

Agenda 2020

Council Meeting

Thursday, 21 May 2020

Time: 11.00am

Virtual due to COVID-19



Council

Membership

Chair Cr Jenny Hughey

Deputy Chair Cr Peter Scott

Membership

- Cr Tane Apanui
- Cr Phil Clearwater
- Cr Grant Edge
- Cr Megan Hands
- Cr Ian Mackenzie
- Cr Nicole Marshall
- Cr Claire McKay
- Cr Elizabeth McKenzie
- Cr Craig Pauling
- Cr Lan Pham
- Cr Vicky Southworth
- Cr John Sunckell

Council Meeting

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- 1. Karakia**
- 2. Apologies**
- 3. Conflicts of Interest**

5. Committee Reports

5.1. Standing Committees

5.1.1. Performance, Audit and Risk Committee

Council report

Date of meeting	21 May 2020
Author	Vivienne Ong, Committee Advisor

Purpose

1. For the Council to receive the minutes from the Performance, Audit and Risk Committee held on 30 April 2020

Recommendations

That the Council:

1. **Receives and confirms as correct record of minutes of the Performance, Audit and Risk Committee meeting held 30 April 2020**
2. **Receives the summary of the financial reports for the period ending 31 March 2020**
3. **Notes the resolutions made by the Committee under delegated authority**

Attachments

1. Unconfirmed minutes 30 April 2020
2. Summary of financial reports (circulated separately)

Minutes of the 154th meeting of the Performance, Audit and Risk Committee held virtually via Microsoft Teams (due to COVID-19 lockdown) on Thursday, 30 April 2020 at 2.00pm

Contents

1. Apologies
2. Conflicts of Interest
3. Deputations and Petitions
4. Risk
 - 4.1 Health and Safety
 - 4.2 Risk Management Associated with COVID-19 Lockdown
5. Performance
 - 5.1 Action List
 - 5.2 8+4 Forecast Report
 - 5.3 Public Transport Finance Update
 - 5.4 Portfolio Financial Report March 2020
 - 5.5 Financial Health Reports March 2020
6. Audit
7. Public Excluded
8. Notices of Motion
9. Extraordinary and Urgent Business
10. General Business
11. Questions
12. Next Meeting
13. Closure

Present

Committee Chair, Cr John Sunckell
Cr Megan Hands
Graeme McGlinn

Chair Jenny Hughey
Cr Ian Mackenzie

Cr Claire McKay
Cr Grant Edge

Management and officers present

Stefanie Rixecker (Director Science), Nadeine Dommissie (Chief Operating Officer), Katherine Trought (Director Strategy & Planning), Tafflyn Bradford-James (Director Communications), Catherine Schache (General Counsel), Katherine Harbrow (Chief Financial Officer), David Perenara-O'Connell (Senior Strategy Manager), Stewart Gibbon (Senior Manager Public Transport), Nicholas Hill (Risk and Business Improvement Manager), Matthew Bennett (Principal Health and Safety Advisor), Tarsha Triplow (Team Leader Corporate Reporting), and Vivienne Ong (Committee Advisor)

Report writers and supporting staff were also in attendance.

Welcome

Councillor Sunckell welcomed everyone to the Performance, Audit and Risk Committee meeting.

1. **Apologies**

There were no apologies

2. **Conflicts of interest**

There were no conflicts of interest recorded.

2.A **Call for items for General Business**

The Chair called for items not listed on the Agenda to be considered under General Business.

3. **Deputations and petitions**

No petitions or requests for deputations were received.

4. **Risk**

4.1 **Health and Safety Report**

Refer page 10 – Performance, Audit and Risk Committee Agenda

Matthew Bennett provided members with an update in relation to the COVID-19 situation in relation to health and safety. Discussion centred on risk profiles, processes, impact, return to work and staff wellness/wellbeing.

Due to field work ceasing, acute harm had dropped to near zero during the lockdown. There was potential for chronic harm to increase if people working from home had poor desk setups and being less active. Clear messages were being sent to ensure staff prioritise their wellbeing and safety and monitoring processes were in place.

Clarity was requested on the year-to-date summary totals and how numbers relate to the lag indicator figures of incidents by status and harm. Matthew Bennett will provide clarification outside of this meeting.

Committee members expressed thanks for the risk assessments and were impressed with the speed and effectiveness of the organisation in looking after staff coming into and during the current COVID-19 lockdown and its various alert levels.

Resolved

That the Performance, Audit and Risk Committee:

1. Receive the Health and Safety Governance report.

Councillor Edge / Councillor McKay
CARRIED

4.2 **Risk Management Associated with COVID-19 Lockdown**

Refer page 16 – Performance, Audit and Risk Committee Agenda

Nicholas Hill provided an update and spoke of the risks and actions taken to address cyber and other security risks associated with the COVID-19 lockdown arrangements.

Members were informed of the preparedness of moving towards Alert Level 2 and what was being done to facilitate and implement organisational readiness along with staff and customer health and wellbeing. Priorities and processes were being considered to ensure a mature and staged approach to repopulate the building in a smooth and safe way as possible.

Whilst COVID-19 matters were presently taking priority, staff were also mindful about progressing next year's audit plan. The three year work plan, which becomes active 1 July 2020 would be workshoped with the Committee prior to Council adoption.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive the Risk Standing Report as an update on risk management activities**
- 2. Advise staff that there are no issues requiring additional risk assurance**

Graeme McGlinn / Councillor Mackenzie
CARRIED

5. **Performance**

5.1 **Action List**

Refer page 18 – Performance, Audit and Risk Committee Agenda

Nicholas Hill presented the Action List.

Item for staff followup:

- Include the Public Transport management letter in the Action list. Quarterly update.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receive the Audit List report**

Councillor McKay / Councillor Mackenzie
CARRIED

5.2 **8+4 Forecast Report**

Refer page 20 – Performance, Audit and Risk Committee Agenda

Katherine Harbrow took the Committee through the forecast and advised financial impact of COVID-19 was currently being investigated.

It was clarified point 10 in the 8+4 Forecast report, the approved \$250k from General Reserves to fund Rangitata recovery and future planning work proposed was for bringing forward the review for the planned catchment plan for the Rangitata Catchment.

During Members questioning, the following processes were explained:

- Portfolio project request for further funds:
Portfolio Councillors have a briefing on what extra expenditure is intended for and if the required amount is outside budget, then a formal request can be made to the Performance Audit & Risk Committee (PARC). PARC will then consider the request. If the request is outside PARC's delegation, PARC may forward it as a formal recommendation to Council.
- Portfolio project interrupted or cannot be completed within financial year:
If a project has been interrupted or cannot be completed for the financial year, staff are asked to bring carry overs for the following year to PARC for consideration which may result in funds being tagged for a project's conclusion in the following year.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Note the results of the 2019/20 8+4 forecast and note the anticipated effect upon the year end result (note this is a pre-COVID-19 state)**

Councillor Sunckell / Councillor McKay
CARRIED

5.3 Public Transport Financial Update

Refer page 26 – Performance, Audit and Risk Committee Agenda

Stewart Gibbon confirmed there was a significant negative impact on patronage growth attributable to the COVID-19 event. Public transport fare shortfall was currently being funded through the NZ Transport Agency (NZTA) through to 30 June. Further consideration is being undertaken by NZTA as to how post June fare shortfalls may be supported. Staff were in constant contact with providers on a national basis on what public transport will look like post June. An increasing amount of time was being invested in understanding Government views and guidance on Alert Level 2 expectations within the transport space.

Also investigating the feasibility of practical and technical solutions for fare collection, contact tracing, operator and customer safety and wellbeing.

Members acknowledged the enormous efforts of operators and staff in maintaining the public transport operation in such a challenging environment.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receives the financial update on Public Transport – prior to COVID**

Chair Hughey / Councillor Hands
CARRIED

5.4 Portfolio Financial Report March 2020

Refer page 35 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow reported on financial performance for the period ended 31 March 2020.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receives the Portfolio Financial report for the period ended 31 March 2020**

Councillor Edge / Graeme McGlinn
CARRIED

5.5 Financial Health Reports March 2020

Refer page 44 – Performance, Audit and Risk Committee Agenda

Tarsha Triplow reported on financial results for the period ended 31 March 2020 and provided an update on the cash position.

Resolved

That the Performance, Audit and Risk Committee:

- 1. Receives the monthly Financial Health Report for the period ended 31 March 2020**
- 2. Receives the Bancorp Quarterly Treasury Report to 31 March 2020**
- 3. Notes the table of Council approved unbudgeted expenditure listed in the Financial Health Report**

Councillor Sunckell / Chair Hughey
CARRIED

6. Audit

There were no Audit business to report.

7. Public Excluded

Resolved

1. That the public be excluded from the following part of the proceedings of this meeting.

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

Item No.	Minutes/Report of	General Subject of each matter considered	Reason for passing this resolution to each matter	Ground(s) under section 48(1) for the passing of this resolution
1.1	Sensitive Expenditure BI Report – March 2020	Update	Good reason to withhold exists under section 7	Section 48(1)(a)

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceeding of the meeting in public are as follows:

Item No.	
1.1	<p>Enable the Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)</p> <p>Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p>

That appropriate officers remain to provide advice to the Committee.

Chair Hughey / Graeme McGlinn
CARRIED

The meeting went into public excluded session from 2.49pm to 2.57pm.

8. Notices of motion

There were no notices of motion.

9. Extraordinary and Urgent Business

10. General Business

11. Questions

There were no questions.

12. Next Meeting

The next meeting will be held on 28 May 2020.

11. **Closure**

The Chair declared the meeting closed at 3.03pm.

CONFIRMED

Date

Chairperson

6. Matters for Council Decision

6.1. Deliberations on the draft Annual Plan 2020/21

Council report

Date of meeting	21 May 2020
Authors	Katherine Harbrow, Chief Financial Officer Cecilia Ellis, Senior Strategy Advisor
Responsible Directors	Katherine Trought, Strategy and Planning Miles McConway, Finance and Corporate Services

Purpose

1. This paper provides information to support Council as it deliberates on any changes to the draft Annual Plan 2020/21 as a result of community engagement feedback and COVID-19 implications.
2. The Annual Plan represents the contract that Environment Canterbury has with the community and must be adopted by 30 June 2020. Deliberations on the draft Annual Plan 2020/21 provide transparency to the community about Council decisions and direction to staff on changes required.

Recommendations

That the Council:

1. **receives the summary of the public engagement on the draft Annual Plan 2020/21 and staff advice (attachment 1) and agrees that the summary is an accurate reflection on the community feedback received**
2. **directs staff on the preferred total rates revenue increase for the Annual Plan 2020/21, by agreeing on one of the options provided**
3. **refers the Liability Management and Investment Policy to the Performance Audit and Risk Committee for that Committee to review the Policy to ensure appropriate flexibility exists to borrow for projects or operating expenditure needs that may emerge.**
4. **directs the Acting Chief Executive to complete the finalised document and the associated rating resolutions for the Annual Plan 2020/21 ready for Council adoption 18 June 2020.**

Summary of report

3. A summary of the key report sections, and attachments is provided below to assist Council in its deliberations:
- **Community feedback on the draft Annual Plan 2020/21** — summary of the community feedback on the draft Annual Plan 2020/21 included in report and attachment 1 so Council can acknowledge and discuss the feedback received (recommendation 1)
 - **COVID-19 implications on the draft Annual Plan 2020/21** — summary of the approach taken to review the Annual Plan budget in light of COVID-19 and an inflation type baseline that was used to formulate options.
 - Council direction is also sought on the level of public transport investment for inclusion in the Annual Plan given COVID-19 implications before deliberating on options for total rates revenue increase. A supplementary paper will be tabled at the Council meeting.
 - **Options for total rates revenue increase** — reasonable and practicable options are presented for Council to deliberate on, taking into account community feedback, COVID-19 impacts, and public transport investment options. (recommendation 2)
 - Amendments to the Liability Management and Investment Policy (attachment 5) to enable flexibility to borrow for projects and/or operational projects is also proposed (recommendation 3).
 - **Details of budget review** — components of financial changes to the draft Annual Plan to reach a CPI-type inflation-based total rates revenue increase are further outlined as background in paragraphs 26- 33 and attachments 2, 3 and 4.
 - **Proposed changes to Annual Plan narrative** — an outline of some minor proposed changes to the draft Annual Plan narrative that staff recommend based on public feedback and acknowledgment that staff will make financial and narrative changes to the draft Annual Plan 2020/21 based on the direction sought from Council at this meeting (recommendation 4)

Background

4. The draft Annual Plan 2020/21 is based on the third year of the Long-Term Plan 2018-28. The Long-Term Plan, which underwent consultation in 2018, was adopted with a 5.5% total rates revenue increase for the 2020/21 year.
5. When the Annual Plan 2020/21 was drafted for community engagement, the draft plan proposed a 9.8% increase in total rates revenue, which was above the 5.5% signalled in the Long-Term Plan. The additional 4.3% increase was largely allocated to service improvements proposed for Public Transport and building cash reserves for the General Reserve and River Scheme Reserves.
6. Engagement on the draft Annual Plan 2020/21 (with the proposed 9.8%) was held between Monday 24 February and Wednesday 25 March. During engagement on the draft Annual Plan 2020/21, the global and national response to COVID-19 escalated and the potential economic implications of COVID-19 started to become apparent.

7. Council direction on changes to the draft Annual Plan 2020/21 enables staff to prepare the final Annual Plan 2020/21 documents, and the associated rating resolutions, for formal adoption on 18 June 2020.

Community feedback on the draft Annual Plan 2020/21

8. Engagement on the draft Annual Plan 2020/21 was held between Monday 24 February and Wednesday 25 March. 165 pieces of feedback were received, including late feedback received due to COVID-19.
9. 133 individuals provided feedback, with the rest of the feedback (32) from organisations and groups including Te Rūnanga o Ngāi Tahu, Waimakariri, Ashburton and Hurunui District Councils, Federated Farmers, the Youth Rōpū, environmental groups, community boards, residents' associations and recreational groups. 27 individuals and groups were heard by Council via virtual hearings on 22 and 29 April.
10. Councillors have received all pieces of written feedback and the virtual hearings are available on Environment Canterbury's website. The attached report (attachment 1) summarises written and verbal feedback received on the draft Annual Plan 2020/21, and the Council's 'Better Future' survey. It is provided to support Council deliberations on changes to the draft Annual Plan 2020/21.
11. Public feedback on the proposed total rates revenue increase of 9.8% was mixed, with some opposed to the rates increase and others in support for increased action in priority areas including public transport. As the potential economic implications of COVID-19 became more evident during the draft Annual Plan engagement period, feedback increasingly acknowledged that this should have an impact on rating considerations.
12. Much of the public feedback supported the Council's direction and requested more action in priority areas (including public transport, climate change and biodiversity). Specific funding support for progress of a comprehensive coastal plan review and more budget provision to support efforts in regional planting and regeneration projects was noted in the feedback.
13. Many of the specific requests, feedback and ideas provided by individuals or groups can be accommodated or explored within existing work programmes without changes to budgets and staff will follow up with these individuals or groups where appropriate. To progress some initiatives more urgently as supported by some of the feedback, more budget provisions may be needed.
14. Much of the feedback was not specifically on the proposed draft Annual Plan 2020/21 but more generally about the Council direction and upcoming Long-Term Plan 2021-31. The feedback received will be useful as Council develops and engages further with the community on the Long-Term Plan 2021-31, while considering the longer-term challenges and opportunities associated with COVID-19 recovery.

COVID-19 implications on the draft Annual Plan 2020/21

15. The draft Annual Plan 2020/21 proposed a total rates revenue increase of 9.8% (increased from the 5.5% proposed in year 3 of the Long-Term Plan 2018-28). While engagement on the draft Annual Plan 2020/21 was occurring, the global and national response to COVID-19 escalated and the potential economic implications of COVID-19 started to become apparent. The draft Annual Plan that community provided feedback on does not take into account the impacts COVID-19 has had, and will have, on the regional and national economies.
16. In response to the economic implications of COVID-19, and concerns that the total rates revenue increase was not palatable in the current economic climate (as highlighted by community feedback), Council asked staff to consider COVID-19 impacts and review the draft Annual Plan. In doing so, Council asked staff to take a cautious and measured approach in reviewing the draft Annual Plan noting that time was available to assess the impacts in more detail leading into the Annual Plan adoption date of 18 June. To do this, a number of principles were applied to the review and these were:
 - the need to balance the forecasted impacts against the need to be able to continue business and respond where required and ensure there was sufficient flexibility to allow this to occur over the next 12 to 15 months
 - the need to balance a long-term view with the immediate post-COVID-19 needs
 - opportunities for efficiencies
 - the ability to support recovery efforts as well as continue with important projects that contribute to the wellbeing of the region (economic, social, cultural and environmental)
 - the Council's strong position due to low current debt and its ability to borrow, paying back over the longer-term in recognition of the intergenerational nature of this event and much of the Council's work
 - the significant surplus anticipated in the current (2019/20) year, which can be utilised to meet 2020/21 Annual Plan requirements
 - opportunities to work closely with Central Government, the Mayoral Forum, Papatipu Rūnanga, Territorial Authorities, private partners and NGOs on recovery project opportunities
17. In reviewing the draft Annual Plan and developing options for a revised rate increase, staff considered what a baseline sustainable total rates revenue increase (a Consumer Price Index-level rate change) would include while taking into account the principles outlined above. A summary of the financial changes to reach a Consumer Price Index-level total rates revenue increase of 2.3% is set out below (Table 1).

Table 1

RATES IMPACT	\$000	%	
2019/20 Annual Plan	110,282		
Draft 2020/21 Annual Plan	121,055	9.8%	
			<i>Staff proposed changes to draft Annual Plan:</i>
	-872		Various project review savings leading to no change in Levels of Service
	-893		Public Transport proposed service improvements removed
	369		Reduced user pays income from Public Transport — no 2.5% fare increase
	-282		Reduce depreciation provision for delayed projects (Kainga Depot & Public Transport Real Time Information system)
	-2439		Reduced proposed cash reserve build up (flood protection, elections and general)
	-751		COVID-19 savings for 4 th quarter 2019/20
	-1000		Use of general reserve due to surplus in 2019/20
	-1353		Reduced inflation estimates
	-158		Rates effect of Opex carry forwards from 2019/20
	-175		Reduction in rating collection fee collection costs due to lower rates
	-700		Unbudgeted rate collection
	0		Impact of further funding requests from feedback (written and hearings)
	112,801		
			<i>Balance that could be funded from additional borrowing:</i>
	0		Operational Project 1 — with intergenerational benefit (potentially Coastal Plan Review)
	0		Recovery projects 1
Final 2020/21 Annual Plan	112,801	2.3%	CPI-type level of rate increase

18. The proposed options for total rates revenue increase (Table 2) in the next section provide for building up reserves to different levels. No reserve replenishment is provided for in the 2.3% baseline figure.
19. As part of the considerations around the COVID-19 response in April 2020, the impact of COVID-19 on public transport was analysed and expenditure of \$1.1 million (an impact of approximately 1% on total rates revenue) was removed to achieve the 2.3% CPI-type baseline. This included the removal of public transport service improvements.

20. Since April, the impact of the COVID-19 environment on public transport services continues to evolve. A supplementary paper will be tabled at the Council meeting which sets out updated financial information for public transport requirements.

Options for total rate increase

21. In considering the feedback received from the engagement process, the impact of COVID-19 and other matters proposed by Council, staff present the following reasonable and practicable options for Council deliberation.
22. Note options 1 and 2 are based on the draft Annual Plan. The subsequent options start from the CPI-type baseline of a 2.3% and propose options for adding to that (outlined above in Table 1).

Table 2

Option 1: 9.8% Adopt the draft 2020/21 Annual Plan unchanged from what was engaged on with a total rate rise of 9.8%. This maintains the draft 2020/21 Annual Plan and assumes that no adjustments are required as a result of the economic impacts of COVID-19.

Advantages	It causes the least disruption to the Council's operations. It includes planned Public Transport budget requirements. It provides flexibility to consider additional initiatives during the year due to reserves being available.
Disadvantages	Councillor and Community feedback was that this was not appropriate in the current economic environment. Budget does not take into account the constraints on business activity that will be ongoing due to COVID-19

Option 2: 7.4% This option removes (from the 9.8%) the proposed cash reserve build-ups for river schemes and general reserves from the draft Annual Plan. The reserve build-ups are deferred for consideration in the Long-Term Plan 2021-31.

This maintains the draft 2020/21 Annual Plan and assumes that minimal adjustments are required as a result of the economic impacts of COVID-19.

Advantages	This option partly meets the concerns that the 9.8% rate rise was not appropriate in the current economic environment. It causes minimal disruption to business as usual. It includes planned Public Transport budget requirements.
Disadvantages	The removal of river schemes and general reserves increases the risk that there will be insufficient reserves to respond to one-off events. This risk can be mitigated by the availability of quick and low-cost borrowing. This level of total rates revenue increase may not meet councillor and community expectations to reduce rates in this current economic climate. Flexibility to consider additional initiatives in year is reduced.

