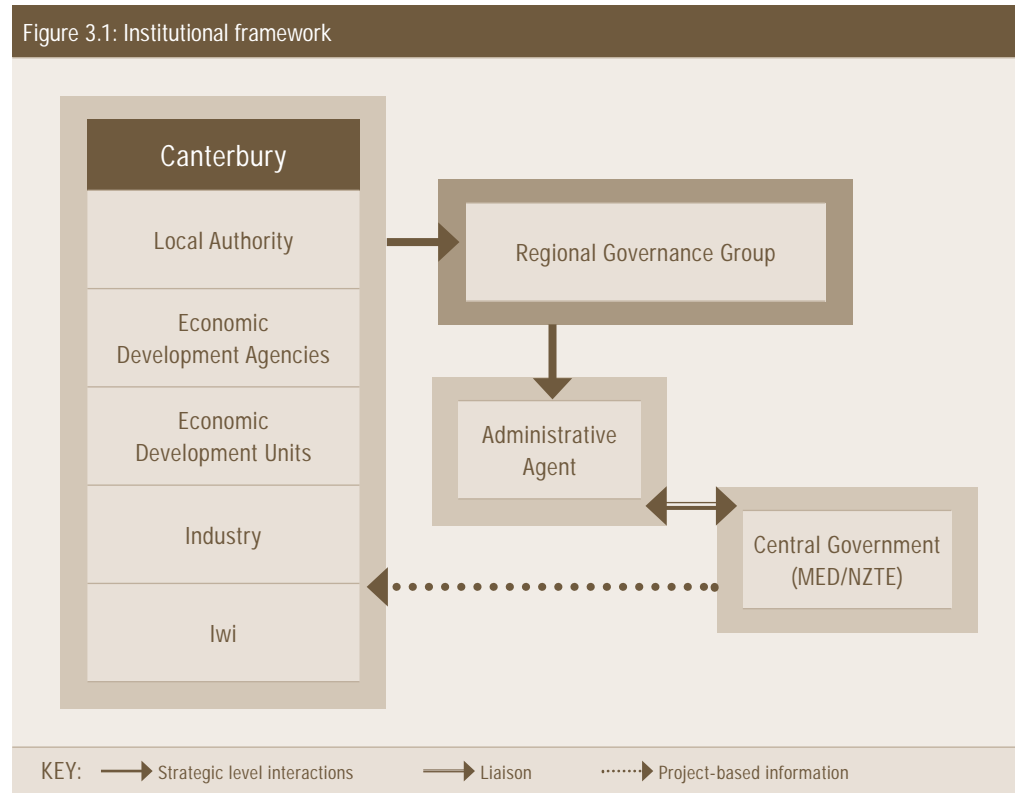
The institutional framework is discussed in this section with a specific focus on addressing the considerations identified in the preceding section. The Canterbury interaction framework is outlined and the section is structured as follows:

- Institutional framework
- Mandate
- Roles and responsibilities
- Legal issues
- Financial issues

The information contained in the following has been agreed through the Canterbury Mayoral Forum.

### 3.1 Institutional framework

The institutional framework consists of a number of different components which are reflected in Figure 3.1. While the regional governance group is the main focus, the individual components' relevance and roles are also included in the discussion.



The Government departments which are associated with this proposal are the Ministry of Economic Development together with New Zealand Trade and Enterprise.

#### 3.1.1 Local role players and local bodies

The establishment of the RGG as a legal entity is influenced by different legislative guidelines and the selected legal structure (Council Controlled Organisation) is subject to the Local Government Act 2002. The Canterbury local authorities which are included under this proposal are listed in Table 3.1.

Local Authority	Respective EDA
1. Ashburton District Council	Enterprise Ashburton
2. Christchurch City Council	Canterbury Development Corporation
3. Environment Canterbury	-
4. Hurunui District Council	Enterprise North Canterbury
5. Kaikoura District Council	In-house
6. Mackenzie District Council	Aoraki Development Board Tourism and Development Board
7. Selwyn District Council	In-house
8. Timaru District Council	Aoraki Development Board
9. Waimakariri District Council	Enterprise North Canterbury
10. Waimate District Council	Aoraki Development Board

Apart from the local authorities, a number of economic development agencies (EDAs) are active throughout Canterbury.

While the different local government entities play an important role in the establishment (and "ownership") of the RGG, the Canterbury community is ultimately the beneficiaries of this initiative. The involvement of industry and Maori role-players and stakeholders is seen as a key input of the RGG.