Option 3: 4% (plus any agreed Public Transport increase) This option starts with the CPI-type 2.3% increase and adds general reserves replenishment of 1.7%. (i.e. Baseline 2.3% + 1.7% general reserves = 4%) (Note: a supplementary paper will be tabled at the Council meeting to inform this discussion.)

Advantages	This option retains some reserve build up in the general reserve and provides flexibility to consider additional initiatives during the year. Incorporates forecast year-end adjustments, inflation changes and savings as a result of the economic impacts of COVID-19. Total rates revenue increase may be more acceptable to the community and councillor expectations.
Disadvantages	There will not be any reserve build-ups proposed in the river schemes. This increases the risk that there will be insufficient reserves to respond to one-off events. This risk can be mitigated by the availability of quick and low-cost borrowing

Option 4: 4% — Preferred staff option This option includes the 2.3% baseline and adds 0.9% general reserve allocation and an amount for public transport service improvements. (Note: a supplementary paper will be tabled at the Council meeting to inform this discussion.)

Advantages	This option retains some reserve build up in the general reserve and provides flexibility to consider additional initiatives during the year including the coastal plan review, regional planting and regeneration projects. Having some flexibility would enable these activities to get a start ahead of the Long-Term Plan 2021-31. Incorporates forecast year-end adjustments, inflation changes and savings as a result of the economic impacts of COVID-19. Reinstates public transport service improvements. Total rates revenue increase may be more acceptable to the community and councillor expectations.
Disadvantages	There will not be any reserve build-ups proposed in the river schemes. This increases the risk that there will be insufficient reserves to respond to one-off events. This risk can be mitigated by the availability of quick and low-cost borrowing.

Option 5: 2.3% (plus any agreed Public Transport increase) This option includes the 2.3% baseline and adds the agreed Public Transport service improvement costs. (Note: a supplementary paper will be tabled at the Council meeting to inform this discussion.)

Advantages	Fully recognises the impacts of COVID-19 possible as it applies to a rate increase bringing it back to be inflation based which is recognised as good practice. Most likely to meet community expectations to reduce rates. No levels of service will be impacted.
Disadvantages	The reserve build-ups proposed were in the river schemes and general reserves. This increases the risk that there will be insufficient reserves to respond to one-off events. This risk can be mitigated by the availability of quick and low-cost borrowing. There will be no flexibility to consider additional initiatives in year.

23. **Staff recommend option 4**, a total rates revenue increase of 4% which would provide a balance between longer-term outcomes with the immediate COVID-19 situation. This option would enable flexibility to consider some of the initiatives in year that have been identified in the community feedback or by Councillors since developing the draft Annual Plan. These include a wider review of the Coastal Plan than currently funded, regional planting and regeneration projects, and a climate change engagement proposal. Advice is not sought at this meeting on what initiatives to support, but option 4 provides the flexibility to be able to consider initiatives in year.
24. Utilisation of estimated year end balances may provide some further flexibility in the budget once year end balances are known (July 2020).
25. Amendments are also proposed to Council's Treasury Policy (the Liability Management and Investment Policy) to enable future borrowing for COVID-19 response, recovery and cashflow management purposes. This review can ensure there is flexibility to access funds if they are required to support COVID-19 related recovery projects or underestimated-revenue impacts, such as reductions in fare and consent fee revenues or through rates relief applications.

Detail on the budget review process in response to COVID-19

26. Further detail is now provided on the information provided above in Table 1. Components of the 2.3% CPI-type baseline include:
- Utilisation of forecasted year end surpluses. Underspends of budget in the current year due to COVID-19 are detailed in the carry forward table in **attachment 3**. Some of these carry over requests are due to projects that have been delayed due to COVID-19 and have third party funding. These carry overs are both operational and capital in nature. These carry overs reduce the need to rate for additional rates in the 2020/21 Annual Plan to complete these works and the funds will accrue in the appropriate reserve.

- reset of inflation projections. In the draft Annual Plan, inflation was estimated at 2.8%. Differing rates are applied to the different activities to get to this average, Reviewing the different categories has occurred and resulted in a 2% averaged inflation rate being applied.
- review of depreciation. The possibility of changing depreciation rates was reviewed, and this resulted in a saving of \$300k for the 2020/21 year
- a trim back of goods and services funding that will be affected by COVID-19 restrictions or impacts.

27. Attachment 2 provides a summary of each portfolio and the breakdown of how each programme is funded and the proposed movement between 2019/20 and 2020/21.

28. Still included in the proposed budget are the new staff full time equivalents (FTE). Currently at 699.6 FTE, an additional 25.6 FTE roles are:

- Canterbury Maps which is funded by other Councils 2.3 FTE
- Fully funded MPI wilding conifer programme 1 FTE
- Council approved additional 2 FTE for compliance and monitoring
- Additional support for Healthier Homes programme funded through the administration margin 0.4 FTE
- Roles previously funded by goods and services/ contractors now hired permanently for lower cost 19.9 FTE.

29. A summary of the capital budgets that are currently included in the Annual Plan 2020/21 is provided in Table 3.

- Most of the capital expenditure is funded through borrowing due to its intergenerational nature. It is repaid based on the useful life of the asset that has been created.
- Depreciation and interest are recorded in the operational costs and therefore spreads the rating impact over the life of the asset.

Table 3

Asset Type	Cost
Air Quality Equipment	132,555
Buildings (incl. furniture & fittings)	8,848,001
Bus Ticketing Equipment	3,318,000
General Plant	1,378,040
Groundwater Monitoring Equipment	276,894
Land	476,309
Software (incl. Water Data & Project Katoa)	9,956,200
Stopbanks	608,685
Surface Water Equipment	1,150,300
Survey Equipment	74,168
Tracks and Fences	166,408
Vehicles	1,524,270
	27,909,830

30. In the 8 months actuals plus 4 months' forecast (the 8+4 forecast) staff indicated that the year-end surplus to budget would be \$4.2m. The impacts of COVID-19 over the past six weeks has meant that some activities have not been completed and so the forecast surplus has been revised upwards by \$3.5m as shown in the Reserves Calculation Table x below.

31. Table 4: table of the proposed balances of the reserves is included below (as at 6 May 2020)

Table 4**RESERVE CALCULATION**

	2019/20 Forecast CLOSING	2019/20 Further Adj's	2020/21 OPENING	2020/21 Movement	2020/21 CLOSING	POLICY
GENERAL RESERVE	-965	2,209	1,244	-2,917	-1,673	3,000
CATCHMENT RATING	5,911	855	6,766	-2,130	4,635	8,100
REGIONAL PARK	-112		-112	-57	-169	-
CIVIL DEFENCE	-331		-331	423	91	500
AIR QUALITY	765		765	21	786	-
HEALTHIER HOMES CANTERBURY	-226		-226	-57	-282	-
CLEAN HEAT RESERVE	1,485		1,485	-351	1,134	-
ENERGY EFFICIENCY	-		-	-	-	-
BIOSECURITY	39		39	-	39	-
PEST RATING	1,313		1,313	-597	716	500
PUBLIC TRANSPORT	6,402	478	6,880	-1,015	5,864	4,250
OPERATING RESERVES	14,280	3,542	17,822	-6,680	11,142	16,350

32. With all the changes set out above taken into account, this would result in a total rates revenue increase of 2.3%. Levels of service (activities) can still be achieved with this reduction in total rates revenue increase. Budget reductions include factors largely out of Council control such as the knock-on implications of COVID-19 estimated and actioned

(e.g. reduction in travel and planned gatherings) and utilising forecast year end underspends and unbudgeted rate revenue.

33. Sample properties — **Attachment 4** has been included to show the proposed total rates revenue increase of 2.3% and what the impact would be for the selected properties that we monitor as sample properties

Proposed changes to draft Annual Plan narrative, measures or targets

34. The Annual Plan narrative, including the foreword, will be amended following the deliberations meeting, to reflect the Council direction on changes to the draft Annual Plan.
35. Proposed changes to the draft Annual Plan narrative, measures and targets identified to date as a result of staff advice and community engagement are summarised below. The changes are not material or significant as options identified in this report do not propose changes to levels of service. Changes are largely to provide clarity as requested through public feedback.
- Staff propose the public transport narrative is amended to further clarify the focus of work to reduce emissions and encourage public transport patronage, service improvements and innovations in line with COVID-19 implications.
 - Staff propose improvements are made to the draft Annual Plan 2020/21 narrative to better demonstrate where policies or activities link to emission reduction outcomes to address public feedback on action required to address climate change. This includes the air portfolio narrative. While Environment Canterbury does not currently have a regulatory role in mitigating greenhouse gas emissions across the region, many policies and plans will inherently lead to a reduction in emissions.
 - In response to public feedback about the need for integration of climate change across all portfolios, and integration of work between portfolios staff also propose revising the narrative in the draft Annual Plan to demonstrate how work is integrated. This includes in the freshwater management and biodiversity and biosecurity portfolio.
 - Staff propose reviewing the narrative in the freshwater management portfolio to expand on the Fit for Future project and work to scope the future focus of zone committees.
 - Staff propose minor change to narrative in Biodiversity and Biosecurity portfolio to reflect public feedback and the biodiversity strategy focus on protect and restore.
 - In response to feedback from the Youth Rōpū, staff amending the Regional Leadership narrative to better reflect the role of the Youth Rōpū and youth engagement activities. This also includes amending Level of Service target 31.2b.

- Staff propose removing Regional Leadership Level of Service target 37.2c Mātauranga Māori is reported alongside our state of the environment information (2019/20 changed to 2020/21 onwards. Due to delays to developing the framework in this financial year, the reporting will now begin in 2021/22. Work will continue in 2020/21 to develop the framework, but the target will not be met.

Cost, compliance and communication

Risk assessment and legal compliance

36. There is a risk of reduced patronage on public transport from COVID-19 and fare revenue impact this will have, noting we have considered an impact range from minimum 10% to maximum 40% and included 20% as a mid-range in this Annual Plan.
37. Flood protection reserves are now well below target / policy financial reserve levels. If we have another big flood, we may well need to source external funding quickly to cover emergency repair costs.

Consistency with council policy

38. To enable borrowing for operational intergenerational projects in the future the following policies were reviewed. The policies include the Liability Management and Investment Policy, the Revenue and Financing Policy, and the Significance and Engagement Policy.

Liability Management and Investment Policy

39. Attachment 5 is a proposed revised Liability Management and Investment Policy (LMIP). This policy can be amended by Council resolution on the 18 June 2020 and does not require consultation.
40. The proposed amendments to this LMIP include:
 - allow borrowing for “natural capital” assets resulting from operational expenditure
 - amendments from Local Government Act changes
 - allows equity investments
41. It is proposed that the Performance Audit and Risk Committee would review the changes to the LMIP at its May 2020 meeting briefing. All Councillors will be able to attend this briefing.
42. Through the Long-Term Plan 2021-31 process this LMIP will be reviewed again by Council and included as supplementary information along with other financial policies during the consultation period of the LTP.

Revenue and Financing Policy

43. To the extent that any of the decisions and options provided for above require borrowing, if the borrowing is to fund operating expenditure, that would be inconsistent with the Council's current Revenue and Financing Policy. This does not prevent the Council from deciding to proceed in that way but will require the Council to make additional resolutions prior to making any amendments to the Revenue and Financing Policy in the Long-Term Plan.
44. Section 80 of the Local Government Act provides that if a decision is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority, when making the decision the local authority must clearly identify:
- the inconsistency
 - the reasons for the inconsistency, and
 - any intention of the local authority to amend the policy to accommodate the decision.
45. Accordingly, if Council lands on a position that is inconsistent with the current Revenue and Financing Policy there is a lawful way to proceed.

Significance and engagement

46. As the proposed Annual Plan 2020/21 did not include significant or material differences from the content of the Long-Term Plan 2018-28 (year 3) under section 95 (2A) of the Local Government Act 2002, Council undertook engagement on the draft Annual Plan 2020/21. Engaging with the community was beneficial to receive content of the draft Annual Plan 2020/21 and inform development of the Long-Term Plan 2021-31.
47. Assessment of the significance and engagement policy with regards to proposed changes to the draft Annual Plan 2020/21 as a result of the COVID-19 budget review are discussed below. Subject to Council direction, further proposed changes to the Annual Plan 2020/21 do not trigger the Significance and Engagement policy.

Communication

48. A summary of feedback and deliberations will be available on the Annual Plan engagement portal, website and through social media. Following adoption of the Annual Plan 2020/21 the details will be summarised in a press release for media. Partners, stakeholders, community organisations and those who gave feedback and indicated they wish to be kept informed of outcomes will be updated by email.

Next steps

- **From today (May 21)** – staff will be processing all the changes, calculating the changes to rating tables and sample property table, amending the commentary from the draft Annual Plan document, refreshing all the financial tables and ensure the flow and story through the document is consistent.

- **June 15** – Council meeting agenda and final 2020/21 Annual Plan document will be available on Environment Canterbury website for public viewing.
- **June 18** – final 2020/21 Annual Plan document, Liability Management and Investment Policy and rates resolution will be presented for adoption.

Attachments

1. Attachment 1 Summary report - feedback on the draft Annual Plan [6.1.1 - 25 pages]
2. Attachment 2 Portfolio Summary [6.1.2 - 1 page]
3. Attachment 3 Carryovers [6.1.3 - 1 page]
4. Attachment 4 Sample rating examples [6.1.4 - 11 pages]
5. Attachment 5 Liability Management and Investment Policy May 2020 amended [6.1.5 - 27 pages]

Peer reviewers	Catherine Schache
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Summary report - Feedback on the draft Annual Plan 2020/21 and 'Better Future' survey

1. This report summarises written and verbal feedback received on the draft Annual Plan 2020/21 and 'Better Future' survey to support Council deliberations on changes to the Annual Plan 2020/21 and development of the Long-Term Plan 2021-31 in 2020.
2. Feedback on the draft Annual Plan 2020/21 was open between Monday 24 February and Wednesday 25 March. Feedback was largely received via the online portal where submitters were encouraged to answer a survey. Virtual hearings were held on 22 and 29 April. Late feedback was also received, especially given the impact of COVID-19

Summary of feedback

3. 165 pieces of feedback were received, consisting of 142 pieces of feedback via the online portal and 32 hardcopies (letters or emails).
4. 133 individuals provided feedback, with the rest of the feedback (32) from groups and organisations including Te Rūnanga o Ngāi Tahu, Waimakariri, Ashburton and Hurunui District Councils, Federated Farmers, the Youth Rōpū, environmental groups, community boards, resident associations and recreational groups. A full list of groups providing feedback is given at the end of this document.
5. Most of the feedback was received from the Christchurch-West Melton community (about 60%). The Waimakariri community comprised about 14% of the feedback and Selwyn Waihora about 10%. Under 10% were from Banks Peninsula (7%), Orari-Temuka-Opihi-Pareora, (6%), Hurunui Waiau and Ashburton (both 2%). Not all respondents selected a zone, including groups who represent multiple zones or the whole of the Canterbury region.
6. About 60 requested to be heard and 27 individuals and groups took up the opportunity to speak to Council via online virtual hearings. The majority of those that gave feedback (90%) indicated they want to hear about the outcome of the draft Annual Plan engagement and survey.
7. During the engagement period, New Zealand's response to the COVID-19 pandemic escalated and the country moved to level three and then level four response. Some of the feedback, particularly in the early stages of the engagement was received before the significance of COVID-19 on the community was realised. However, there is still notable mention of COVID-19 in the feedback, particularly through the verbal and late feedback.

General feedback on the draft Annual Plan 2020/21

8. About half of those that gave feedback generally supported the draft Annual Plan, 30% were neutral or did not specify and about 20% disagreed with the draft Annual Plan.

Attachment 1

9. Those that were generally supportive of the plan supported the general direction of Council that is signalled in the draft Annual Plan. Many specified that they wanted to see more action and funding in priority areas of public transport, biodiversity and climate change.
10. Those that were not supportive did not agree with the proposed rates increase of 9.8%. This is discussed below. Other reasons given for disagreement with the draft Annual Plan included general concerns about the environment such as water quality and quantity issues.
11. Reflective of the theme of general comments, many provided specific comments on the Transport and Urban Development, Climate Change, Hazards, Risks and Resilience, Freshwater Management and Biodiversity and Biosecurity portfolios with over 60 comments received on each. Portfolio comments are summarised below, with portfolios listed in order of the number of comments generated. More detailed staff comments in response to specific or general feedback is included at the back of this report.
12. Social media comments on Environment Canterbury Annual Plan Facebook posts and ads generated similar comments to those noted in the online survey including rates reduction, water bottling, climate change, and freshwater quality. Climate Change and resilience ads in week one generated over 200 comments, freshwater management in week two generated over 100 comments, and in week 4 public transport generated about 100 comments.

Proposed rates increase of 9.8% and COVID-19 response

13. The draft Annual Plan for engagement proposed a total rate increase of 9.8%. About 15 specifically noted they supported the rates increase for climate change action, public transport and biodiversity, with some wanting more funding for one or more of these priorities.
14. About 20 comments related to disagreement with the proposed rates increase of 9.8% due to their or their community's ability to pay, particularly in light of the emerging economic climate. Those opposed to the rates increase included Waimakariri District Council, community boards representing the Waimakariri community and Federated Farmers.
15. At the end of the engagement period, Council signalled that considering the economic implications of COVID-19 the draft Annual Plan 2020/21 should be reviewed including the review of the proposed rates increase. This was noted by some that commented later. For example, Hurunui District Council wrote *"much has changed in the world since 25 March and the Council now wishes to signal to you that it is of the view that the proposed 9.8% average increase in rates is no longer palatable"*
16. Options for revisions to the proposed total rates revenue increase is provided in the Council deliberations report.

Transport and Urban Development

17. Comments were generally supportive of the current approach being taken in Public Transport and focus of the draft Annual Plan on Public Transport, particularly the work to reduce emissions and encourage public transport patronage.
18. Comments that were not so supportive were due to concerns about public transport services in particular areas, and the use of rates or increase in rates to support services. For example, rates increases being used to continue bus routes that could be replaced with other options.
19. The majority of the those giving feedback in transport and urban development portfolio made various comments or suggestions to improve and encourage public transport as well as active transport use, including integrated urban design and transport planning, better use of freight bicycles and cycle infrastructure, reduction of farebox recovery or provision of free public transport, increase of urban density and development of commuter rail.
20. Some comments were not within Environment Canterbury's remit. For example, comments about NZTA motorway projects or detailed comments about the development, design and use of cycle lanes.
21. Waimakariri District Council and community boards raised concerns that the rates increase was \$57 not \$30 as indicated in a previous consultation on the Waimakariri express service. The community consultation on Waimakariri bus routes in late 2019 proposing a \$30 increase in Public Transport costs was specifically focused on the cost to provision express bus services only. It was not an Annual Plan consultation.
22. Staff advise that the Waimakariri public transport contribution was increased above the amount in the route consultation due to an allocation of shared costs (total mobility, bus interchange, Metro Info, information technology, planning, strategy, marketing and communication etc). These costs are shared among Christchurch, Selwyn and Waimakariri residents based on the proportion of bus contract payments. Due to the new Express Services, Waimakariri's allocation percentage increased and more of the shared costs were allocated to this area.
23. Staff advice is that given the revisions due to COVID-19 the rates increase for Waimakariri residents for the Annual Plan 2020/21 is now expected to be lower than the \$57.
24. In summary, a number of comments about public transport are largely being addressed through implementation of the Regional Public Transport Plan, work of the Joint Public Transport and Regional Transport Committees and in proposals for the Long-Term Plan 2021-31. The feedback is also useful to note for the development of the Regional Land Transport Plan. Public consultation on the Regional Land Transport Plan in late 2020 will provide further opportunity to engage with the community on future aspirations for transport in Canterbury.

Climate Change, Hazards, Risk and Resilience

25. Within the comments in the Climate Change, Hazards, Risk and Resilience portfolio there was strong support for increased action regarding climate change. This tended to focus on greater action towards mitigation, but included greater central government advocacy, better communication of the risks and possible solutions, faster transition and adaptation in the region, and faster integration of climate change into all decision making across the organisation. There was also general support for our approach to flood protection and emergency management.
26. With regards to greater action towards mitigation, Environment Canterbury recognises central government's role in leading greenhouse gas mitigation policy, and as a regional council, our focus is mandated to be on adaptation. Currently, consideration of greenhouse gas emissions when determining regional plans is not a legislative requirement, however, we note that the Resource Management Amendment Bill before parliament is considering this.
27. While we don't have a regulatory role in mitigating greenhouse gas emissions across the region, many of our policies and plans will inherently lead to a reduction in emissions, for example: farming within limits, reducing transport congestion, managing industrial emissions to air and clean burning. Environment Canterbury is also showing regional leadership in this space by working to reduce our organisational emissions.
28. Clear support for increased funding towards the Regional Coastal Environment Plan and resourcing for coastal monitoring and protection was noted in some of the feedback. One individual, Genevieve Robinson, requested \$400- \$500k be allocated in this Annual Plan to progress this review of the coastal plan with urgency. Review of the Coastal Plan is discussed in the covering report. With regards to feedback on marine mammal protection, Environment Canterbury does not currently have any protection for marine mammals in its regulatory framework. Staff recommend that this request is discussed as part of the Long-Term Plan.
29. In summary, feedback on the Climate Change, Hazards, Risk and Resilience portfolio has been noted by staff. The draft Annual Plan 2020/21 narrative can be reviewed to see how we can better articulate how Environment Canterbury work links to climate change action and is integrated through all portfolios. Opportunities to increase visibility on climate change action through communication can also be explored within existing budgets. Wider discussions about increased action and funding for climate change and marine protection will form part of Long-Term Plan 2021-31 discussions.

Freshwater Management

30. There was general support for the Canterbury Water Management Strategy (CWMS) programme and work/direction of the Freshwater Management portfolio. Support was signalled for continued funding of existing programmes and direction including the move from planning to implementation and focus on monitoring and data.

31. Concerns included comments about fish screens compliance and monitoring, drinking water and nitrates, water allocation, water quality (for ecosystem health and swimmability) and intensification in the high country. Comments mooted the need for more action on climate change, water quality and quantity, braided river management, biodiversity, soil health and urban waterways. These concerns were re-iterated in answers to the survey question on the most pressing issue for freshwater management in your local area.
32. Specific examples where more funding and resourcing is needed in freshwater management were given by individuals and groups including funding to implement the NPS-FM, focus on urban waterways and work to stabilise and improve water quality in the Ō Tū Wharekai (Ashburton Lakes) and braided rivers including the Rangitata, Hakatere and Waimakariri.
33. North Canterbury Fish and Game commented on shifting the focus from lowland to the high country, and Central South Island Fish and Game requested the alpine rivers chapter of the Land and Water Regional Plan be reviewed. Programmes in the freshwater management portfolio, including resource management planning timeframes and monitoring programmes will be reviewed in the development of the Long-Term Plan 2021-31. Priority issues noted in this feedback will be considered in this review alongside central government direction.
34. Several comments about what zone committees should focus on in the future were made by individuals and groups. Many of these comments were prompted by the survey question noted below. The Fit for the Future project has identified how Zone Committees might be supported to move from a focus on the regional planning framework to an emphasis on delivery by establishing clear work programmes. Information about a process to revise terms of references for zone committees is coming to Council shortly.

Biodiversity and Biosecurity

35. Strong general support was signalled for biodiversity being a priority. Some comments indicated this priority should be further elevated with more action to protect remaining habitat and manage pests. Support for protecting what remains was the top priority within the biodiversity comments, while support for restoration and regeneration was also supported.
36. Suggestions were made to increase funding to support this effort, or at least maintain if budgets are constrained due to COVID-19. Areas for increased funding included biosecurity (particularly for biodiversity pests), wetlands, braided river management and data. Support for landowners through more education and proactive work was also noted. Stronger regulation and compliance were, like other portfolios, a theme and included proposals such as regulation for wetlands and more funding for implementation of National Policy Statement for Indigenous Biodiversity. Additional work programmes on drylands programme and climate resilient ecosystems were suggested by one individual.

Attachment 1

37. Concerns were raised about the impact of pesticide use on insect biodiversity. Land-use change, and intensification was also flagged as a concern. One commented that vegetation clearance should be transferred to regional councils.
38. Comments on biosecurity included support for pathway management, a focus on incursion response and wilding conifer control. Specific pest issues and comments were made about the need for management of pigeons, Canada geese, Russell lupins, wallabies, cats, and spur valerian on Banks Peninsula.
39. In summary, given the potential economic implications from COVID-19, increased funding for biodiversity above what was proposed in this Annual Plan is not recommended by staff. Biodiversity is still recognised as an organisational priority and any proposed rates reduction does not impact on ability to deliver levels of service (activities). There will be an opportunity for larger budget changes to be considered as part of the Council's 2021-31 Long-Term Plan discussions on activities and services.
40. There are also potential opportunities to meet community aspirations for regeneration projects through applications to central government for 'shovel ready' projects in response to COVID-19 economic recovery.

Air quality

41. Feedback on the air quality portfolio indicated strong support for our current approach to improve air quality. Some concerns were raised regarding farm burns offs. There is an opportunity to clarify the impacts and rules regarding farm burn offs in the Non-Domestic emissions narrative.
42. Environment Canterbury regularly investigates air quality to understand the sources of the pollutants. This ensures our work remains focused on the major sources of air pollution. In Canterbury this is primarily home heating, then industrial emissions and transport emissions.
43. Some concerns were raised regarding reduction of transport emissions, for both health and climate change outcomes, and that transport emissions should be part of the Air Portfolio. Many concerns were also raised regarding reduction of greenhouse gas emissions and that this should be part of this portfolio. This is also addressed in the Climate Change Hazards Risk and Resilience portfolio. There is an opportunity to clarify our role in transport emissions in the Annual Plan.

Regional Leadership

44. There was general support in the feedback for Council's focus on relationships, collaboration with Canterbury councils and Ngāi Tahu, and support for community groups, youth engagement and EnviroSchools. Some commented that relationships with councils and stakeholders could be improved and that Council should work with others in climate change action.

45. Leadership was a focus of some feedback with comments suggesting that Environment Canterbury is in a good position to demonstrate leadership and lead other regions.
46. Summit Road Society expressed in their verbal feedback the ongoing challenge of applying for community funding from various organisations and pots of money. Whilst no specific funding amounts were requested by community groups in the Annual Plan engagement, Te Ara Kākāriki requested ongoing funding support. As part of Long-Term Plan discussions, staff will provide Councillors with details on how we currently work with community organisations and seek guidance on new ways of providing support.
47. One individual proposed a strategy to increase voter turnout and participation. The Youth Rōpū suggested more narrative in the Annual Plan on youth engagement. Staff recommend amending the narrative to better reflect the participation role of the Youth Rōpū and youth engagement activities.
48. There was support through comments in this portfolio and others for more resourcing to strengthen compliance monitoring and enforcement activities. The setting of priorities for Compliance, Monitoring and Enforcement activity are reviewed by Council annually. Careful decisions are made to focus efforts on areas of highest potential risk. Regulation and compliance must be balanced with an education and awareness raising component. An organisational 5-year compliance, monitoring and enforcement plan is currently in development.

Better Future – feedback for the Long-Term Plan 2021-31

In the Better Future part of the survey a number of questions were asked to help inform the development of the Long-Term Plan 2021-31.

Our current purpose statement is: Facilitating sustainable development for the Canterbury region. Should we change it?

49. 54% of respondents to this question said yes we should change it, 30% said no and 11% weren't sure. Of those that said yes change it, common words proposed for inclusion included building resilience, environment, climate change, future-focused and leading. Others thought that the term sustainable development should be removed, replaced or amended to take into account environmental and economic effects.
50. Those that commented it should remain the same thought that the statement was broad enough and reflected Environment Canterbury's purpose.

What is the most pressing issue for freshwater management in your local area? And why is this issue important to you?

51. 112 commented on issues including nitrate and phosphate, plastic, faecal contamination and implications of contamination on water quality, drinking water, recreation and ecosystem health. Water use and allocation (irrigation, water bottling) and the impact of urban development and agricultural intensification were also noted as issues of importance.

Are you aware of the role of the Water Zone Committee in managing freshwater in your area?

52. 73 respondents said yes they are aware of the role of the zone committee and 52 said no. 55 went on to comment on what they thought Zone Committed should focus on.
53. Issues mentioned that zone committees should consider included nitrate contamination, water flows, over allocation and water storage and freshwater quality and biodiversity. Specific areas and ecosystems mentioned included urban waterways, braided rivers, Wakanui Creek lagoon and local streams.
54. Ideas for activities that zone committees should focus on included education and advocacy, encouraging public participation and facilitating on-the-ground work, rather than setting planning frameworks. Focus on achieving targets, incorporating more cultural values into monitoring system and more collaboration between committees/a greater regional focus were other suggestions given.
55. Some did not agree with the zone committee approach whilst others thought they could be repurposed or the number of committees or committee size altered.

What impact do you think climate change will have on you and your community?

56. 103 took the opportunity to comment on this question. The most common responses were changing and extreme weather events, sea level rise, drought, disruption to lifestyle, agriculture and food supplies and significant effects on ecosystems.

What do you think we can do to improve the region's resilience to climate change and natural hazards?

57. 105 responded to this question. The most frequent response was planting, particularly native planting. Related to this theme, protection and restoration of habitats was also mentioned several times. Other common responses were:
- careful allocation of resources
 - flood protection
 - public transport utilisation
 - green energy (instead of fossil fuels)
 - zoning of land
 - managed retreat
 - working with others to respond and educate/inform
 - gather information and learn from overseas examples
 - lobby central government to act now and regulate
 - harness opportunities and innovations
 - diversify land use e.g. production of different crops.
58. Concerns about food security were noted by a few who proposed development of a food resilience strategy, working with others including Canterbury councils.

What's the biggest change we could make now to protect the environment for future generations?

59. 113 responded to this question. Key themes of responses were biodiversity, biosecurity and planting, climate change, public transport, urban development and land use, freshwater management and community engagement.
60. Similar to responses to other questions, opportunities for native planting, protecting what remains and biosecurity as a tool were noted as important changes to protect the environment and biodiversity in Canterbury.
61. Many responses were focused on climate change action and made comments on cleaner energy, public transport and greener homes initiatives to reduce greenhouse gas emissions. Some commented that climate change should be a standing item on every council agenda.
62. On land use and freshwater management, restricting development (building), reducing focus on dairying and diversifying what grow and use land for were the main themes of the comments. Similar to other responses, protecting water quality and resources for the future was important to some respondents.
63. A number of responses noted that education, behaviour change initiatives, community engagement and working and empowering others were important things that we could be doing to protect the environment.

Should Environment Canterbury lead a bold, region-wide planting and regeneration programme?

64. The vast majority of respondents said yes (107). 12 said no and 8 didn't know. A quick poll accompanying the survey asked 'Would you get involved in community planting?' 116 people responded, of these more than 58% indicated they were involved already or wanted to get involved, 22% wanted to find out more and 19% were not interested.
65. 89 commented why they put yes. Common reasons included climate change adaptation and mitigation, biodiversity gains, erosion control, soil retention, community wellbeing, landscape and aesthetic values, and air quality. Some commented that action to carry out this work was overdue and should be urgently progressed. Some commented on opportunities to create jobs and involve the community.
66. Some comments cautioned the need to carry-out careful planning to ensure adverse outcomes from planting do not eventuate and that Environment Canterbury should lead this work as we offer the regional view others lack. Others commented that the focus should be on regeneration and protection of remnants, e.g. fencing/pest control.
67. Those that said they no had concerns about the budget implications or what the costs would involve given that community groups could be supported to carry out this work.

How much effort should we direct into protecting Canterbury's unique braided rivers and wetlands?

68. 107 respondents said more effort should be directed to braided rivers and wetlands, 3 said less, and 15 said the same. 84 of the 107 respondents commented on why more effort should be directed, whilst all of those that said no gave a reason and half of those that said the same effort.
69. Those that commented more effort should be directed commented that braided rivers are unique to Canterbury and that urgent protection is needed given their vital importance to biodiversity and ecosystems. Benefits of braided rivers and wetlands noted included aesthetic qualities, resilience for water drought in future, flood protection management and tourism benefits. Support was noted for efforts to date.
70. Ideas were offered about the kind of effort needed to protect braided rivers and wetlands. These ideas included implementation of a regulatory framework, control of irrigation/water flows and prosecution. Some supported budget increase e.g. for land purchase and urban waterways action.

Summary of feedback points and staff advice

Transport and Urban Development		
	<i>Feedback comment/s</i>	<i>Staff advice</i>
1.1	Reduce transport emissions	<p>Environment Canterbury recognises the importance of reducing transport emissions. The Regional Public Transport Plan states that Environment Canterbury will develop a suitable investment programme to enable the transition to a fully zero emissions fleet as soon as possible, and that new buses will be zero emissions wherever practicable. To illustrate, the recent completion of the bus procurement process has reduced public transport CO² emissions by 14% within a year. In 2020/21 we will introduce 25 new electric buses and 39 new low emission Euro-6 buses.</p> <p>Vehicle exhaust emissions tests would need to be enabled by Central Government legislation, so could not be implemented by Environment Canterbury of its own volition.</p>
1.2	Public transport funding model	Public transport in Christchurch and Canterbury is heavily subsidised. The current funding model for public transport involves matched funding from local and central government. Until this model is adjusted, Environment Canterbury must budget through its annual plan using the matched funding model.
1.3	Reduce farebox recovery	<p>We would note that farebox recovery policies have eased as reflected in the 2018 Regional Public Transport Plan. This stated the key difficulty remains that of achieving greater engagement with our services (namely increased patronage), and this may involve ongoing increases in expenditure to ensure services fit expectations.</p> <p>The principal issue is not the level of financial support but the level of active engagement with services. Environment Canterbury and partner agencies are currently investigating proposals aimed at significantly improving services and infrastructure with a goal of increasing direct engagement with our services (growing patronage). Both the Future Public Transport Business Case process and a likely review of fare methods will feed into proposals that will be incorporated in the Long-Term Plan 2021-31.</p>
1.4	Make public transport free	Currently fares contribute around \$20 million dollars for public transport funding in Canterbury. If free fares were introduced Environment Canterbury would need to replace this income through increases in rate contribution. A rate increase of the magnitude required to address fare revenue would be significant and would impact on all ratepayers, particularly those in Greater Christchurch. Christchurch fares are among the cheapest in New

Attachment 1

		Zealand. A fare benchmarking report from 2019 indicated that Christchurch fares were 46% more affordable than comparable fares in Auckland and 37% more affordable than Wellington.
1.5	Encourage active transport, better cycling options and incentives, more multi modal options	The new Regional Land Transport Plan (RLTP) is being developed in 2020/21 by the Canterbury Regional Transport Committee. This plan will take account of the key transport-related issues, objectives and outcomes across the region in identifying a programme of priority transport activities across Canterbury. This feedback is best considered through the development of the Regional Land Transport Plan (RLTP). The RLTP will be subject to public consultation, which is scheduled for the end of the 2020 calendar year.
1.6	Support for on-demand transport in Christchurch and expansion of the Timaru MyWay project	The Timaru MyWay project is a trial of how demand responsive transport could be rolled out in local communities. Staff acknowledge the support for the concept and note that an assessment of the outcomes of the project will need to be undertaken before additional demand responsive transport services are considered.
1.7	Comments about frequencies of public transport and patronage, action to incentivise and encourage patronage	<p>The 2018 Canterbury Regional Public Transport Plan (RPTP) is premised on increases to public transport service levels, particularly frequencies. This includes services to Rolleston and the wider Selwyn District. Proposals within this Annual Plan for frequency improvements on some Christchurch public transport routes are the first phase in implementation of the RPTP.</p> <p>The Greater Christchurch Future Public Transport Business case process, which is currently underway, involves reviewing future investment (including proposed frequency changes) to ensure they deliver the desired outcomes in terms of patronage increases. Results from this process will feed directly into 2021-31 Long-Term Plan development.</p>
1.8	More multi modal approaches including rail	<p>We are working with partner agencies, including territorial authorities in Greater Christchurch and Timaru, on improving public transport and on travel demand management programmes that highlight the advantages of different transport choice. Multi modal linkages are also being considered as part of this process as well as a Mode Shift Plan that is currently being developed by the NZTA with input from other Greater Christchurch partner territorial authorities.</p> <p>Currently, rail from Hurunui is not envisaged as part of this process, as partners are concentrating efforts on improving services in Greater Christchurch (Christchurch City and Eastern areas of Waimakariri and Selwyn Districts).</p>

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1.9	Delivery of public transport through council owned entities	How public transport is delivered throughout New Zealand is determined by central government through the Land Transport Management legislation. Environment Canterbury, along with all territorial authorities, engages with central government in an advocacy role to ensure that this legislation is appropriate and fit for purpose.
1.10	<p>Waimakariri targeted rate increase and public transport service</p> <p>Waimakariri District Council proposal to delay Park and Ride till July 2021</p>	<p>The service changes in Waimakariri District followed considerable engagement with local interests. Over 750 submissions on the proposals were received and the majority of respondents were supportive of what was proposed and the need to finance some of the expense through small increases in rate contributions from affected communities.</p> <p>Waimakariri District Council and community boards raised concerns that the rates increase was \$57 not \$30 as indicated in a previous consultation on the Waimakariri express service. Staff advise that the Waimakariri public transport contribution was increased above the amount in the route consultation due to an allocation of shared costs (total mobility, bus interchange, Metro Info, information technology, planning, strategy, marketing and communication etc). These costs are shared among Christchurch, Selwyn and Waimakariri ratepayers based on the proportion of bus contract payments. Due to the new Express Services, Waimakariri's allocation percentage increased and more shared costs were allocated to this area.</p> <p>Staff advise that given the revisions due to COVID-19 the rates increase for Waimakariri residents for the Annual Plan 2020/21 is expected to be lower.</p> <p>Park & Ride services are infrastructure related and are provided by Territorial Authorities. Waimakariri District Council is implementing Park & Ride in its district in support of the express buses and the Christchurch Northern Corridor project. The delay of the delivery of Waimakariri express services impacts a wider package of partner investments and interventions in support of the Christchurch Northern Corridor project. On Park & Ride, the issue of Express Buses and Park & Ride needs to be discussed at a partnership level as these two projects are integral to the successful delivery of the Christchurch Northern corridor and High occupancy Vehicle Lane project, of which NZTA, CCC, WDC and Environment Canterbury are collaborating on. A decision to defer the start of this service needs to take into account the wider partner context for this project. Staff are engaging with partners on this and will advise soon.</p>
1.11	Comments on Lyttelton services	The 2018 Canterbury Regional Public Transport Plan is premised on increases to PT service levels, particularly frequencies. Lyttelton is included in these service level improvements.

Climate Change, Hazards, Risk and Resilience		
2.1	Climate change as a standing agenda item. Increased action to reflect climate change emergency	Council are actively considering opportunities for more visibility and transparency about Environment Canterbury action for climate change, including through Council meetings and this work will continue in the Annual Plan. For example, on the one-year anniversary of Environment Canterbury declaring a climate change emergency, communication activities were carried out.
2.2	Central South Island Fish and Game requested a commitment from this council to create a boater's guide with all information in one document, as committed to by the previous council	This was delayed as it was contingent on national information. There were also delays due to lack of staff availability. However, staff expect this work to be completed in the near future and it can be done within existing budgets.
2.3	Incorporate the new approach to braided rivers with our current flood protection scheme.	Comments have been noted by staff.
Freshwater Management		
3.1	Concerns regarding nutrient losses	Changes to the Land and Water Regional Plan and through sub- regional plans have introduced greater reductions in nutrients lost from farming practices to limit the effect of different land uses on water quality and includes reduction in allocation in catchments where community outcomes are not being achieved. Any further changes will be discussed through the development of the Long-Term Plan 2021-31.
3.2	Concerns regarding the stormwater issues and climate change impacts	Environment Canterbury works with territorial authorities to limit the negative impact of stormwater on water bodies in a number of ways. Environment Canterbury works closely with TAs applying for stormwater consents, in responding to oil spills and trialling roadside cutting designs to reduce sediment run-off from hillsides to waterways. Environment Canterbury has also worked with Christchurch City Council and the Christchurch West

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		Melton Zone Committee to raise awareness of the stormwater network and its impact on urban waterway through the “Stormwater Superhero campaign”.
3.3	Concerns regarding fish-screen compliance	Updates on Environment Canterbury’s fish screens compliance project can be found online here: https://www.ecan.govt.nz/get-involved/news-and-events/2017/fish-screens-whats-the-story/ The five year plan includes working with industry and consent holders to ensure fish screens are effective as well as ongoing monitoring of their effectiveness.
3.4	Request to review LWRP Chapter 12 - Alpine rivers.	The RMA planning programme will be reviewed and changed made through LTP.
3.5	Request to shift focus to High Country over lowland Canterbury	Environment Canterbury is aware of the shift to intensify low gradient high country land. This is evident in the Ashburton Lakes and the Ahuriri Arm of Lake Benmore. Such issues are being considered for the planning schedule alongside direction to be provided through the NPS-FM as part of the LTP.
3.6	Impact of water quality and quantity on biodiversity	Environment Canterbury reports annually on a number of factors that can impact biodiversity. Any changes to water allocation would be managed under the RMA planning framework and discussed through LTP planning.
3.7	Integration between biodiversity and freshwater management	The Freshwater and Biodiversity & Biosecurity Portfolio staff work closely together to ensure that a coordinated response to freshwater biodiversity is managed. The Environment Canterbury rates tool online outlines how expenditure is managed across these portfolios
3.8	Implications of revised National Policy Statement for Freshwater Management on funding	At this time, we await the finalised policy direction on the NPS-FM from central government so that we can determine its impact on the regional council. Environment Canterbury's policies and RMA framework are relatively advanced in the areas identified in the NPS-FM especially around managing to limits, stock exclusion and the need for Farm Environment Plans (FEPs) and Farm Auditing. The impact of the NPS-FM has been considered under the planning schedule and an evaluation of the impacts on science and monitoring under the Environmental Reporting and Progress Monitoring programme will be completed as part of the LTP.
3.9	Make targets more outcomes focused	Include text to expand on Fit for Future project - and increasing focus on outcome reporting through the Targets Progress reports (through LTP).