#### 3.1.2 Regional governance group and administrative agent

The establishment of the regional governance group is the key outcome of the process and will constitute the governance body of the structure that deals with the economic development issues in Canterbury. The governance group acts as a board, that co-ordinates and oversees the activities from a strategic perspective. The governance group will be supported by an administrative agent that will be appointed as part of the initial activities of the governance group. It is envisaged that the governance group will:

- Operate independently, but within agreed policies, principles and mandate
- Have legal decision-making powers pertaining to its sphere of influence (in the economic development arena as contained in the mandate)
- Have high levels of financial and process accountability
- Be representative of core stakeholders
- Be transparent in its dealings (subject to commercial sensitivity)
- Have a commercial/business approach with a strong project management and co-ordination function
- Integrate and enhance existing and future "economic transformation" processes
- Include representation that is reflective of the economic breadth of the region.

It is proposed that the governance group appoint a suitable entity to act as the implementation and execution arm of the governance group (i.e the administrative agent). In selecting the administrative agent, the governance group will use the MED/NZTE guidelines. Based on the NZTE guidelines, the administrative agency must:

1. Be a legal entity
2. Be in a position to contract with NZTE
3. Have the financial systems and controls to manage Government funding (in certain instances this may require the engagement of a chartered accountancy services)
4. The entity may be subject to financial audits where appropriate.

With reference to the RSF, the funding guidelines indicate that the proposed administrative entity will have to indicate its ability to conform and comply with the NZTE requirements. This process will be completed prior to NZTE accepting applications for Regional Strategy Funding and then bi-annually to coincide with the RSF funding cycle. The regional governance group will appoint the administrative agent to manage the relevant central Government funding.

### 3.2 Mandate, roles and responsibilities

The Regional Governance Group's focus will be restricted to two core areas (it may amend the mandate through the Statement of Intent and the associated council processes under the Local Government Act 2002 – Schedule 8 Clause 5). As the "shareholders" of the regional governance group are the councils listed in Table 3.1, the different councils would have to adopt the amendments for mandate to be changed. The mandate for the regional governance group, is based on two core focus areas:

1. To act as the Canterbury regional governance entity regarding the RSF and EPF to maximise the Canterbury impact of the funding
2. To act as the Canterbury interface with the MED/NZTE regarding economic development with a specific emphasis on the "transformational economic development agenda". More specifically, to engage with MED/NZTE regarding the implementation of the RSF at the Canterbury level.

Table 3.2 summarises the key focus areas of the RGG captured within its mandate, in respect of the two funding programmes.

Element of mandate	Focus area
EPF RGG is the Canterbury advocate for projects and oversees/manages the applications for EPF funding to MED/NZTE	To receive, review and select the most appropriate projects for funding application for the EPF
	Act as the "final clearing house" of correspondence between "projects" and MED/NZTE during implementation
	Provide feedback to the district role players regarding project proposals
	Communicate (via the administrative agent) shifts and changes in MED/NZTE to the regional economic development role players
RSF The RGG should initiate and drive (via the administrative agent) the development of measures to increase "regional development potential"	Provide a governance and leadership entity to stimulate collaborative efforts to transform the Canterbury economy
	Drive (via the administrative agent) the review of the Canterbury Regional Economic Development Strategy (CREDS)
	Stimulate regional collaboration
	Support medium to long term strategic planning to lift regional economic development outcomes – such as increased competitiveness

A critical issue that must be addressed as part of the mandate is the establishment of a prioritisation framework to ensure that the project selection is based on an objective assessment as far as is practically possible. The mandate of the RGG outlined above delineates the specific roles and responsibilities – the proposed roles and responsibilities are summarised in the following table to provide some context for the mandate.

The separation of the governance group and the administrative agent is clearly illustrated in the preceding table. Based on the envisaged work-load of the administrative agent, it is considered that the most "cost-effective" way to deliver the mentioned activities is through some form of contract service. In other words, the administrative agent will not be a newly established entity. This implies that a contractor could be appointed to manage the interactions and disbursements from the central Government funds. The specific contractor to provide these services will be appointed by the governance group as part of its activities.

Functions
1. Facilitate and maintain internal and external communication (specifically MED/NZTE)
2. Identify and broker resources equitably (sectorally and spatially)
3. Consider prioritised project lists and make recommendations (accept/reject projects to be submitted to MED/NZTE)
4. Conflict resolution and management
5. Ensure that statutory requirements (such as the Statement of Intent and reporting as required under the LGA 2002) are met
6. Appoint an administrative agent and delegate the work stream to the contracted service provider.

### 3.4 Legal structure

A number of alternative options were identified and evaluated as potential legal structures for the RGG. Table 3.4 lists the identified alternatives together with the limitations/advantages of each option.