	Biodiversity and Biosecurity	
4.1	Prioritise protecting and enhancing existing biodiversity over revegetation	The Canterbury Biodiversity Strategy takes a strategic approach and given the extent of biodiversity loss that has already occurred in Canterbury, avoiding further loss requires that we focus as a first priority on protecting and sustaining the most threatened and ecologically significant remaining habitats and ecosystems and the linkages between them, and as a second priority, restoring representative habitats and ecosystems that have been lost or severely degraded.
4.2	Amend sentence on p7 to: "This includes a focus of increased action on the ground and working with landowners to provide information and incentives to invest in maintaining and restoring biodiversity".	Minor wording change. Aligns with Environment Canterbury strategic priority of creating a step-change in effort in the regeneration of biodiversity, by halting the decline, maintaining and restoring indigenous habitats and ecosystems.
4.3	Ōpāwaho Heathcote River Network request weed management programme	The specific suggestion for a weed management work programme for the Ōpāwaho Heathcote River and the development of an ecological corridor could be considered as a biodiversity project that can be assessed and undertaken by the Christchurch West Melton Zone Team and leveraging the Environment Canterbury relationship with CCC and the community. Staff will follow up with Ōpāwaho Heathcote River Network on their feedback.
4.4	Clarity on reduction in expenditure for wetland programme	The wetlands budget will remain the same in 20/21 as 19/20 rather than increase by \$100k as the LTP proposed. This was part of a budget reduction exercise across the Portfolio mid-year.
4.5	Develop strategy/start planning for including more wetland restorations in the LTP	The RMA planning framework provides rules to protect wetlands. The Level of Service in the Annual Plan focuses on working with willing landowners to protect and maintain wetlands. This is a proactive workstream to educate and inform the landowner on the importance of the wetland on their property and potentially provide further assistance to protect and maintain the wetland. The wetland programme will be reviewed as part of the development of the LTP.

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4.6	Is one braided river plan a year enough?	Braided River Advisory Group (BRAG) work this year has focused on LINZ, DOC and Environment Canterbury identifying land ownership and management across the 7 major braided rivers (and some parts of other rivers) in Canterbury. Territorial Authorities and other BRAG members have had less involvement in this part of the project, particularly over the past 6 months. The number of ki uta ki tai plans to develop is an LTP question.
4.7	BRAG needs to start defining good practice management in BR margins (to meet LOS 9)	Correct land ownership data is fundamental to best practice land management. There are hundreds of hectares of land adjacent to braided rivers that are occupied and used without a lease or licence from the landowner. Ownership is necessary to determine appropriate and legal occupation. The agencies involved in BRAG (Environment Canterbury, LINZ, DOC and some TAs) have drafted best practice management guidelines for their own land but these have not yet been discussed in depth with the wider BRAG group, including the group who provided feedback (CSI F&G).
4.8	Landowner support - increase transparency around available funding	Landowner support is expected to continue. More communication on funding rounds and timeframes can be addressed in-house.
4.9	Transfer responsibility for all biodiversity management to ECan, and to align with NPSIB.	Environment Canterbury staff are developing the project scope for the review of the Canterbury Regional Policy Statement (CRPS), for discussion with and confirmation by Councillors. This will include discussion on the management of indigenous biodiversity and how the responsibilities are split between Environment Canterbury and territorial authorities, with particular reference to the proposed National Policy Statement for Indigenous Biodiversity. We anticipate more detailed work on the review will start in the second half of 2020, with a view to notifying a new CRPS in 2023.
4.10	Increase funding for predator free initiatives and pest surveillance.	Environment Canterbury has an extensive biosecurity programme that supports biodiversity. This includes specific support for landscape scale programmes such as Pest-free Banks Peninsula, which has a dedicated coordinator role and supports the development and resourcing of pest-free community groups. Environment Canterbury also enables smaller scale community predator-free initiatives, and well as carrying out biodiversity projects in braided river, wetland and terrestrial ecosystems where pest control is an important action. The Biosecurity Programme is currently working towards a shift in focus and resources from widespread pest species to management (including surveillance) of pests and organisms of limited distribution that have a high impact on regional biodiversity and economic values.

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4.11	Request for increased funding in Mackenzie for pest control	Occurring within existing budgets. Environment Canterbury has increased biosecurity funding in the Mackenzie Basin for pests that we have responsibility to manage (i.e. where landowners have opted for a user pays model). Funding for both wallaby control and the wilding conifer programme has increased, and the Canterbury wilding conifer programme has recently received an additional \$2 million in funding from central government as part of the COVID-19 workers relief response. For other pests in the RPMP, the responsibility for control lies with the landowner and Environment Canterbury's main role is in compliance.
4.12	Promote indigenous planting to reduce emissions	Environment Canterbury is considering comprehensive planting and regeneration programmes which respond to indigenous biodiversity and climate change issues. Any proposals will be included in the 2021-2031 Long-Term Plan process.
4.13	Add drylands programme and climate resilient ecosystems programme	Any changes and/or increases to the number or scope of large work programmes is better considered in the context of the part of the Council's 2021-31 Long-Term Plan discussions. Environment Canterbury's 2020/21 Annual Plan is seeking to reduce rates increases. In response to the specific matters raised, climate change is considered a significant factor in, and integrated across, all Environment Canterbury portfolio considerations, including the Biodiversity and Biosecurity Portfolio. Territorial authorities are responsible for specifying the objectives, policies and methods for the control of the use of land for the maintenance of indigenous biological diversity on all land outside of wetlands, the coastal marine area, and beds of rivers and lakes i.e. dryland ecosystems.
4.14	Start developing an insect biodiversity/pesticide reduction programme for LTP	An insect biodiversity/pesticide reduction programme does not currently exist. Environment Canterbury supports the MBIE Valuing Insects programme, which seeks to find out more about the benefits of conserving insects within agricultural landscapes. Advice will be sought from others working in this area and if there are opportunities this will be discussed in development of the Long-Term Plan.
4.15	Increase of staff in Ashburton zone	Environment Canterbury zone delivery staff include experienced Biodiversity Officers with the ability to access assistance from other Environment Canterbury staff throughout the region. Environment Canterbury supports staff from other organisations with biodiversity roles and responsibilities in these areas but cannot undertake those roles for them.
4.16	Make explicit commitment to eco-sourcing	Environment Canterbury requires ecosourcing for the projects it supports.

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4.17	Amend LOS 10 to include wetlands. Amend Target 10.1 to include progress reporting on Wetland Actions Plans.	LOS 10 refers specifically to wetlands. The purpose of wetland action plans is to work with willing landowners on protection and maintenance of natural wetlands. Implementation reporting is not required by the LOS. Staff work with landowners to develop and implement the plans, providing technical and sometimes financial support.
4.18	Stronger link between freshwater and biodiversity	Biodiversity outcomes sought through the Biodiversity and Biosecurity Portfolio are closely related to, and supported by, work delivered through the Freshwater Management Portfolio, including programmes/projects addressing water quality and quantity issues. This link could be made explicit with a minor amendment/addition to the Annual Plan narrative.
4.19	Reinstate commitment to producing at least one braided river action plan annually.	While the wording has changed, the commitment to produce one plan annually remains.
4.20	Recommend review of RPMP and contribution of rates	Environment Canterbury have recently completed a review of the CRPMP (2018). The Biosecurity Act 1993 is currently under review, and we are unlikely to review the CRPMP until we see the outcome of this national level review. Overall, the CRPMP programmes contain a roughly equal mix of biodiversity-focused and production-focused pest management. This results in a 50:50 rate contribution of general rates (for biodiversity pest management) versus targeted rates (for production pest management).
4.21	Add pigeons as a pest to RPMP and help prevent/control pigeons	It is unlikely that feral pigeons would meet with Biosecurity Act 1993 Cost Benefit Analysis criteria for inclusion as a pest on the Regional Pest Management Plan. The following staff advice was accepted by the Hearing Panel at the time of the most recent CRPMP review: 'Staff do not consider that it would be possible to achieve an objective of sustained control for rock pigeons as they are widespread throughout New Zealand'.
4.22	Expand wilding conifer programme	Already in existing budget. The wilding conifer programme is being expanded, with \$7.9 million allocated for 2019/20 and a further \$3 million for 2020/21. The programme is currently working across an area of 2.2 million hectares. The Canterbury wilding conifer programme has recently received an additional \$2 million in funding from central government as part of the COVID-19 workers relief response
4.23	Wallaby control methods and assistance	There is currently no tool available for wallaby control that would meet the requirements proposed by the individual for ethical control of wallaby (preventing reproduction rather than the ineffective culling method which

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		only reduces numbers temporarily). Land occupiers have elected for a 'user pays, user does' model for wallaby control. There is an existing programme in place for wallaby control, with land occupier responsibility for management within the Containment Area.
4.24	Spur valerian control in Banks Peninsula	Spur valerian is widespread in Christchurch/Banks Peninsula and occurs throughout Canterbury. Declaration as a pest in the RPMP, with rules requiring land occupier control, would not be viable due to its widespread nature and habitat. A site led programme may be possible, but would require buy-in from land occupiers and declaration for this purpose would not achieve more than a cooperative effort as at present.
4.25	Control Canada Geese population	A Canada Geese Management Plan is already in place, involving Environment Canterbury, Selwyn District Council, Waimakariri District Council, Ngāi Tahu and Christchurch Airport.
4.26	More effort on Russell Lupins	Wild Russell lupin is a pest in the RPMP and is subject to rules to prohibit planting and require elimination of plants adjacent to waterways (including braided rivers) and property boundaries. Environment Canterbury contributes to some wild Russell lupin control work and prioritises keeping clear areas free from wild Russell lupin and controlling discrete isolated populations. For example, this year Environment Canterbury worked with DOC to control wild Russell lupin along the Dobson River as part of the Te Manahuna programme. Environment Canterbury are currently in the process of acquiring distribution data on wild Russell lupin. This will provide valuable information for where to focus management efforts, including implementation of CRPMP rules for Russell lupin.
4.27	Control feral cat populations	Feral cats are not declared as a pest in CRPMP but are able to be controlled by community groups as part of biodiversity site programmes.
4.28	Biosecurity control for marine pests	This requires national leadership and guidance from MPI to ensure consistency of approach across New Zealand. Currently, the coastal plan is due for review and notification in 2023. The current budget will focus on re-structuring and issues that would not require extensive technical work. Additional technical work to survey marine biodiversity and biosecurity was not budgeted to be addressed as part of this Coastal Plan review and would require additional funding. Currently the coastal plan is due for review and notification in 2023. Leading consultation (including with Fisheries New Zealand, who have a key role in managing fisheries stocks), and any research and protection of shellfish stocks in the Avon/Heathcote Estuary/Ihutai was not budgeted to be addressed as part of this Coastal Plan review and would require additional funding.
4.29	Closely monitor land use change in the Chch Red	The water quality monitoring programme is carried out with established permanent monitoring stations. No changes to the location or the construction of new monitoring stations are being considered in this Annual Plan.

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	Zone to protect water quality	
4.30	Disagreement with non-statutory plans -	Environment Canterbury is using the ki uta ki tai plans to encompass a broader range of issues and actions than a statutory plan. These areas (and specifically activities within them) are subject to RMA plans now. The new work will provide further opportunities for stakeholder engagement in a shared vision, with the delivery work shared by partners.
Air Quality		
5.1	Concerns about farm burn offs/ non-domestic emissions	There are rules in the Canterbury Air Regional Plan which provide buffer zones around Ashburton and Timaru to reduce community exposure to smoke from burn offs. Farms must also control the smoke through a Smoke Management Plan. We continue to work with farmers, FENZ and the Foundation for Arable Research to improve the management of burn offs.
5.2	Monitor/control greenhouse gas and transport emissions	Our regulatory responsibility covers stationary sources of pollutants. Under the legislative framework (RMA) we currently cannot make rules to manage the effects on greenhouse gas emissions on climate change. Transport emissions are not regulated at the regional level. The main piece of legislation for reducing the release of harmful emissions from vehicles is the Land Transport Rule: Vehicle Exhaust Emissions 2007. The 2007 Rule sets emissions standards for vehicles entering the New Zealand fleet and controls emissions for vehicles already in the New Zealand fleet. The Ministry for Transport provides the government policy advice on vehicle and vessel emissions. We advocate for reduced emissions when there is an opportunity to make a submission
5.3	Subsidies for commercial schemes, more healthy home programmes	Demand and reach of Healthier Homes Canterbury is considered by the Healthier Homes working group. Further advice about Healthier Homes Canterbury going forward will form part of Long-Term Plan discussions. Discussions are currently occurring with CCC regarding opportunities to build on the Healthier Homes initiative within the city.
Regional Leadership		
6.1	Comments on benefits for payment, transparency of rates funding and projects, the online rating tool and levels of service	Through the 2018-28 Long-Term Plan the Revenue and Financing Policy was consulted on. The Policy was further amended as part of the 2019/20 Annual Plan. The Revenue and Financing Policy advises of the rating principles and who the Councillors believe benefits from each programme/service. As part of the 2018-28 Long-Term Plan a bubble rating tool was created to assist with providing more transparent rating information by project and on a map (above the statutory requirement). Environment Canterbury continues to refine and develop this

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		<p>tool. The names of each project will be further refined in the next Long-Term Plan 2021- 31 as part of a chart of accounts review. Environment Canterbury has endeavoured to provide commentary about the projects on the side bar within the rating bubble tool. Levels of service are proposed each Long-Term Plan and we welcome any proposed rewording of these levels of service as part of submissions in this process. Environment Canterbury needs to ensure that its levels of service are measurable but often this difficult as we partner with many organisations to achieve our outcomes and we cannot achieve whole levels of service on our own.</p>
6.2	Increase profile of youth engagement and participation	<p>Youth engagement and education at Environment Canterbury is important to us and we are continuing to build and strengthen the relationship between young people, our region and the work we do. The Environment Canterbury Youth Rōpū is now into its second year of existence. Our Youth Rōpū is a voluntary group of people aged 14-24, who are enthusiastic about the environment, developing leadership skills and being part of a team to increase youth engagement and the youth voice. With regards to Enviroschools, this is a nationwide programme that helps us to build a sustainable future for Canterbury, and we will continue to support the programme, and ensure to the best of our ability that other territorial authorities in Canterbury support it as well. Enviroschools relies on funding from a number of sources, and there are already many schools on a waiting list to join the programme.</p>
6.3	People don't know what we do, how to participate:	<p>Improving engagement levels with the community is a focus of the current Council and we have existing Levels of Service regarding focusing on those sectors that are underrepresented. This work will continue into this Annual Plan, particularly through the formation of a new Working Group of Council for Public Visibility. Work is also being done to help the community to better understand how a regional council works, what we work on, and importantly how the community can participate in that work and influence it. Participation is measured by us as feedback to Annual Plans, Long-Term Plans, RMA plans, notified consents, deputations, as well as voter turnout – all of which require understanding and interest in our work.</p>
6.4	Increase voter turnout	<p>Given the results of the national campaign to boost voter turnout at the last election, the Canterbury turnout was not exceptional. The Council does however want to see more people engaging with what the Council does and therefore wanting to influence who the elected members are. Voter turnout is impacted by many external factors so putting a figure on what % increase we may be able to achieve may not be as effective as putting measures in place around work to increase knowledge of the work that Council does, and specifically targeting those groups who we know are under represented.</p>
6.5	Engage with youth on future long-term plans	<p>As we head into Long-Term planning, it is important that the youth voice is heard while the early drafts of the Long-Term Plan are developed. The Youth Engagement and Education Team will work with the Youth Rōpū on</p>

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		this. We will also work with the Youth Rōpū when the final draft of the LTP is put out for consultation to the community, to gather a wider perspective from young people to inform the final plan prior to adoption.
6.6	Youth engagement and participation and lack of mention of youth rōpū	The Youth Engagement & Education Team, and the Environment Canterbury Youth Rōpū are committed to working with young people in particular. Change introduction to Regional Leadership narrative, to add Youth Rōpū, e.g. add a new paragraph. <i>In 2019, the Environment Canterbury Youth Rōpū was formed. The Youth Rōpū is a voluntary group, aged 14-24, who ensure the youth voice is heard at Councillor level, to promote the environmental issues they care about. In the 2020/21 year, the Youth Rōpū will continue to connect with Council, staff, people and groups to build on and grow these relationships.</i> Staff also suggest changing LoS target 31.2b to <i>Lift engagement and participation rates of sectors that are identified as being less engaged, including the young people of Canterbury through a commitment to listening to the youth voice via the Youth Rōpū and other means (2019/20 onwards).</i>
6.7	Democratic principle of one person per vote. Manage down funding of large executive salaries	A representation review was undertaken in 2019. A final proposal was developed from the consultation and the Local Government Commission approved the representation for elections. The Remuneration Policy for staff is based on local government and general market data for their roles.
6.8	Clarity on proposed increase of over \$3.2 million in 2020/2021 for Plans, Consenting and Compliance presumably includes amendments to Regional Plans and the Regional Policy Statement	The expenditure change within the Plans, Consenting and Compliance programme relates to a Regional Policy Statement cost increase (as stated), however, it is also due to a change in consent application and consent monitoring/compliance expenditure. This consent related expenditure is majority user pays funded and the expenditure increase reflects a revision in the volume and complexity of consents expected to be processed and monitored within the next year. The increase in the Strategy and Direction and the Governance and Engagement programme budgets are not overall organisation budget increases but rather a reallocation of which programme these costs sit within.
6.9	Question on Council decision note to consult given proposed rates increase	Under section 95 (2A) of the Local Government Act 2002 Environment Canterbury Councillors resolved that the 2020/21 annual plan did not include significant or material differences from the content of the Long-Term Plan 2018-28 (year 3). Following the Long-Term Plan 2018-28 consultation Environment Canterbury, in September / October 2018, completed another consultation process on the Regional Public Transport Plan (RPTP). The RPTP consultation resulted in 4% of the proposed 9.8% 2020/21 Annual Plan rate increase. Given the community view had been canvassed through consultation on the RPTP further consultation on the Annual 2020/21 was not deemed necessary.

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6.10	Use of UAGC (Ashburton District Council)	Through the 2018-28 LTP the previous Councillors debated the Revenue and Financing Policy - what should be included in the Uniform Annual General Charge (UAGC) and the affordability issues with UAGC. Staff advise that during the development of the LTP 2021-31 Councillors will have the opportunity to revise what services should be funded via the UAGC.
6.11	Te Ara Kākāriki request an ongoing funding commitment to the Te Ara Kākāriki Greendot and Kids Discovery Plantout programmes.	Funding from the Whakaora Te Ahuriri project allocated to TAK will be carried over from financial year 19/20 for plant out projects. As part of LTP discussions, staff will bring to Councillors details on how we currently work with community organisations and seek guidance on new ways of providing support.
6.12	Disconnect between the words expressed in the body of the draft Annual Plan and the actions and outcomes expressed as measures and targets	Levels of service, measures and targets will be revised in the LTP.
6.13	Food resilience strategy developed with all council	Initiatives such as food resilience strategy will be considered in development of LTP.
6.14	Better monitoring and enforcement	Compliance monitoring and enforcement policies and procedures used within Environment Canterbury are consistent with the best practice guidelines published by the Ministry for the Environment and the Council conducts audits of its CME function to ensure that they meet MfE guidelines Our enforcement policies are regularly reviewed.
6.15	Council needs to conduct its compliance activities in a fair, effective and efficient manner.	Environment Canterbury always seeks to conduct its compliance activities in a fair, effective and transparent manner. Where a member of the community believes that we have failed to achieve this in a particular instance, we encourage them to raise this formally with us, so we can undertake an investigation. There are legislative mechanisms in place which ensure that the Council undertakes any investigation in a fair and transparent manner.

LIST OF GROUPS THAT GAVE FEEDBACK

- Te Rūnanga o Ngāi Tahu
- Waimakariri District Council
- Hurunui District Council
- Ashburton District Council
- Youth Rōpū
- Federated Farmers
- Central South Island Fish and Game
- North Canterbury Fish and Game
- Royal Forest & Bird Protection Society of New Zealand Inc. (Forest & Bird)
- Woodend-Sefton Community Board
- Oxford Ohoka Community Board
- Rangiora-Ashley Community Board
- Halswell Residents Association (Inc.)
- Beckenham Neighbourhood Association
- Braid: braided river aid
- Te Ara Kakariki
- Upper Waimakariri Group
- Te Ara Kākāriki Greenway Canterbury Trust
- Ōpāwaho Heathcote River Network
- Ryman Healthcare
- Generation Zero Christchurch
- Federation Freshwater Anglers
- Christchurch International Airport Ltd
- Spokes Canterbury
- Summit Road Society
- Mackenzie Guardians Inc.
- Inner City East - Linwood Revitalisation Project Working Group
- KOA Canterbury
- Pest Free Banks Peninsula / Te Pātaka o Rākaihautū
- Aetern
- QEII

ATTACHMENT TWO

2019/20

Cost Code Type	Operational
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Year	LAB	OH	G & S	EXP	GR	TR	GRANT	UP & OTH	RES	REV
2019/20										
Air Quality										
Air Quality Monitoring & Progress Reporting	331	400	434	1,166	467	700	-	-2	0	1,166
Cleaner Home Heating	593	757	692	2,041	597	1,096	-	67	281	2,041
Air Quality Total	924	1,157	1,126	3,207	1,064	1,797	-	65	281	3,207
Biodiversity and Biosecurity										
Biosecurity	1,336	1,798	2,883	6,018	2,397	2,207	-	25	1,389	6,018
Braided Rivers	231	330	335	897	896	-	-	1	0	897
Regional Biodiversity	785	1,098	2,646	4,529	4,490	-	-	39	1	4,529
Wetlands	88	159	215	462	462	-	-	0	0	462
Biodiversity and Biosecurity Total	2,441	3,385	6,080	11,906	8,244	2,207	-	64	1,391	11,906
Freshwater Management										
CWMS Facilitation	960	1,105	1,046	3,112	3,110	-	-	0	1	3,112
Environmental Monitoring & Progress Reporting	2,066	2,596	2,433	7,095	6,840	-	-	252	3	7,095
Regional Water Infrastructure Support	162	155	237	554	554	-	-	-	0	554
RMA Water Framework	1,825	2,256	2,952	7,034	7,031	-	-	-	3	7,034
Te Waihora Restoration	152	213	1,347	1,712	716	-	570	0	426	1,712
Zone and Regional Delivery	4,019	5,616	2,901	12,536	12,077	2	948	252	-743	12,536
Freshwater Management Total	9,184	11,942	10,917	32,043	30,329	2	1,518	504	-310	32,043
Hazards, Risk and Resilience										
Climate Change Integration	149	175	266	590	554	-	-	0	35	590
Coastal Environment and Hazards	378	475	769	1,622	1,367	-	-	244	11	1,622
Contaminated Land, Hazardous Substances and Waste	532	646	299	1,477	1,476	-	-	1	1	1,477
Emergency Management	692	805	759	2,256	-	2,548	-	97	-389	2,256
Flood Protection and Control Works	3,195	4,033	9,527	16,756	2,032	8,330	351	6,149	-106	16,756
Natural Hazards	889	1,198	933	3,019	2,477	-	-	541	1	3,019
Navigation & Recreational Boating Safety	303	389	477	1,169	619	-	-	649	-99	1,169
Hazards, Risk and Resilience Total	6,138	7,720	13,031	26,889	8,525	10,878	351	7,683	-547	26,889
Regional Leadership										
Governance and Engagement	1,053	1,262	2,728	5,043	4,665	-	73	11	294	5,043
Long - Term Community Planning	236	146	278	660	659	-	-	0	0	660
Ngai Tahu and Regional Relationships	683	717	438	1,839	1,733	-	100	1	5	1,839
Our Information and Advice	1,018	954	487	2,460	1,350	-	-	182	928	2,460
Plans, Consenting and Compliance	5,974	9,405	2,761	18,140	9,548	-	-	8,591	1	18,140
Strategy and Direction	594	587	483	1,664	1,331	-	-	1	332	1,664
Regional Leadership Total	9,559	13,071	7,174	29,805	19,285	-	173	8,787	1,560	29,805
Transport and Urban Development										
Public Transport	2,077	2,564	79,226	83,868	-	27,017	37,230	20,532	-912	83,868
Regional Transport	270	244	625	1,139	500	-	615	36	-12	1,139
Urban Development	81	90	262	434	434	-	-	0	0	434
Transport and Urban Development Total	2,428	2,898	80,114	85,441	934	27,017	37,845	20,568	-924	85,441
2019/20 Total	30,674	40,175	118,442	189,291	68,381	41,901	39,887	37,671	1,451	189,291

MOVEMENT \$

	LAB	OH	G & S	EXP	GR	TR	GRANT	UP & OTH	RES	REV
Air Quality										
Air Quality Monitoring & Progress Reporting	-32	-37	34	-35	-14	-20	-	-1	-0	-35
Cleaner Home Heating	-108	-118	239	13	-96	-160	-	165	105	13
Air Quality Total	-140	-155	273	-22	-110	-181	-	164	105	-22
Biodiversity and Biosecurity										
Biosecurity	89	27	341	458	600	-355	950	55	-793	458
Braided Rivers	9	24	489	522	240	-	-	227	55	522
Regional Biodiversity	36	30	378	445	-142	300	-	-2	288	445
Wetlands	-7	-28	2	-33	-39	-	-	-0	6	-33
Biodiversity and Biosecurity Total	127	54	1,210	1,391	660	-55	950	279	-444	1,391
Freshwater Management										
CWMS Facilitation	344	299	-301	342	343	-	-	-0	-1	342
Environmental Monitoring & Progress Reporting	173	449	890	1,512	487	-	-	1,103	-78	1,512
Regional Water Infrastructure Support	-10	-20	-4	-34	-34	-	-	-	-0	-34
RMA Water Framework	-34	-44	-272	-351	-378	-	-	-	27	-351
Te Waihora Restoration	14	18	-864	-833	37	-	-476	-0	-394	-833
Zone and Regional Delivery	333	569	57	959	478	23	-811	151	1,118	959
Freshwater Management Total	820	1,271	-496	1,595	933	23	-1,286	1,254	672	1,595
Hazards, Risk and Resilience										
Climate Change Integration	103	45	15	163	151	-	-	-0	13	163
Coastal Environment and Hazards	27	22	-24	25	45	-	-	-9	-11	25
Contaminated Land, Hazardous Substances and Waste	16	24	-22	17	19	-	-	-1	-1	17
Emergency Management	-0	44	240	284	-	237	-	47	-1	284
Flood Protection and Control Works	199	274	815	1,288	42	-353	24	170	1,405	1,288
Natural Hazards	63	107	44	214	66	-	-	149	-1	214
Navigation & Recreational Boating Safety	38	92	70	199	140	-	-	-4	64	199
Hazards, Risk and Resilience Total	445	608	1,137	2,191	462	-115	24	352	1,468	2,191
Regional Leadership										
Governance and Engagement	134	190	-521	-198	-238	-	-	50	-10	-198
Long - Term Community Planning	24	27	112	163	164	-	-	-0	-0	163
Ngai Tahu and Regional Relationships	-93	-140	17	-216	-315	-	-	79	20	-216
Our Information and Advice	76	-69	-109	-103	602	-	-	224	-928	-103
Plans, Consenting and Compliance	771	809	85	1,664	-824	-	-	1,082	1,406	1,664
Strategy and Direction	190	239	88	518	850	-	-	-1	-332	518
Regional Leadership Total	1,102	1,056	-329	1,829	239	-	-	1,434	157	1,829
Transport and Urban Development										
Public Transport	30	192	417	639	-	829	2,010	-4,142	1,942	639
Regional Transport	-45	-50	141	45	-173	-	-56	28	246	45
Urban Development	-9	-10	-1	14	14	-	-	-0	-0	14
Transport and Urban Development Total	132	557	699	699	-159	829	1,955	-4,115	2,189	699
2020/21 Total	2,363	2,966	2,353	7,682	2,024	501	1,642	-631	4,146	7,682

2020/21

Cost Code Type	Operational
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Year	LAB	OH	G & S	EXP	GR	TR	GRANT	UP & OTH	RES	REV
2020/21										
Air Quality										
Air Quality Monitoring & Progress Reporting	299	363	468	1,130	453	680	-	-3	-	1,130
Cleaner Home Heating	485	639	931	2,055	500	936	-	232	386	2,055
Air Quality Total	784	1,002	1,399	3,185	954	1,616	-	229	386	3,185
Biodiversity and Biosecurity										
Biosecurity	1,425	1,826	3,224	6,476	2,997	1,853	950	80	597	6,476
Braided Rivers	240	355	824	1,418	1,136	-	-	227	55	1,418
Regional Biodiversity	822	1,128	3,024	4,974	4,348	300	-	37	289	4,974
Wetlands	81	131	216	429	423	-	-	0	6	429
Biodiversity and Biosecurity Total	2,568	3,440	7,289	13,297	8,904	2,153	950	343	947	13,297
Freshwater Management										
CWMS Facilitation	1,304	1,404	745	3,453	3,453	-	-	0	-	3,453
Environmental Monitoring & Progress Reporting	2,239	3,045	3,323	8,607	7,327	-	-	1,355	-75	8,607
Regional Water Infrastructure Support	152	135	233	520	520	-	-	-	-	520
RMA Water Framework	1,791	2,212	2,680	6,683	6,653	-	-	-	30	6,683
Te Waihora Restoration	166	231	482	880	753	-	94	0	32	880
Zone and Regional Delivery	4,353	6,185	2,958	13,496	12,555	25	137	403	375	13,496
Freshwater Management Total	10,004	13,213	10,421	33,638	31,261	25	231	1,758	362	33,638
Hazards, Risk and Resilience										
Climate Change Integration	253	220	280	753	705	-	-	0	48	753
Coastal Environment and Hazards	405	497	746	1,648	1,412	-	-	235	-	1,648
Contaminated Land, Hazardous Substances and Waste	548	669	277	1,495	1,495	-	-	0	-	1,495
Emergency Management	692	849	999	2,540	-	2,785	-	145	-390	2,540
Flood Protection and Control Works	3,394	4,307	10,342	18,043	2,073	7,977	374	6,320	1,299	18,043
Natural Hazards	951	1,305	977	3,233	2,543	-	-	690	-0	3,233
Navigation & Recreational Boating Safety	340	482	547	1,368	759	-	-	645	-35	1,368
Hazards, Risk and Resilience Total	6,583	8,328	14,168	29,080	8,987	10,762	374	8,035	921	29,080
Regional Leadership										
Governance and Engagement	1,187	1,451	2,207	4,845	4,427	-	73	61	284	4,845
Long - Term Community Planning	260	173	390	823	823	-	-	0	-	823
Ngai Tahu and Regional Relationships	591	577	455	1,623	1,418	-	100	80	25	1,623
Our Information and Advice	1,094	886	377	2,357	1,951	-	-	405	-	2,357
Plans, Consenting and Compliance	6,745	10,213	2,845	19,804	8,723	-	-	9,673	1,407	19,804
Strategy and Direction	784	826	572	2,182	2,181	-	-	0	-	2,182
Regional Leadership Total	10,661	14,127	6,846	31,634	19,524	-	173	10,220	1,716	31,634
Transport and Urban Development										
Public Transport	2,108	2,756	79,643	84,507	-	27,846	39,241	16,390	1,030	84,507
Regional Transport	224	194	766	1,185	328	-	559	63	234	1,185
Urban Development	106	80	262	448	448	-	-	0	-	448
Transport and Urban Development Total	2,438	3,031	80,671	86,139	775	27,846	39,800	16,453	1,265	86,139
2020/21 Total	33,038	43,141	120,794	196,973	70,405	42,402	41,529	37,040	5,597	196,973

MOVEMENT %

	LAB	OH	G & S	EXP	GR	TR	GRANT	UP & OTH	RES	REV	%
Air Quality											
Air Quality Monitoring & Progress Reporting	-10%	-9%	8%	-3%	-3%	-3%	-	49%	-100%	-3%	-2.9%
Cleaner Home Heating	-18%	-16%	35%	1%	-16%	-15%	-	246%	37%	1%	-15.2%
Air Quality Total	-15%	-13%	24%	-1%	-10%	-10%	-	252%	37%	-1%	-10.2%
Biosecurity	7%	2%	12%	8%	25%	-16%	-	223%	-57%	8%	5.3%
Braided Rivers	4%	7%	146%	58%	27%	-	-	44102%	14978%	58%	26.8%
Regional Biodiversity	5%	3%	14%	10%	-3%	-	-	-5%	31440%	10%	3.5%
Wetlands	-8%	-17%	1%	-7%	-8%	-	-	-69%	3092%	-7%	-8.4%
Biodiversity and Biosecurity Total	5%	2%	20%	12%	8%	-2%	-	437%	-32%	12%	5.8%
CWMS Facilitation	36%	27%	-29%	11%	11%	-	-	-72%	-100%	11%	11.0%
Environmental Monitoring & Progress Reporting	8%	17%	37%	21%	7%	-	-	438%	-2807%	21%	7.1%
Regional Water Infrastructure Support	-6%	-13%	-2%	-6%	-6%	-	-	-	-100%	-6%	-6.2%
RMA Water Framework	-2%	-2%	-9%	-5%	-5%	-	-	-	957%	-5%	-5.4%
Te Waihora Restoration	9%	8%	-64%	-49%	5%	-	-83%	-84%	-92%	-49%	5.2%
Zone and Regional Delivery	8%	10%	2%	8%	4%	949%	-86%	60%	-150%	8%	4.1%
Freshwater Management Total	9%	11%	-5%	5%	3%	949%	-85%	249%	-217%	5%	3.2%
Climate Change Integration	69%	26%	5%	28%	27%	-	-	-69%	36%	28%	27.2%
Coastal Environment and Hazards	7%	5%	-3%	2%	3%	-	-	-4%	-100%	2%	3.3%
Contaminated Land, Hazardous Substances and Waste	3%	4%	-7%	1%	1%	-	-	-72%	-100%	1%	1.3%
Emergency Management	0%	5%	32%	13%	-	9%	-	49%	0%	13%	9.3%
Flood Protection and Control Works	6%	7%	9%	8%	2%	-4%	7%	3%	-1326%	8%	-3.0%
Natural Hazards	7%	9%	5%	7%	3%	-	-	28%	-103%	7%	-7.0%
Navigation & Recreational Boating Safety	12%	24%	15%	17%	23%	-	-	-1%	-64%	17%	22.6%
Hazards, Risk and Resilience Total	7%	8%	9%	8%	5%	-1%	7%	5%	-268%	8%	1.8%
Governance and Engagement	13%	15%	-19%	-4%	-5%	-	0%	438%	-3%	-4%	-5.1%
Long - Term Community Planning	10%	19%	40%	25%	25%	-	-	-68%	-100%	25%	24.8%
Ngai Tahu and Regional Relationships	-14%	-20%	4%	-12%	-18%	-	0%	6827%	431%	-12%	-18.2%
Our Information and Advice	7%	-7%	-22%	-4%	45%	-	-	123%	-100%	-4%	44.6%
Plans, Consenting and Compliance	13%	9%	3%	9%	-9%	-	-	13%	136576%	9%	-8.6%
Strategy and Direction	32%	41%	18%	31%	64%	-	-	-70%	-100%	31%	63.9%
Regional Leadership Total	12%	8%	-5%	6%	1%	-	0%	16%	10%	6%	1.2%
Public Transport	1%	7%	1%	1%	-	3%	5%	-20%	-213%	1%	3.1%
Regional Transport	-17%	-20%	22%	4%	-35%	-	-9%	77%	-2055%	4%	-34.5%
Urban Development	30%	-11%	0%	3%	3%	-	-	-73%	-100%	3%	3.3%
Transport and Urban Development Total	0%	5%	1%	1%	-17%	3%	5%	-20%	-237%	1%	2.4%
MOVEMENT	8%	7%	2%	4%	3%	1%	4%	-2%	286%	4%	2.3%

PROPOSED BUDGET CARRYOVERS
TO ANNUAL PLAN 2020/21

		EXPENDITURE	FUNDING							
Portfolio	Section	TOTAL EXPENDITURE	General Rates	Targeted Rates	TOTAL RATES	Grant	UP & Other	Reserve	TOTAL REVENUE	Notes/Reason
Transport and Urban Development	Public Transport	590,000	0	0	0	300,900	0	289,100	590,000	CARRY OVER FROM FY2019/20 - unspent innovation funding (to be used for PT data, My-Way trial in Christchurch, and Covid-19 additional costs)
Transport and Urban Development	Public Transport	(322,000)		(157,780)	(157,780)			(164,220)	(322,000)	Delay on Real Time Information project, depreciation will start in 2021/22.
Biodiversity & Biosecurity	Environmental Science & Hazards	250,000	0	0	0	0	0	250,000	250,000	CARRY OVER FROM FY2019/20 - Henderson perpetual lease purchase
Biodiversity & Biosecurity	Regional Support	75,000	0	0	0	0	0	75,000	75,000	CARRY OVER - COVID19 impacts upon Biosecurity compliance works
Biodiversity & Biosecurity	Regional Support	1,000,000	0	0	0	1,000,000	0	0	1,000,000	CARRY OVER - Income in Advance from MPI for FY20 Programme
Biodiversity & Biosecurity	Regional Support	30,000	0	0	0	0	0	30,000	30,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Regional Support	23,000	0	0	0	0	0	0	23,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Regional Support	6,000	0	0	0	0	0	6,000	6,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Regional Support	55,000	0	0	0	0	0	55,000	55,000	CARRY OVER - limited service delivery expected due to COVID impacts
Transport and Urban Development	Strategic Programmes	78,152			0	31,224		46,928	78,152	CARRY OVER FROM FY2019/20 - unspent funding held in trust by ECan on behalf of all South Island RTC members.
Transport and Urban Development	Strategic Programmes	90,000			0	45,900		44,100	90,000	CARRY OVER FROM FY2019/20 - planned work include business cases, modelling and similar regarding reinvigorating the Canterbury rail network for public transport, tourism and freight.
Hazards, Risk and Resilience	Strategic Programmes	48,000			0			48,000	48,000	CARRY OVER FROM FY2019/20 - unspent G&S
Freshwater Management	Surface Water Science	15,000	0	0	0	0	0	15,000	15,000	CARRY OVER FROM FY2019/20 - Half of revised \$30k 'consent bang for buck' project (RFP currently being written) - due to COVID-19
Regional Leadership	Tuia	25,000	0	0	0	0	0	25,000	25,000	CARRY OVER - Rūnanga delayed applying for funding and won't occur to July 2020 now.
Freshwater Management	Zone Delivery	25,000	0	0	0	0	0	25,000	25,000	CARRY OVER - Water Zone Committee funds for on-the ground-actions around Water Way health within the Kaikoura Flats Catchment - \$100k of the Planning (cost code P033501) budget that was to go unused was set aside in FY2018/19 for this work (as directed by Bill B.)
Freshwater Management	Zone Delivery	20,000	0	0	0	0	0	20,000	20,000	CARRY OVER - Ashburton Lakes \$20k out of Zone Priority Projects
Freshwater Management	Zone Delivery	10,425	0	0	0	0	0	10,425	10,425	CARRY OVER - Kaikoura Wetland Enhancements out of Zone Priority Projects
Freshwater Management	Zone Delivery	13,500	0	0	0	0	0	13,500	13,500	CARRY OVER - Salwater Creek out of Zone Priority Projects
Freshwater Management	Zone Delivery	130,000	0	0	0	0	0	130,000	130,000	CARRY OVER - Silverstream out of Zone Priority Projects
Freshwater Management	Zone Delivery	47,000	0	0	0	0	0	47,000	47,000	CARRY OVER - Swimmable Selwyn at Coes Ford out of Zone Priority Projects
Biodiversity & Biosecurity	Zone Delivery	20,000	0	0	0	0	0	20,000	20,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Zone Delivery	25,000	0	0	0	0	0	25,000	25,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Zone Delivery	7,000	0	0	0	0	0	7,000	7,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Zone Delivery	17,000	0	0	0	0	0	17,000	17,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Zone Delivery	60,000	0	0	0	0	0	60,000	60,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Zone Delivery	30,000	0	0	0	0	0	30,000	30,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Zone Delivery	18,000	0	0	0	0	0	18,000	18,000	CARRY OVER - limited service delivery expected due to COVID impacts
Biodiversity & Biosecurity	Zone Delivery	60,000	0	0	0	0	0	60,000	60,000	CARRY OVER - limited service delivery expected due to COVID impacts
Freshwater Management	Zone Delivery	4,350	0	0	0	0	0	4,350	4,350	CARRY OVER FROM FY2019/20 - Kids Discovery Plant-out - Can't go ahead due to COVID-19 - carry over to FY2020/21 for use in Spring
Freshwater Management	Zone Delivery	7,570	0	0	0	0	0	7,570	7,570	CARRY OVER - no further service delivery expected due to COVID impacts
Freshwater Management	Zone Delivery	11,372	0	0	0	0	0	11,372	11,372	CARRY OVER FROM FY2019/20 - FIF - Kids Discovery - Can't go ahead due to COVID-19 (even during Level 2 not possible due to the no. of kids involved) - carry over 8+4 forecast amount to FY2020/21 for use in Spring
		2,469,369	0	(157,780)	(157,780)	1,378,024	0	1,249,125	2,469,369	
CAPITAL										
Capital	Asset Services	6,400,000						6,400,000	6,400,000	CARRY OVER FROM FY2019/20 - total budget for the project \$7.5m, 100% debt funding
Capital	Public Transport	3,200,000			0			3,200,000	3,200,000	CARRY OVER FROM FY2019/20 - \$2.6m and additional budget \$600k. PT to confirm the project timeline with CCC and NZTA
Capital	Public Transport	118,000			0			118,000	118,000	CARRY OVER FROM FY2019/20 - \$118k (total \$153k, \$35k in 2019/20)
Capital	Business Information Systems	650,000	0	0	0	0	0	650,000	650,000	CARRY OVER - Project Katoa is underway however some expenditure will now be incurred in 2020/21 rather than 2019/20.
		10,368,000	0	0	0	0	0	10,368,000	10,368,000	