Alternative	Issue
Establishment of a Joint Committee of the Councils in the region	This model would be subject to the reporting and disclosure rules under the local Government Official Information and Meetings Act 1987. While external individuals can be appointed there is a presumption that each of the participating councils would nominate an elected member to the committee. The addition of industry representatives (to meet NZTE's requirement for industry balance), would make the entire committee unwieldy, particularly given its limited role in assessing funding proposals twice a year.
Establishment of a committee under the aegis of a single council	The establishing council would include representatives from councils and industry as it saw fit. While it would not require public consultation to establish such a committee it would be subject to the provisions of Local Government Official Information Act and Meetings Act 1987. It would also be dependent on all the councils of the region agreeing to allow one of their number to establish the committee.
Establish a Council Organisation (CO)	This would avoid the need for consultation but would result in local authorities having less than 50 percent control of the organisation.
Establish a Council Controlled Organisation	The establishment of a CCO provides the best model to ensure that an appropriate and well-balanced RGG is established. Because of the narrow scope of the CCO it is felt that it should be exempted from the normal reporting requirements of the Local Government Act.

The most appropriate option is deemed to be the Council Controlled Organisation (CCO) route. This option provides the level of control sought by the councils, and requires a Special Consultative Process (SCP) to be established. Additionally, this option satisfies the need to:

1. Retain control over the RGG with local government throughout Canterbury
2. Keep responsibility for the operations of the RGG (and hence economic development) with the various councils
3. Minimising the cost – establishment and operational.

By selecting a CCO as the preferred legal structure, the ownership of the entity needs to be clarified. The entity would be established as a company wholly owned in equal share by the authorities listed in Table 3.5.

Local Authority	Shares
1. Ashburton District Council	10
2. Christchurch City Council	10
3. Environment Canterbury	10
4. Hurunui District Council	10
5. Kaikoura District Council	10
6. Mackenzie District Council	10
7. Selwyn District Council	10
8. Timaru District Council	10
9. Waimakariri District Council	10
10. Waimate District Council	10
Total Shares issued	100

Apart from the shares and the ownership of the entity, the RGG (the board) needs to meet the “representation requirements” as stipulated by the NZTE – Regional Strategy Fund Guidelines. More specifically, the representation on the RGG needs to be:

- Spatially representative; and
- Sectorally representative.

Based on the representation requirement, a total of 10 representatives are to be appointed to the governance group. The envisaged make-up of the governance group is reflected in Table 3.6.

Sub-regions	Council	Number of directors
North Canterbury	Hurunui District Council	1
	Waimakariri District Council	
	Kaikoura District Council	
City	Christchurch	1
Mid Canterbury	Ashburton District Council	1
	Selwyn District Council	
South Canterbury	Waimate District Council	1
	Mackenzie District Council	
	Timaru District Council	
Regional	Environment Canterbury	1
Industry	-	4
Maori	Ngai Tahu	1
Total		10

The local government appointees will be limited to Elected Members or council staff members while independent individuals will not be eligible for appointment, i.e. staff of economic development agencies would not be able to be elected to the governance group. The exclusion of the EDA members is to avoid potential conflict of interest issues – as it is anticipated that the EDAs will be a significant source of project-proposals for the RSF and EPF.

Each sub-region will identify and delegate two representatives to act on the governance group – one representative from the local government and the second being an industry representative. During the process of selecting the sub-regional representatives, due consideration will be given to the requirements of the Local Government Act regarding the appointment of directors to a CCO.

A local authority may appoint a person to be a director of a council organisation only if the person has, in the opinion of the local authority, the skills, knowledge, or experience to:
(a) Guide the organisation, given the nature and scope of its activities; and
(b) Contribute to the achievement of the objectives of the organisation.

It should be highlighted that the members of the regional governance group will not be remunerated for their services in order to contain the costs. This arrangement will support the need for the governance group to delegate as much of the work to the administrative agent as possible. In this light, it envisaged that the RGG will meet twice annually in line with the MED/NZTE funding rounds to review the project proposals as presented (and prioritised) by the administrative agent.

### 3.5 Financial issues

The financial implications – budgetary requirements – of establishing the regional governance group. It is important to highlight that the financial considerations are discussed from two perspectives:

- 1) The base funding – this portion deals with the “fixed costs” elements of the RGG
- 2) The project-related costs.

It is emphasised that only the “base funding” is required from the various councils. Project related costs have been included to provide some clarity regarding the way in which project funding will be treated.