SAMPLE PROPERTY EXAMPLES									
Please Note the following :		CV = Capital Value LV = Land Value Area is in hectares							
DISTRICT	VALUES USED IN		2020-2021	2019-2020		2020-2021	2019-2020	Movement	Movement
			2020-2021	2019-2020		\$	\$	\$	%
KAIKOURA									
		Sep-18	Sep-18						
Parikawa	CV	2,090,000.00	2,090,000.00	(General)		804.29	768.15	36.14	5%
(Rural)	LV	1,720,000.00	1,720,000.00	(UAGC)		26.09	28.62	-2.53	-9%
	Area	151.8116	151.8116	(Civil Defence)		35.49	32.04	3.46	11%
				(Catchment - Works & Services)		37.41	96.80	-59.39	-61%
North Canterbury - Ōpukepuke				(Kaikoura Water Zone)		0.00	0.00	0.00	0%
				(Pest Mgmt)		95.92	91.83	4.09	4%
						999.21	1,017.43	-18.22	-2%
KAIKŌURA									
		Sep-18	Sep-18						
Kaikōura	CV	380,000.00	380,000.00	(General)		146.23	139.66	6.57	5%
(Urban)	LV	160,000.00	160,000.00	(UAGC)		26.09	28.62	-2.53	-9%
				(Civil Defence)		6.45	5.83	0.63	11%
				(Catchment - Works & Services)		6.80	17.60	-10.80	-61%
				(Kaikoura Water Zone)		0.00	0.00	0.00	0%
				(Passenger Services)		2.81	2.94	-0.13	-4%
				(Kaikoura River - Class U3)		13.21	35.61	-22.40	-63%
						201.60	230.26	-28.66	-12%
HURUNUI									
		Sep-19	Sep-16						
Ferniehurst	CV	1,911,000.00	1,860,000.00	(General)		698.22	708.35	-10.13	-1%
(Rural)	LV	1,820,000.00	1,730,000.00	(UAGC)		26.09	28.62	-2.53	-9%
	Area	161.3556	161.3556	(Civil Defence)		30.81	29.54	1.27	4%
				(Catchment - Works & Services)		13.34	11.98	1.36	11%
North Canterbury - Ōpukepuke				(Hurunui - Waiau Water Zone)		0.00	0.00	0.00	0%
				(Pest Mgmt)		100.36	94.36	6.00	6%
						868.83	872.86	-4.03	0%
AMBERLEY									
		Sep-19	Sep-16						
Amberley	CV	340,000.00	340,000.00	(General)		124.22	129.48	-5.26	-4%
(Urban)	LV	127,000.00	115,000.00	(UAGC)		26.09	28.62	-2.53	-9%
				(Civil Defence)		5.48	5.40	0.08	2%
				(Catchment - Works & Services)		2.37	2.19	0.18	8%
				(Hurunui - Waiau Water Zone)		0.00	0.00	0.00	0%
				(Passenger - VT)		1.53	1.58	-0.06	-4%
						159.70	167.28	-7.58	-5%

DISTRICT		VALUES USED IN			2020-2021	2019-2020	Movement	Movement	
		2020-2021	2019-2020		\$	\$	\$	%	Narative
WAIMAKARIRI		Aug-19	Aug-16						
Cust	CV	5,140,000.00	5,100,000.00	(General)	1,887.43	1,886.77	0.66	0%	(more)
(Rural)	LV	4,460,000.00	4,460,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	165.3396	165.3396	(Civil Defence)	83.29	78.69	4.60	6%	(more)
				(Catchment - Works & Services)	49.76	49.71	0.05	0%	(more)
North Canterbury - Ōpukepuke				(Passenger Services)	15.42	9.70	5.72	59%	(more)
				(Waimakariri Water Zone)	0.00	0.00	0.00	0%	(less)
				(WFPP Class B)	7.58	8.59	-1.01	-12%	(less)
				(Waimak-Eyre - Class E)	1.04	3.53	-2.49	-71%	(less)
				(Regional Park A&W)	50.28	54.87	-4.59	-8%	(less)
				(Pest Mgmt)	213.09	208.25	4.84	2%	(more)
					2,333.98	2,328.73	5.25	0%	
Cust	CV	3,715,000.00	3,715,000.00	(General)	1,364.16	1,374.38	-10.22	-1%	(less)
(Rural)	LV	3,230,000.00	3,230,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	100.3506	100.3506	(Civil Defence)	60.20	57.32	2.88	5%	(more)
				(Catchment - Works & Services)	35.97	36.21	-0.25	-1%	(less)
				(Passenger Services)	15.42	9.70	5.72	59%	(more)
				(WFPP Class B)	5.48	6.26	-0.78	-12%	(less)
				(Waimak-Eyre - Class B)	3.75	12.84	-9.09	-71%	(less)
				(Regional Park A&W)	36.34	39.97	-3.63	-9%	(less)
				(Pest Mgmt)	151.55	148.18	3.37	2%	(more)
					1,698.96	1,713.48	-14.52	-1%	
Rangiora	CV	400,000.00	395,000.00	(General)	146.88	146.13	0.75	1%	(more)
(Urban)	LV	180,000.00	180,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	6.48	6.09	0.39	6%	(more)
				(Catchment - Works & Services)	3.87	3.85	0.02	1%	(more)
				(Air Quality)	6.04	6.75	-0.71	-11%	(less)
				(Passenger Services)	111.15	81.10	30.05	37%	(more)
				(WFPP Class B)	0.59	0.67	-0.08	-11%	(less)
				(Waimak-Eyre - Class F)	0.04	0.14	-0.10	-70%	(less)
				(Ashley River - Class U1)	34.18	33.93	0.25	1%	(more)
				(Regional Park A&W)	3.91	4.25	-0.34	-8%	(less)
					339.24	311.53	27.71	9%	
Kaiapoi	CV	440,000.00	420,000.00	(General)	161.57	155.38	6.19	4%	(more)
(Urban)	LV	160,000.00	160,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	7.13	6.48	0.65	10%	(more)
				(Catchment - Works & Services)	4.26	4.09	0.17	4%	(more)
				(Air Quality & AQ Heating)	20.23	20.61	-0.38	-2%	(less)
				(Passenger Services)	111.15	81.10	30.05	37%	(more)
				(Waimakariri Water Zone)	0.00	0.00	0.00	0%	(less)
				(WFPP Class B)	0.65	0.71	-0.06	-8%	(less)
				(Waimak-Eyre - Class F)	0.04	0.15	-0.10	0%	(less)
				(Regional Park A&W)	4.30	4.52	-0.21	-5%	(less)
					335.42	301.66	33.77	11%	

DISTRICT		VALUES USED IN			2020-2021	2019-2020	Movement	Movement	
		2020-2021	2019-2020		\$	\$	\$	%	Narative
CHRISTCHURCH		Aug-19	Aug-16						
Burnside	CV	580,000.00	570,000.00	(General)	212.98	213.99	-1.01	0%	(less)
(Urban)	LV	350,000.00	320,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	9.40	8.93	0.47	5%	(more)
				(Catchment - Works & Services)	1.30	1.54	-0.24	-16%	(less)
Christchurch West - Opuna				(Passenger Services)	157.43	160.89	-3.46	-2%	(less)
				(Air Quality)	7.97	6.82	1.15	17%	(more)
				(Christchurch - West Melton Water	0.00	0.00	0.00	0%	(less)
				(Regional Park A&W)	5.67	6.17	-0.50	-8%	(less)
				(WFPP Class A)	4.28	4.85	-0.57	-12%	(less)
				(Waimak-Eyre - Class D)	0.18	0.60	-0.42	-71%	(less)
					425.29	432.42	-7.12	-2%	
Marshland	CV	450,000.00	440,000.00	(General)	165.24	165.19	0.05	0%	(more)
(Urban)	LV	195,000.00	185,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	7.29	6.89	0.40	6%	(more)
				(Catchment - Works & Services)	1.01	1.19	-0.18	-15%	(less)
Christchurch North - Orei				(Passenger Services)	24.71	26.72	-2.01	-8%	(less)
				(Air Quality)	6.04	7.14	-1.10	-15%	(less)
				(Christchurch - West Melton Water	0.00	0.00	0.00	0%	(less)
				(Regional Park A&W)	4.40	4.77	-0.37	-8%	(less)
				(WFPP Class A)	3.32	3.74	-0.42	-11%	(less)
				(Waimak-Eyre - Class C)	0.18	0.62	-0.43	-70%	(less)
					238.29	244.88	-6.59	-3%	
Riccarton	CV	470,000.00	470,000.00	(General)	172.59	176.45	-3.86	-2%	(less)
(Urban)	LV	360,000.00	360,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	7.62	7.36	0.26	3%	(more)
				(Catchment - Works & Services)	1.05	1.27	-0.22	-17%	(less)
Christchurch Central - Ohoko				(Passenger Services)	127.57	132.67	-5.09	-4%	(less)
				(Air Quality)	6.45	7.63	-1.18	-15%	(less)
				(Christchurch - West Melton Water	0.00	0.00	0.00	0%	(less)
				(Regional Park A&W)	4.60	5.09	-0.50	-10%	(less)
				(WFPP Class A)	3.47	4.00	-0.53	-13%	(less)
				(Waimak-Eyre - Class D)	0.14	0.49	-0.35	-71%	(less)
					349.58	363.58	-14.00	-4%	
Somerfield	CV	440,000.00	425,000.00	(General)	161.57	159.56	2.01	1%	(more)
(Urban)	LV	330,000.00	330,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	7.13	6.65	0.48	7%	(more)
				(Catchment - Works & Services)	0.99	1.15	-0.16	-14%	(less)
Christchurch South - Owhanga				(Passenger Services)	119.43	119.96	-0.53	0%	(less)
				(Air Quality)	6.04	6.90	-0.86	-12%	(less)
				(Christchurch - West Melton Water	0.00	0.00	0.00	0%	(less)
				(Regional Park A&W)	4.30	4.60	-0.30	-7%	(less)
				(WFPP Class A)	3.24	3.61	-0.37	-10%	(less)
				(Waimak-Eyre - Class D)	0.13	0.44	-0.31	-70%	(less)

DISTRICT		VALUES USED IN			2020-2021	2019-2020	Movement	Movement	
		2020-2021	2019-2020		\$	\$	\$	%	Narative
					328.93	331.51	-2.58	-1%	
Lyttelton	CV	475,000.00	450,000.00	(General)	174.42	168.94	5.48	3%	(more)
(Urban)	LV	143,000.00	143,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	ha	0.0230	0.0230	(Civil Defence)	7.70	7.05	0.65	9%	(more)
				(Catchment - Works & Services)	1.07	1.22	-0.15	-13%	(less)
South				(Passenger Services)	128.93	127.02	1.91	2%	(more)
				(Pest - Pest Free)	6.87	7.14	-0.27	-4%	(less)
				(Banks Peninsula Water Zone)	0.00	0.00	0.00	0%	(less)
					345.08	339.99	5.09	1%	
Wairewa	CV	1,270,000.00	1,270,000.00	(General)	466.35	476.79	-10.44	-2%	(less)
(Rural)	LV	1,170,000.00	1,170,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	439.1852	439.1852	(Civil Defence)	20.58	19.89	0.69	3%	(more)
				(Catchment - Works & Services)	2.85	3.44	-0.59	-17%	(less)
South				(Banks Peninsula Water Zone)	0.00	0.00	0.00	0%	(less)
				(Pests - Low Plains)	251.19	310.47	-59.28	-19%	(less)
				(Pest - Pest Free)	419.20	346.27	72.94	21%	(more)
				(Pest Mgmt)	112.59	102.76	9.83	10%	(more)
					1,298.86	1,288.24	10.62	1%	

DISTRICT		VALUES USED IN			2020-2021	2019-2020	Movement	Movement	Narrative
		2020-2021	2019-2020		\$	\$	\$	%	
Kaituna (Rural)	CV	351,000.00	335,000.00	(General)	128.89	125.77	3.12	2%	(more)
	LV	215,000.00	205,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	4.2485	4.2485	(Civil Defence)	5.69	5.25	0.44	8%	(more)
South				(Catchment - Works & Services)	0.79	0.91	-0.12	-13%	(less)
				(Selwyn - Waihora Water Zone)	0.43	0.00	0.43	0%	(more)
				(Lake Ellesmere - Class A)	296.04	301.97	-5.93	-2%	(less)
				(Pests - Negligible)	1.47	1.85	-0.38	-20%	(less)
				(Pest - Pest Free)	13.81	13.00	0.81	6%	(more)
				(Pest Mgmt)	9.74	8.10	1.65	20%	(more)
					482.94	485.45	-2.51	-1%	
Akaroa (Urban)	CV	550,000.00	485,000.00	(General)	201.96	182.08	19.88	11%	(more)
	LV	144,000.00	144,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	0.1327	0.1327	(Civil Defence)	8.91	7.59	1.32	17%	(more)
South				(Catchment - Works & Services)	1.23	1.31	-0.08	-6%	(less)
				(Pest - Pest Free)	7.01	7.26	-0.25	-3%	(less)
				(Banks Peninsula Water Zone)	0.00	0.00	0.00	0%	(less)
					245.21	226.87	18.34	8%	
SELWYN		Jul-18	Jul-18						
Lincoln (Rural)	CV	730,000.00	730,000.00	(General)	269.00	262.68	6.33	2%	(more)
	LV	420,000.00	420,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	4.4360	4.4360	(Civil Defence)	11.82	10.96	0.86	8%	(more)
Mid-Canterbury - Opakihi				(Catchment - Works & Services)	7.17	7.58	-0.41	-5%	(less)
				(Selwyn-Waihora Water Zone)	0.89	0.00	0.89	0%	(more)
				(Regional Park W)	6.40	6.40	0.00	0%	(less)
				(Passenger Services)	16.35	18.54	-2.19	-12%	(less)
				(Lake Ellesmere - Class E)	41.20	42.27	-1.07	-3%	(less)
				(Pest Mgmt)	18.44	18.52	-0.08	0%	(less)
					397.36	395.57	1.80	0%	
Dunsandel (Rural)	CV	12,200,000.00	12,200,000.00	(General)	4,495.68	4,389.94	105.74	2%	(more)
	LV	9,900,000.00	9,900,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	275.4898	275.4898	(Civil Defence)	197.46	183.09	14.37	8%	(more)
				(Catchment - Works & Services)	119.80	126.73	-6.93	-5%	(less)
				(Selwyn-Waihora Water Zone)	14.95	0.00	14.95	0%	(more)
				(Regional Park W)	106.99	106.99	0.00	0%	(less)
				(Passenger Services- Rural)	16.35	18.54	-2.19	-12%	(less)
				(Pest Mgmt)	459.10	459.86	-0.77	0%	(less)
					5,436.41	5,313.78	122.64	2%	

DISTRICT		VALUES USED IN			2020-2021	2019-2020	Movement	Movement	Narrative
		2020-2021	2019-2020		\$	\$	\$	%	
Darfield (Urban)	CV	465,000.00	465,000.00	(General)	171.35	167.32	4.03	2%	(more)
	LV	118,000.00	118,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	7.53	6.98	0.55	8%	(more)
				(Catchment - Works & Services)	4.57	4.83	-0.26	-5%	(less)
				(Selwyn-Waihora Water Zone)	0.57	0.00	0.57	0%	(more)
				(Regional Park W)	4.08	4.08	0.00	0%	(less)
				(Passenger Services)	37.38	33.63	3.74	11%	(more)
					251.56	245.46	6.10	2%	
Lincoln (Urban)	CV	495,000.00	495,000.00	(General)	182.41	178.12	4.29	2%	(more)
	LV	225,000.00	225,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	8.01	7.43	0.58	8%	(more)
				(Catchment - Works & Services)	4.86	5.14	-0.28	-5%	(less)
				(Passenger Services)	112.59	131.42	-18.83	-14%	(less)
				(Selwyn-Waihora Water Zone)	0.61	0.00	0.61	0%	(more)
				(Regional Park W)	4.34	4.34	0.00	0%	(less)
				(Waimak-Eyre - Class F)	0.05	0.17	-0.12	-70%	(less)
Leeston (Urban)	CV	375,000.00	375,000.00	(General)	138.19	134.94	3.25	2%	(more)
	LV	160,000.00	160,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	6.07	5.63	0.44	8%	(more)
				(Catchment - Works & Services)	3.68	3.90	-0.21	-5%	(less)
				(Passenger Services)	67.48	46.65	20.83	45%	(more)
				(Selwyn-Waihora Water Zone)	0.46	0.00	0.46	0%	(more)
				(Regional Park W)	3.29	3.29	0.00	0%	(less)
					245.26	223.02	22.24	10%	
ASHBURTON		Jul-18	Jul-18						
Wakanui (Rural)	CV	4,960,000.00	4,960,000.00	(General)	1,800.03	1,813.60	-13.57	-1%	(less)
	LV	4,320,000.00	4,320,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	99.6639	99.6639	(Civil Defence)	79.44	75.64	3.80	5%	(more)
Mid-Canterbury - Opakihi				(Catchment - Works & Services)	52.68	58.67	-5.99	-10%	(less)
				(Ashburton Water Zone)	0.00	0.00	0.00	0%	(less)
				(Ashburton Rivers Class - AL)	1,772.60	1,727.45	45.14	3%	(more)
				(Ashburton Stopbank Class - B)	0.00	38.58	-38.58	-100%	(less)
				(Pest Mgmt)	194.88	186.72	8.17	4%	(more)
Allenton (Urban)	CV	330,000.00	330,000.00	(General)	119.76	120.66	-0.90	-1%	(less)
	LV	165,000.00	165,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	5.29	5.03	0.25	5%	(more)
				(Catchment - Works & Services)	3.51	3.90	-0.40	-10%	(less)
				(Air Quality)	4.49	5.23	-0.74	-14%	(less)
				(Ashburton Water Zone)	0.00	0.00	0.00	0%	(less)
				(Ashburton Rivers Class - U1)	11.20	10.92	0.29	3%	(more)
				(Ashburton Stopbank Class - A)	0.00	5.13	-5.13	-100%	(less)
				(Passenger Services)	3.42	3.35	0.06	2%	(more)

DISTRICT	VALUES USED IN				2020-2021	2019-2020	Movement	Movement	Narrative
		2020-2021	2019-2020		\$	\$	\$	%	
					173.75	182.86	-9.11	-5%	
TIMARU		Sep-17	Sep-17						
Temuka	CV	2,310,000.00	2,310,000.00	(General)	879.83	863.44	16.39	2%	(more)
(Rural)	LV	1,850,000.00	1,850,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	65.3993	65.3993	(Civil Defence)	38.83	36.01	2.82	8%	(more)
				(Catchment - Works & Services)	55.82	50.38	5.44	11%	(more)
South Canterbury - Ōtuhitahi				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Orari-Opihi-Pareora Water Zone)	0.00	0.00	0.00	0%	(less)
				(Pest Mgmt)	88.30	85.01	3.29	4%	(more)
					1,089.83	1,064.46	25.37	2%	
Timaru City	CV	320,000.00	320,000.00	(General)	121.88	119.61	2.27	2%	(more)
(Urban)	LV	120,000.00	120,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	5.38	4.99	0.39	8%	(more)
				(Catchment - Works & Services)	7.73	6.98	0.75	11%	(more)
				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Air Quality & AQ Heating)	11.13	12.80	-1.66	-13%	(less)
				(Passenger Services)	44.60	43.34	1.26	3%	(more)
				(Orari-Opihi-Pareora Water Zone)	0.00	0.00	0.00	0%	(less)
					217.77	217.33	0.44	0%	
Temuka	CV	285,000.00	285,000.00	(General)	108.55	106.53	2.02	2%	(more)
(Urban)	LV	116,000.00	116,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	4.79	4.44	0.35	8%	(more)
				(Catchment - Works & Services)	6.89	6.22	0.67	11%	(more)
				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Passenger Services)	12.92	12.51	0.41	3%	(more)
				(Orari-Opihi-Pareora Water Zone)	0.00	0.00	0.00	0%	(less)
				(River - Orari-Waihi-Temuka D)	58.83	56.66	2.17	4%	(more)
					219.02	215.97	3.05	1%	
Geraldine	CV	310,000.00	310,000.00	(General)	118.07	115.87	2.20	2%	(more)
(Urban)	LV	98,000.00	98,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	5.21	4.83	0.38	8%	(more)
				(Catchment - Works & Services)	7.49	6.76	0.73	11%	(more)
				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Air Quality & AQ Heating)	17.66	18.77	-1.10	-6%	(less)
				(Passenger Services)	5.15	5.40	-0.25	-5%	(less)
				(Orari-Opihi-Pareora Water Zone)	0.00	0.00	0.00	0%	(less)
				(River - Orari-Waihi-Temuka E)	27.42	26.41	1.01	4%	(more)
					208.05	207.66	0.39	0%	

DISTRICT		VALUES USED IN			2020-2021	2019-2020	Movement	Movement	Narrative
		2020-2021	2019-2020		\$	\$	\$	%	
Pleasant Point	CV	355,000.00	355,000.00	(General)	135.21	132.69	2.52	2%	(more)
(Urban)	LV	106,000.00	106,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	5.97	5.53	0.43	8%	(more)
				(Catchment - Works & Services)	8.58	7.74	0.84	11%	(more)
				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Passenger Services)	3.79	3.94	-0.15	-4%	(less)
				(Orari-Opihi-Pareora Water Zone)	0.00	0.00	0.00	0%	(less)
				(River - Opihi U2)	139.51	137.17	2.34	2%	(more)
					320.10	316.70	3.40	1%	
MACKENZIE		Jul-17	Jul-17						
Albury	CV	5,050,000.00	5,050,000.00	(General)	2,052.82	1,950.83	101.99	5%	(more)
(Rural)	LV	4,270,000.00	4,270,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	1,484.9700	1,484.9700	(Civil Defence)	90.55	81.36	9.18	11%	(more)
				(Catchment - Works & Services)	97.72	95.45	2.27	2%	(more)
South Canterbury - Ōtuhitahi				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Orari-Opihi-Pareora Water Zone)	0.00	0.00	0.00	0%	(less)
				(Pest Mgmt)	402.93	377.80	25.13	7%	(more)
					2,671.07	2,535.07	136.00	5%	
Albury	CV	3,530,000.00	3,530,000.00	(General)	1,434.94	1,363.65	71.29	5%	(more)
(Rural)	LV	3,020,000.00	3,020,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	441.4109	441.4109	(Civil Defence)	63.30	56.87	6.42	11%	(more)
				(Catchment - Works & Services)	68.31	66.72	1.59	2%	(more)
				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Orari-Opihi-Pareora Water Zone)	0.00	0.00	0.00	0%	(less)
				(Pest Mgmt)	197.82	184.25	13.57	7%	(more)
					1,791.41	1,701.12	90.29	5%	
Fairlie	CV	280,000.00	280,000.00	(General)	113.82	108.17	5.65	5%	(more)
(Urban)	LV	74,000.00	74,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	5.02	4.51	0.51	11%	(more)
				(Catchment - Works & Services)	5.42	5.29	0.13	2%	(more)
				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Passenger Services)	10.36	11.52	-1.16	-10%	(less)
				(Orari-Opihi-Pareora Water Zone)	0.00	0.00	0.00	0%	(less)
				(River - Opihi Class U3)	58.83	55.92	2.91	5%	(more)
					220.49	215.02	5.47	3%	
Tekapo	CV	750,000.00	750,000.00	(General)	304.87	289.73	15.15	5%	(more)
(Urban)	LV	360,000.00	360,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	13.45	12.08	1.36	11%	(more)
				(Catchment - Works & Services)	14.51	14.18	0.34	2%	(more)
				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Passenger Services)	2.76	2.64	0.12	5%	(more)
				(Upper Waitaki Water Zone)	0.00	0.00	0.00	0%	(less)
					362.64	348.24	14.40	4%	

DISTRICT		VALUES USED IN			2020-2021	2019-2020	Movement	Movement	
		2020-2021	2019-2020		\$	\$	\$	%	Narative
Twizel	CV	345,000.00	345,000.00	(General)	140.24	133.27	6.97	5%	(more)
(Urban)	LV	148,000.00	148,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	6.19	5.56	0.63	11%	(more)
				(Catchment - Works & Services)	6.68	6.52	0.16	2%	(more)
				(Regional Park T)	0.95	0.99	-0.04	-4%	(less)
				(Passenger Services)	2.57	2.73	-0.16	-6%	(less)
				(Upper Waitaki Water Zone)	0.00	0.00	0.00	0%	(less)
					182.72	177.70	5.02	3%	
WAIMATE		Jul-19	Jul-16						
Ikawai	CV	5,730,000.00	5,715,000.00	(General)	2,097.98	2,137.55	-39.57	-2%	(less)
(Rural)	LV	5,410,000.00	5,400,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	273.9058	273.9058	(Civil Defence)	92.59	89.15	3.43	4%	(more)
				(Catchment - Works & Services)	119.62	125.19	-5.57	-4%	(less)
South Canterbury - Ōtuhitahi				(Lower Waitaki - South Coastal Can	0.00	0.00	0.00	0%	(less)
				(Pest Mgmt)	268.88	256.50	12.39	5%	(more)
					2,605.16	2,637.01	-31.85	-1%	
Pareora	CV	6,000,000.00	6,250,000.00	(General)	2,196.84	2,337.66	-140.81	-6%	(less)
(Rural)	LV	5,100,000.00	5,350,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	332.2023	332.2023	(Civil Defence)	96.95	97.50	-0.55	-1%	(less)
				(Catchment - Works & Services)	125.25	136.90	-11.65	-9%	(less)
				(Lower Waitaki - South Coastal Can	0.00	0.00	0.00	0%	(less)
				(Pest Mgmt)	264.07	262.41	1.66	1%	(more)
					2,709.20	2,863.09	-153.89	-5%	
Waimate	CV	290,000.00	250,000.00	(General)	106.18	93.51	12.67	14%	(more)
(Urban)	LV	84,000.00	70,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Civil Defence)	4.69	3.90	0.79	20%	(more)
				(Catchment - Works & Services)	6.05	5.48	0.58	11%	(more)
				(Air Quality)	15.95	16.47	-0.52	-3%	(less)
				(Passenger Services)	5.37	6.37	-1.00	-16%	(less)
				(Lower Waitaki - South Coastal Can	0.00	0.00	0.00	0%	(less)
					164.34	154.35	9.99	6%	
WAITAKI		Sep-17	Sep-17						
Maerewhenua	CV	2,620,000.00	2,620,000.00	(General)	1,044.83	1,024.03	20.80	2%	(more)
(Rural)	LV	2,490,000.00	2,490,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	718.3500	718.3500	(Catchment - Works & Services)	11.24	9.26	1.99	21%	(more)
				(Lower Waitaki - South Coastal Can	0.00	0.00	0.00	0%	(less)
South Canterbury - Ōtuhitahi				(Pest Mgmt)	209.70	200.13	9.57	5%	(more)
					1,291.87	1,262.04	29.83	2%	

DISTRICT		VALUES USED IN			2020-2021	2019-2020	Movement	Movement	Narrative
		2020-2021	2019-2020		\$	\$	\$	%	
Quailburn (Rural)	CV	8,800,000.00	8,800,000.00	(General)	3,509.35	3,439.49	69.86	2%	(more)
	LV	7,300,000.00	7,300,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
	Area	4,751.9450	4,751.9450	(Catchment - Works & Services)	37.76	31.10	6.67	21%	(more)
				(Upper Waitaki Water Zone)	0.00	0.00	0.00	0%	(less)
				(Pest Mgmt)	993.55	947.23	46.32	5%	(more)
					4,566.76	4,446.44	120.32	3%	
Kurow (Urban)	CV	280,000.00	280,000.00	(General)	111.66	109.44	2.22	2%	(more)
	LV	68,000.00	68,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Catchment - Works & Services)	1.20	0.99	0.21	21%	(more)
				(Lower Waitaki - South Coastal Car	0.00	0.00	0.00	0%	(less)
				(River - Lower Waitaki Class U1)	117.62	96.87	20.74	21%	(more)
				(Passenger Services)	3.35	3.32	0.03	0%	(more)
Otematata (Urban)	CV	230,000.00	230,000.00	(General)	91.72	89.90	1.83	2%	(more)
	LV	90,000.00	90,000.00	(UAGC)	26.09	28.62	-2.53	-9%	(less)
				(Catchment - Works & Services)	0.99	0.81	0.17	21%	(more)
				(Lower Waitaki - South Coastal Car	0.00	0.00	0.00	0%	(less)
				(Passenger Services)	3.35	3.32	0.03	0%	(more)
					122.15	122.65	-0.49	0%	

Rating Table for 2020/21

Examples of Rates on Different categories of land with a range of Property Values are:

						GST included	
District	Last valuation	Capital value of Property 2020/21	Capital value of Property 2019/20	2020/21 rate	2019/20 rate	Movement in \$ terms	%
Kaikōura - rural	Sep-18	\$2,090,000	\$2,090,000	999.21	1,017.43	-18.22	-2%
Kaikōura - urban		\$380,000	\$380,000	201.60	230.26	-28.66	-12%
Hurunui - rural	Sep-19	\$1,911,000	\$1,860,000	868.83	872.86	-4.03	0%
Hurunui - urban		\$340,000	\$340,000	159.70	167.28	-7.58	-5%
Waimakariri - rural	Aug-19	\$5,140,000	\$5,100,000	2,333.98	2,328.73	5.25	0%
Waimakariri - rural		\$3,715,000	\$3,715,000	1,698.96	1,713.48	-14.52	-1%
Waimakariri - urban Rangiora		\$400,000	\$395,000	339.24	311.53	27.71	9%
Waimakariri - urban Kaiapoi		\$440,000	\$420,000	335.42	301.66	33.77	11%
Christchurch - rural Wairewa	Aug-19	\$1,270,000	\$1,270,000	1,298.86	1,288.24	10.62	1%
Christchurch - rural Kaituna		\$351,000	\$335,000	482.94	485.45	-2.51	-1%
Christchurch - urban Burnside		\$580,000	\$570,000	425.29	432.42	-7.12	-2%
Christchurch - urban Marshland		\$450,000	\$440,000	238.29	244.88	-6.59	-3%
Christchurch - urban Lyttelton		\$475,000	\$450,000	345.08	339.99	5.09	1%
Christchurch - urban Akaroa		\$550,000	\$485,000	245.21	226.87	18.34	8%
Ashburton - rural	Jul-18	\$4,960,000	\$4,960,000	3,925.72	3,929.28	-3.56	0%
Ashburton - urban		\$330,000	\$330,000	173.75	182.86	-9.11	-5%
Selwyn - rural Lincoln	Jul-18	\$730,000	\$730,000	397.36	395.57	1.80	0%
Selwyn - rural Dunsandel		\$12,200,000	\$12,200,000	5,436.41	5,313.78	122.64	2%
Selwyn - urban Lincoln		\$495,000	\$495,000	338.96	355.24	-16.27	-5%
Selwyn - urban Leeston		\$375,000	\$375,000	245.26	223.02	22.24	10%
Timaru - rural	Sep-17	\$2,310,000	\$2,310,000	1,089.83	1,064.46	25.37	2%
Timaru - urban City		\$320,000	\$320,000	217.77	217.33	0.44	0%
Timaru - urban Temuka		\$285,000	\$285,000	219.02	215.97	3.05	1%
Timaru - urban Geraldine		\$310,000	\$310,000	208.05	207.66	0.39	0%
Timaru - urban Pleasant Point		\$355,000	\$355,000	320.10	316.70	3.40	1%
Mackenzie - rural	Jul-17	\$5,050,000	\$5,050,000	2,671.07	2,535.07	136.00	5%
Mackenzie - rural		\$3,530,000	\$3,530,000	1,791.41	1,701.12	90.29	5%
Mackenzie - urban Fairlie		\$280,000	\$280,000	220.49	215.02	5.47	3%
Mackenzie - urban Tekapo		\$750,000	\$750,000	362.64	348.24	14.40	4%
Mackenzie - urban Twizel		\$345,000	\$345,000	182.72	177.70	5.02	3%
Waimate - rural	Jul-19	\$5,730,000	\$5,715,000	2,605.16	2,637.01	-31.85	-1%
Waimate - rural		\$6,000,000	\$6,250,000	2,709.20	2,863.09	-153.89	-5%
Waimate - urban		\$290,000	\$250,000	164.34	154.35	9.99	6%
Waitaki - rural	Sep-17	\$2,620,000	\$2,620,000	1,291.87	1,262.04	29.83	2%
Waitaki - rural		\$8,800,000	\$8,800,000	4,566.76	4,446.44	120.32	3%
Waitaki - urban Kurow		\$280,000	\$280,000	259.92	239.24	20.68	9%
Waitaki - urban Otematata		\$230,000	\$230,000	122.15	122.65	-0.49	0%

ATTACHMENT FIVE

Liability Management and Investment Policy

Introduction

Environment Canterbury ('Council') undertakes borrowing under the **Liability Management Policy** and investment activities under the **Investment Policy**, which together form the Council's Treasury Policy. Environment Canterbury's treasury activities are carried out within the requirements of the Local Government Act 2002 (LGA 2002), its related amendments and other relevant local authority legislation.

This Treasury Policy provides the policy framework for all of Environment Canterbury's borrowing and investment activities and defines key responsibilities and the operating parameters within which borrowing, investment and related risk management activities are to be carried out.

Key borrowing and investment objectives form the basis of the policies. These objectives, while consistent with corporate best practice, are subject to overall Council objectives, as stated in the Annual Plan and the Long-Term Plan (LTP).

The Liability Management Policy and the Investment Policy within this Treasury Policy shall be reviewed and, where necessary, amended at least every three years. The Local Government Act 2002 Amendment Act 2010 states that Council does not need to go through the special consultative process to amend the Liability Management Policy and the Investment Policy.

This Treasury Policy covers:

- Liability management
- Investments
- Foreign exchange.

Environment Canterbury acknowledges that there are various financial risks such as interest rate risk, currency risk, liquidity and funding risk, and credit risk arising from its treasury activities. We operate as a risk averse entity, and do not wish to incur unnecessary risks from our treasury activities.

Environment Canterbury's Chief Executive has overall responsibility for the operations of Council. The Director of Finance and Corporate Services (DFCS) has responsibility for the day-to-day operation of the treasury function and is assisted by other finance personnel as appropriate.

Environment Canterbury does not undertake any treasury activity that is unrelated to its underlying cash flows or which is purely speculative in nature. Therefore, all treasury transactions must relate to the underlying exposures of Environment Canterbury.

Legislative Requirements

The Liability Management and Investment Policies of the Treasury Policy are in compliance with the requirements of the LGA 2002.

Liability Management Policy

Introduction

The Council has both (1) large infrastructural assets largely associated with flood protection & council buildings and (2) natural capital* assets resulting from operational expenditure on policy frameworks governing land, soils & water. Both types of assets involve long economic lives yielding long-term benefits. The Council also has significant strategic investments. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to the Council's assets and investments.

Purpose

Environment Canterbury borrows for the following primary purposes:

- general debt to fund either Council's capital works primarily on infrastructure assets or natural capital* assets. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to Council's assets and investments
- specific debt associated with significant 'one-off' projects
- borrowing through hire purchase, credit, deferred payment or lease arrangements in the ordinary course of Council business
- borrowing to manage timing differences between cash inflows and outflows and to maintain the Council's liquidity.

Local Government Act 2002 Requirements

Section 104 of the LGA 2002 provides that the Liability Management Policy required to be adopted under section 102(1) must state the local authority's policies in respect of liability management, including:

- interest rate exposure
- credit exposure
- liquidity
- funding
- debt repayment

*Definition: Organisation for Economic Co-operation and Development (OECD)

Natural capital are natural assets in their role of providing natural resource inputs and environmental services for economic production.

Objectives

The objectives of the Liability Management Policy are consistent with market best practice and will take into account Environment Canterbury's 10-year plan as set out in the LTP. The key Liability Management objectives in relation to borrowings are to:

- prudently manage Environment Canterbury's borrowing activities to ensure the ongoing funding of Council by ensuring that appropriate liquidity and funding risk management practices are adopted
- borrow only under Council approved facilities and as permitted by this policy
- Minimise the cost of the Council's borrowing through monitoring and implementation of the most cost-effective financing techniques giving consideration to balance sheet and other strategic limitations.
- Mitigate the impact of interest rate volatility.
- Ensure the Council's continued ability to meet its financial obligations in an orderly manner, as and when they fall, due in both the short and long term, through active liquidity and funding risk management.
- Maintain dialogue and information flows to the Council's funding providers to enhance the commercial relationship between the parties.
- Ensure compliance with the Council's financing and borrowing covenants and ratios specified in this document.
- Evaluate on an ongoing basis, the appropriateness of the current risk management processes.
- Maintain adequate internal controls to minimise operational risk while recognising the limited number of personnel who participate in the Council's treasury activities.
- Control cash in an effective and efficient manner.
- Produce accurate and timely information that can be relied on by the elected members and management of the Council that ensures policy compliance and maintains appropriate exposure monitoring procedures.

Funding

Environment Canterbury may obtain funding utilising the following methods:

- bank debt
- capital markets issuance comprising Fixed Rate Bonds, Medium Term Notes, Floating Rate Notes and Commercial Paper
- other sources of debt finance following the specific approval of Council
- New Zealand Local Government Funding Agency (LGFA).

Despite anything earlier in this Liability Management Policy, the Council may borrow from the LGFA and, in conjunction with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;

- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Borrowing Management and Internal Controls

Council approves policy parameters in relation to borrowing activities.

Council approves, by resolution, the borrowing requirement for each financial year in the annual plan or LTP or by later resolution during the year.

Debt is defined as the Council's net external public debt, calculated as the Council's gross public debt* less any reserves held for the specific purpose of repayment of debt.

To measure performance, the actual borrowing performance of the Council shall be compared with the following external benchmark which is predicated off the midpoints of the risk control bands contained in the list below.

- 30.0% Average 90-day bank bill rate for the reporting month;
- 10% Average 1-year swap rate for the reporting month;
- 10% Average 1-year swap rate for the reporting month, 1 year ago;
- 10% Average 3-year swap rate for the reporting month;
- 10% Average 3-year swap rate for the reporting month, 3 years ago;
- 15% Average 7-year swap rate for the reporting month;
- 15% Average 7-year swap rate for the reporting month, 7 years ago.

The Council is not required to benchmark its borrowing activities if external debt is less than \$10.0 million.

Council considers the impact on its borrowing limits as well as the size and the economic life of the asset that is being funded and its consistency with Council's LTP.

** Gross public debt is the general amount of debt a council has. It does not factor in assets or any other aspects of financial debt; it is simply the amount of money a council owes.*

Finance leases and hire purchase agreements will be used for specific operating assets only, not for infrastructural assets. No finance lease or hire purchase arrangement will be more than \$600,000 unless approved at a meeting of Council.

A resolution of Council is not required for hire purchase, leased, credit or deferred purchase of goods if:

- the period of indebtedness is less than 365 days; or
- the goods or services are obtained in the ordinary course of operations on normal commercial terms for amounts not exceeding in aggregate \$600,000.

Environment Canterbury's borrowing activities are managed centrally through its accounting function. The accounting function is broadly charged with the following responsibilities:

- manage Environment Canterbury's borrowing programme to ensure funds are readily available at margins and costs favourable to Council
- raise authorised and appropriate borrowing, in terms of both maturity and interest rate strategies
- manage the impact of interest rate risks by undertaking appropriate hedging activity in the financial markets
- minimise adverse interest rate related increases on ratepayer charges and maintain overall interest costs within budgeted parameters
- provide timely and accurate reporting of treasury activity and performance.

Council's systems of internal controls over borrowing activity include:

- adequate segregation of duties among the core borrowing functions of deal execution, confirmation, settling and accounting/reporting

There are a small number of people involved in Environment Canterbury's borrowing activity, however the risk from this will be further minimised by the following processes:

- a documented approval process for borrowing activity
- regular management reporting and review
- regular operational risk control reviews by an independent audit function

Organisational, systems, procedural and reconciliation controls to ensure:

- all borrowing activity is bona fide and properly authorised
- reviews in place to ensure Environment Canterbury's accounts and records are updated promptly, accurately and completely.

Environment Canterbury is prohibited from borrowing in a foreign currency by section 113 of the LGA 2002.

Interest Rate Risk Management

Interest rate risk management refers to managing the impact that movements in interest rates can have on Environment Canterbury's cash flows. This impact can be both favourable and unfavourable.