#### Base funding

In order to provide a budget for the RGG to become active, it is proposed that an annual disbursement to the RGG of \$24,000 be made. This amounts to \$72,000 over a three-year period. This funding is requested from the Canterbury councils. The annual financial contribution to the Base Funding required from each council is \$2400.

#### Project funding

A total of \$750,000 is available over three years from the RSF. A key requirement guiding the access to the funding is the co-funding component. The RSF Guidelines indicate that a 80:20 split is required. This means that a minimum cash contribution of 20 percent should be from the region. The source of this 20 percent of the funding complement is beyond the responsibility of the RGG or the administrative agent and the respective councils/industry involved in the proposed project would have to obtain this funding from alternative sources.

Apart from the direct project-related cost, an administrative fee would also be incurred, i.e. to cover the costs of the administrative agent. The details regarding the allowance would be decided by the RGG as part of the process to appoint a suitable administrative agent.

### 3.6 Risks

The direct risks to which the individual councils would be exposed as a result of the ownership relationship with the regional governance group would be severely limited as a result of the relatively narrow mandate. Conversely, if the entity is not established, the Canterbury region faces the risk of forfeiting Government funding for economic development – both for the RSF and the EPF programmes. The manifestation of these risks would have a definitive impact on the over-all ability of the Canterbury economic development role-players/actors to effectively participate in, and drive, economic development projects. The medium to long term risks associated with the reduced access to the funding include:

1. Comparatively slower (compared to the national rate) economic growth
2. Slower transformation of the Canterbury economy
3. Loss of comparative advantages as a result of not being able to respond to shift in the global market place
4. Diluted competitiveness of the economic development activities in terms of the ability to attract investment
5. Ongoing constraints on the local economy due to the barriers to growth not being removed in a timely fashion
6. Long lead-in times vis-à-vis the startup and implementation of industry development activities and regional development initiatives
7. Loss of leverage opportunities through RSF/EPF funding.

To minimise the risk of conflict with the various parties involved in the economic development agenda, the work being performed through the administrative agent will be contracted out on a merit basis and individual EDAs will be able to tender for the work. This arrangement is specifically included to ensure that the regional governance group does not directly employ any staff. The limited direct exposure to costs also reduces the exposure to the ongoing cost drivers.

# Glossary

**Activity** - a good or service provided by, or on behalf of, a local authority or council-controlled organisation; and includes... the performance of regulatory and other governmental functions.

**Community Outcomes** - the outcomes for the Canterbury region that are identified as priorities for the time being. These outcomes reflect the combined aspirations of people within Canterbury and as such belong to the community and not to Environment Canterbury.

**Funding and Financial Policies** - these describe how the council's work will be paid for and the mechanisms for gathering the funds (such as general rate, targeted rates, user-charges, grants).

**General Rate** - a rate levied across all properties for activities that benefit the whole region.

**Grants** - grants are available from central Government and statutory organisations where there are national benefits or the grants are part of a policy to promote a particular activity or project.

**Group of Activities** - a Group of Activities, means one or more related activities provided by, or on behalf of, Environment Canterbury and council-controlled organisations.

**Levels of service** - these are the defined services being delivered in the community in each group of activities. They are described in terms of measures and targets.

**Long Term Council Community Plan (LTCCP or Community Plan)** - Environment Canterbury must, at all times, have a LTCCP which must cover a period of not less than 10 consecutive financial years. It includes descriptions of the activities Environment Canterbury will engage in over the life of the LTCCP, why Environment Canterbury plans to engage in its activities and how those activities are to be funded.

**Measures** - these describe the "units of measurement" to be used to report progress towards achieving community outcomes and delivery of levels of service.

**Outcomes** - the impacts on, or consequences for, the community. Environment Canterbury's Community Plan includes community outcomes which relate to the region as a whole and Environment Canterbury's outcomes which will result from the operations of Environment Canterbury.

**Resource Management Charges** - Environment Canterbury charges for services associated with managing the natural environment. These services include processing and monitoring resource consents, and preparing and changing the Regional Policy Statement and regional plans.

**Runanga** - local representative groups. A Maori equivalent of local government formed to protect and defend the rangitiratanga, the turangawaewae and cultural and social values of their members.

**Tangata whenua** - people of the land, the people who hold the turangawaewae and the manuwhenua in an area, according to tribal and hapu custom.

**Targeted rate** - a rate levied for activities that benefit only a part of the region (previously called "separate rates").

**TAs** - territorial authorities - includes all district and city councils.

**User-pays** - where an individual benefits directly from a service, or creates the need for a service, then appropriate fees and charges are made.

**Well-being** - councils are required to consider the future well-being of the community when they plan their activities. This involves social, economic, environmental and cultural well-being.



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