The following interest rate risk management instruments are authorised for interest rate risk management activity.

Note: Interest Rate Risk Management Instruments are only used to hedge an underlying asset or borrowing.

- forward rate agreements
- interest rate swaps.
- Purchase of interest rate options products including caps, floors, bond options and swaptions
- interest rate collar-type option strategies
- Fixed Rate Term Loans.

- Fixed Rate Bonds

The following interest rate risk management instruments are not permitted for use:

- selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature
- structured or leveraged interest rate option strategies
- interest rate futures contracts.

Interest is incurred on any bank funding facility, issuance of debt instruments and other borrowing arrangements. This policy recognises that the longer the term of borrowing, the greater the interest rate risk. A balance is achieved through having variable terms with regard to interest rate resets. The following table details the interest rate risk management parameters that Environment Canterbury is required to adhere to for all externally sourced core debt.

Fixed Rate Hedging percentages		
	Minimum Fixed Rate	Maximum Fixed Rate
0 to 2 years	40%	100%
2 years to 4years	20%	80%
4 years to 8years	0%	60%

Any fixed rate hedging beyond 8 years shall be carried out in conjunction with, or aligned with, any underlying debt.

The level of core debt is to be determined by the Director of Finance and Corporate Services in consultation with the Finance Operations Manager and the Chief Financial Officer.

Any hedging outside of these parameters must be approved by the Chair of Performance Audit & Risk Committee before being initiated and then reported accordingly.

Details of Environment Canterbury's overall interest rate risk management position shall be reported to the Performance Audit & Risk Committee.

The hedging parameters are cumulative. For example, if total debt was a \$25 million portfolio, \$5 million of hedging entered into for a period of 5 years would increase the hedging profile for all time buckets up to 5 years, by 20% (\$5m/\$25m). Fixed rate debt is defined as any debt that has an interest rate reset beyond 3 months.

Environment Canterbury decides the interest rate risk management strategy by monitoring the interest rate markets on a regular basis, evaluating the outlook for short-term rates in comparison to the rates payable on fixed rate borrowing. Council may use interest rate risk management products to convert fixed rate borrowing into floating rate and floating rate borrowing into fixed or hedged borrowing.

Counterparty Exposure rating of

Interest rate hedging can only be undertaken with New Zealand Registered Banks with a minimum Standard and Poor's long-term rating of 'A+', or the equivalent Moody's Investors Service and Fitch Ratings long term ratings of A1 and A+ respectively. An up-to-date list of New Zealand Registered Banks and current credit ratings can be obtained from the Reserve Bank of New Zealand's website.

The Council will:

- ensure that all investment, cash management, interest rate risk management and any foreign exchange transactions are undertaken in accordance with the respective Liability Management and Investment Policies
- rigorously monitor compliance against set prudential limits
- apply the prudential limits for the Market Investment Portfolio, and the Working Capital Fund as defined in the guidelines respectively (to be read exclusively of one another). Note that the amount allocated to the portfolio or the fund is to be determined by the DFSC taking into account forecast cashflow needs
- use the approved hedging instruments outlined in the guidelines
- exclude equity investments unless approved by Council resolution
- exclude first mortgages over commercial or residential property
- benchmark the Financial Market Investment Portfolio on a quarterly basis against the ANZ Corporate A Grade Index or a combination of the S&P/NZX Corporate A Grade Index and the 90 Day Bank Bill x in a ratio to be determined by the Treasury Oversight Committee (TOC) in consultation with the Council's Treasury Advisor.

Liquidity and Funding Risk

Liquidity management refers to the timely availability of funds when needed, without incurring penalty costs. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and terms than that of existing facilities. A key factor of funding risk management is to reduce the concentration of risk at any one point in time so that if one-off internal or external negative credit events occur, the overall interest cost is not unnecessarily increased.

The following guidelines have always been established to provide Environment Canterbury with appropriate levels of liquidity, as follows:

- cash flow forecasts will be produced to assist with the matching of operational and capital expenditure to revenue streams and borrowing requirements
- Environment Canterbury will maintain its financial market investments in liquid instruments.

The following guidelines have been established to control funding risk:

- to avoid a concentration of debt maturity dates, no more than 50% of debt subject to refinancing in any 12-month period.

Liquidity shall be maintained at a minimum of 10% of projected external debt over the next twelve months.

Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

Debt Repayment

Repayment of debt (interest and principal) is governed by:

- affordability of debt servicing costs
- intergenerational equity principles
- maintenance of prudent debt levels and borrowing limits.

Environment Canterbury repays borrowings from general or targeted rates, general funds or renewal loans. Proceeds from the sales of assets shall be used to finance replacement assets via a capital reserve, or to further develop or enhance existing assets.

Borrowing Limits

In managing its borrowings, Environment Canterbury will adhere to the Local Government Funding Agency financial covenants.

Definitions:

Total Revenue is defined as cash earnings from rates, grants and subsidies, user charges, interest dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

Net Debt is defined as total debt less liquid financial assets and investments.

Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).

Security

All loans are secured over either the separate general and targeted rates of the Council.

Formal security over either the separate general and targeted rates of the Council assets requires prior Council approval.

The Council in general will not offer assets, other than special rates, as security for general liability management programmes without a separate Council resolution, other than for Financing Leases or Hire Purchase arrangements.

Borrowing Mechanisms

In developing strategies for new borrowing (in relation to source, term, size and pricing) Council takes into account the following:

- available and Council-approved sources, terms and types of borrowing
- Environment Canterbury's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
- prevailing interest rates, margins and total cost relative to term and nature of the borrowing
- the market's and Council's outlook on future interest rate movements
- legal documentation and financial covenants.

Investment Policy

Introduction

The Council's philosophy regarding the management of investments is to optimise returns in the long-term while balancing risk and return considerations. The Council is a risk adverse entity and acknowledges that there are various financial risks such as interest rate risk, liquidity risk and credit risk arising from investment activities and wishes to minimise the exposure to such risk through prudent treasury activities.

The Council recognises that as a responsible public authority any investments that it holds should be low risk. It also recognises that lower risk generally means lower returns. The Council also recognises that being a non-taxpaying entity improves the returns available from fixed interest investments.

The Council will practise an ethical investment approach.

Ethical investment involves avoiding investing in a company whose business activities or products are deemed to be inappropriate, e.g. arms manufacture, gambling, fossil fuels, alcohol or pornography.

Environment Canterbury holds financial investments which include:

- special funds and reserves
- funds set aside for approved future expenditure
- proceeds from the sale of assets
- forestry
- temporary surpluses and working capital funds.

Council holds equity investments which include:

- Marlborough Forestry Corporation
- Civic Financial Services Ltd
- New Zealand Local Government Funding Agency.

Local Government Act 2002 Requirements

Section 105 of the LGA 2002 provides that the Investment Policy required to be adopted under section 102(1) must state the local authority policies in respect of investments, including:

- the mix of investments
- the acquisition of new investments
- an outline of the procedures by which investments are managed and reported on to the local authority
- an outline of how risks associated with investments are assessed and managed.

Investment Management and Internal Controls

Council approves policy parameters in relation to investment activities.

Environment Canterbury's investment activities are managed centrally through an accounting function and takes the following into consideration when deciding on the suitability of any investment:

- the desirability of diversifying investments
- the nature of existing investments
- the risk of capital loss or depreciation
- the potential for capital appreciation
- the likely income return
- the length of the term of the proposed investment
- the marketability of the proposed investment
- the likelihood of inflation affecting the value of the proposed investment.

Council's systems of internal controls over investment activity include:

- adequate segregation of duties among the core investment functions of deal execution, confirmation, settling and accounting/reporting. There are a small number of people involved in investment activity, however the risk from this will be further minimised by the following processes:
 - a documented approval process for investment activity
 - regular management reporting and review
 - regular operational risk control reviews by an independent audit function.
- organisational, systems, procedural and reconciliation controls to ensure:
 - all investment activity is bona fide and properly authorised
 - reviews are in place to ensure Environment Canterbury's accounts and records are updated promptly, accurately and completely
 - the Council's transactional banking relationships will be reviewed at least every three years
 - overall assessment of performance of funds management.

Financial Market Risk Management

Environment Canterbury's primary objective when investing is the protection of its capital. Accordingly, only creditworthy counterparties are acceptable. Specifically, Environment Canterbury minimises its credit exposure by ensuring that all financial market investments meet the criteria outlined in the table on the following page. These limits are cumulative and relate to the combined 'short- and long-term' funds' portfolios.

Liquidity risk is managed by ensuring that all investments are readily tradable on the secondary market. In practice this is achieved by the credit rating and financial market instrument criteria contained in the investment table.

Counterparty risk shall be managed by only permitting financial market transactions with New Zealand Registered Banks with a minimum S&P Global Ratings long-term rating of 'A', or the equivalent Moody's Investors Service and Fitch Ratings long term ratings of A1 and A+ respectively.

Cash Management

The Council will maintain sufficient liquidity to cover for emergency disaster requirements.

- Cashflow surpluses will be invested in approved financial investment instruments, and amounts invested must be within limits specified
- An optimal daily range of \$0 to +\$1,500,000 is targeted for in the Council's main bank account, with amounts realised from the Council's money market lines if required
- The Council will not maintain an overdraft facility at this stage
- The undertaking of interest rate risk management activities on cash management balances is not permitted.

Authorised Investment Criteria				
Authorised Asset Classes	Overall portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government or Government Guaranteed	100%	Government Stock Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities*	70%	Commercial Paper	Short -term S&P rating of A1 or better	\$10.0 million
		Bonds/Medium Term Note/Floating Rate Note	Long -term S&P rating of A- or better	\$1.0 million
			long-term S&P rating of A+ or better	\$3.0 million
			long-term S&P rating of AA or better	\$5.0 million
Local Authorities where rates are used as security*	60%	Commercial Paper Bonds/Medium Term Note/Floating Rate Note	Not Applicable	\$5.0 million \$2.0 million
New Zealand Registered Banks**	100%	Call/Deposits/Bank Bills/Commercial Paper	Short-term S&P rating of A1 or better	\$20.0 million*
		Bonds/ Medium Term Note/Floating Rate Note	Long-term S&P rating of A- or better	\$1.0 million
			Long -term S&P rating of A+ or better	\$3.0 million
			Long-term S&P rating of AA or better	\$5.0 million
State Owned Enterprises	70%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
		Bonds/ Medium Term Note/Floating Rate Note	Long -term S&P rating of A- or better	\$1.0 million
			long-term S&P rating of A+ or better	\$3.0 million
			Long-term S&P rating of AA or better	\$5.0 million
Corporates***	60%	Commercial Paper	Short-term S&P rating of A1 or better	\$2.0 million
		Bonds/MTNs/FRNs Medium Term Note/Floating Rate Note	Long-term S&P rating of A- or better	\$1.0 million
			long-term S&P rating of A+ or better	\$2.0 million
			Long-term S&P rating of AA or better	\$3.0 million
Financials***	30%	Commercial Paper	Short-term S&P rating of A1 or better	\$2.0 million

		Bonds/ Medium Term Note/Floating Rate Note	Long-term S&P rating of A- or better	\$1.0 million
			long -term S&P rating of A+ or better	\$2.0 million
			Long-term S&P rating of AA or better	\$3.0 million
<i>* Local Authorities (Rated) with a S&P , Moody's or Finch rating or a non-rated Local Authority using rates as security*</i> <i>*** The combined holding of Corporates and Financials shall not exceed 70% of the portfolio</i>				

New Zealand Local Government Funding Agency (LGFA)

Despite anything mentioned earlier in this Investment Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency (LGFA) and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- obtain a return on the investment; and
- ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

Interest Rate Risk Management

Interest rate risk refers to the impact that movements in interest rates can have on Environment Canterbury's cash flows. Environment Canterbury's financial investments give rise to direct exposure to interest rate movements. Interest rate risk is managed by Council as part of its overall investment strategy.

The following interest rate risk management instruments in relation to investment are approved by Council:

- interest Rate Swaps including swaptions
- interest rate options
- forward Rate Agreements.

Council does not enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

Duration Control for Investment Portfolio

Duration represents the effective average term of an investment portfolio by combining all individual investments and weighting all the cash flows using a series of net present value calculations. Duration is then reported as the average life of the portfolio as if it was effectively one investment instrument, e.g. 2.9 years.

The duration for the investment portfolio shall be controlled by referencing its duration against an appropriate external benchmark. Environment Canterbury is able to vary the duration of the

portfolio by no more than 25% either side of the benchmark portfolio's duration. Compliance with the duration control is not required if the nominal value of the portfolio is less than \$10 million.

Benchmarking

Benchmarking measures the performance of a portfolio against an appropriate external benchmark, thus providing Environment Canterbury with an indication as to the effectiveness and suitability of the current investment parameters and the manner in which the parameters are being implemented at an operational level.

Environment Canterbury shall benchmark the performance of the Financial Market Investment Fund] against the performance of an appropriate external benchmark portfolio listed in the borrowing management & internal controls section of the Liability Management Policy. Compliance with the benchmarking standard is not required if the nominal value of the portfolio is less than \$10 million.

Equity Investments

Significant dispositions and acquisitions require Council approval.

It is not contemplated that Environment Canterbury will make any future equity investments, to do so would require a specific Council resolution.

Loans and Advances

These are made to:

Community organisations to facilitate the ongoing provision of community services or recreational opportunities. These are usually at a lower than commercial interest rate.

Council sets the criteria for applications for any other loans or advances as they are granted. Environment Canterbury as a rule is not a lender of money.

The Council must be satisfied that the potential for capital loss is minimal.

- where possible, securing a charge over collateral security realisable on default;
- ensuring the organisation is financially stable and the ongoing cashflow is sufficient to service the loan;
- the total value of Non-Commercial Loans and guarantees shall not exceed 2% of the Council's investment portfolio.

Foreign Exchange Policy

Environment Canterbury may incur minor foreign exchange exposures through the occasional purchase of foreign exchange denominated plant, equipment and services. All significant commitments defined as an exposure in excess of NZD\$100,000 equivalent are hedged using foreign exchange contracts or foreign exchange options.

The council shall not borrow or enter into incidental arrangements within or outside New Zealand, in currency other than New Zealand currency.

Guidelines & Procedures

The following guidelines should be read in conjunction with the Treasury Policy. These guidelines provide background information on how the Treasury Policy should be applied.

Liability Management Policy

Approving new debt

Guidance

In approving new debt, the Council considers the impact on its liability management limits as well as the size and economic life of the asset that is being funded and its consistency with Council's long-term financial strategy. Generally, only large infrastructural assets would be funded by debt.

- the objectives of the treasury function in so far as it relates to the Council's borrowing activities should be consistent with the Council's overall corporate objectives and strategic plans.

Due to the current healthy status of the Council's Balance Sheet the only debts are as follows:

- finance leases (for mainly computer equipment)
- LGFA debt for long-term assets.

Authorised borrowing mechanisms which Council is able to utilise to source external debt are as follows:

- bank debt
- capital markets issuance comprising Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes and Commercial Paper
- finance leases and hire purchase agreements.

Interest rate risk is the risk that the Council's interest expense will rise due to adverse movements in interest rates impacting on its total borrowing costs.

Environment Canterbury's Treasury Oversight Committee manages interest rate risk by monitoring interest rate markets on a regular basis and evaluating the outlook for short-term rates in comparison to the rates payable on its fixed rate borrowing, together with any internal factors such as budgeted interest rates which may have an impact on the overall strategy.

An appropriate floating rate/fixed rate profile is determined by the Treasury Oversight Committee on an as required basis with the assistance of the Treasury Advisor and approved by the Director of Finance & Corporate Services (DFCS) as chairman of the Treasury Oversight Committee.

Management may implement an interest rate risk management strategy as determined by the Treasury Oversight Committee through the use of the following mechanism:

Using interest rate risk management instruments (refer (i) below) to convert floating rate borrowing into a fixed rate or fixed rate borrowing into floating rate.

- i. The use of interest rate risk management instruments is approved by the Council only to facilitate and maintain interest costs within budget parameters.

Rate risk management instruments with appropriate definitions is the DFCS as chairman of the Treasury Oversight Committee has delegated authority to authorise the use of Council approved

interest rate risk management instruments as appropriate to effectively manage Council's interest rate risks. Additions to, and deletions from, this list of approved interest rate risk management instruments are recommended by the Treasury Oversight Committee and approved by the Council.

The following interest rate risk management instruments are authorised for interest rate risk management activity.

Note: Interest Rate Risk Management Instruments are only used to hedge an underlying asset or borrowing.

- forward rate agreements
- interest rate swaps
- purchase of interest rate options products including caps, floors, bond options and swaptions
- interest rate collar-type option strategies
- fixed Rate Term Loans.
- Fixed Rate Bonds

The following interest rate risk management instruments are not permitted for use:

- selling interest rate options for the primary purpose of generating premium income due to its speculative nature
- structured or leveraged interest rate option strategies
- interest rate futures contracts.

New Borrowing Consideration

Matters for the Treasury Oversight Committee to take into account for evaluating strategy for new borrowing (in relation to source, term, size and pricing):

- current approved liability management mechanisms
- available terms from banks and capital markets
- the Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
- prevailing interest rates and margins relative to term for capital markets and bank borrowing
- the market's outlook on future interest rate movements
- ensuring that the implied finance terms within the specific debt (e.g. project finance) are at least as favourable as the Council could achieve in its own right.

Liquidity risk is the risk that an unforeseen event or miscalculation in the required liquidity level may lead to the Council being unable to meet its obligations. Funding risk is the risk that, after the expiry of existing borrowing facilities, funds will not be available at the price or terms required.

The Council minimises its liquidity and funding risks by:

- matching expenditure closely to its revenue streams and managing cash flow timing differences to its favour
- avoiding concentration of debt maturity dates
- the use of internal debt management to assist in funding the purchase of new and replacement assets being at the discretion of the Treasury Oversight Committee and being reviewed every three years during the LTP process.

Reserves may be used to reduce external borrowings in order to avoid the negative spread on interest rates between borrowed and invested money.

The use of incidental arrangements is confined to managing interest rate risk of the Council borrowings and is to be within the confines of the parameters specified in the liability management policy.

The use of incidental arrangements requires formal prior approval of the Director Finance & Corporate Services (DFCS).

Investment policy guidelines

Guidance

Within the credit constraints contained in authorised investment criteria listed in the investment policy, the Council also seeks to:

- optimise investment return
- ensure investments are liquid
- manage potential capital losses due to interest rate movements if investments need to be liquidated prior to maturity
- preserve the capital invested and where possible promote capital growth.

Equity Asset Holdings

With respect to investments, Environment Canterbury's overall policy on dealing with assets it holds is dependent on the particulars of the assets as follows:

Strategic Assets	Land or buildings identified as a Strategic Asset in Environment Canterbury's policy on significance will be retained by Environment Canterbury.
Reserve Land	Land held by Environment Canterbury as the administering authority under the Reserves Act 1977 will be retained by Environment Canterbury and be used for the particular purpose gazetted for the land.
Endowment Land	Land held by Environment Canterbury under the terms of the document creating the endowment will generally be retained and utilised for the best and highest value, subject to any constraints related to the purpose for which the land is vested. Where alternative opportunities arise to increase best and highest values endowment land may be disposed of subject to Sections 140 and 141 of the Local Government Act 2002 and any overriding provisions of a particular Local Act.
Land subject to a particular Local Act	Will generally be retained by Environment Canterbury unless proceeds of disposal can be applied to further enhance or advance the specific statutory purpose for which the land is held.
Regional Park	Land held as a regional park will be retained by Environment Canterbury.
Beneficially held land	Acquisition, construction, retention, abandonment or disposal of beneficially held land will be determined by reference to maximising ratepayer benefit.
Investment	Guidance
Civic Financial Services Ltd	Due to the limited transferability of shares and limited risks, the Council's policy is to retain shares in Civic Financial Services Ltd. If required in connection with the investment, the Council may also subscribe for further shares in Civic Financial Services Ltd.

Marlborough Forestry Corp (MFC)	Due to the limited transferability of the holding and limited risks, the Council's policy is to retain the holding of shares in MFC.
Forestry	The Council will invest in forestry for the primary purposes of flood protection and soil conservation. Within these constraints, these stands will be managed in a commercial manner, in order to optimise the return on investment.
Tuam Street & Timaru Offices	<p>The following policies will be applied by the Council in the management of its investment in these properties:</p> <ul style="list-style-type: none"> • decisions on future ownership will be driven by the requirement to maximise ratepayer benefit and will be reviewed at valuation time by the Treasury Oversight Committee who will make recommendations to Council • the Council will continue to exercise governance over these properties to ensure the value of these assets is protected through planned maintenance • the Council will continue to rely on the advice of its property consultants with respect to all property matters relating to these properties • the Council will evaluate offers of purchase in light of its requirement and maximising ratepayer benefit.
Clean Heat Loan Scheme	Council approved the Clean Heat Loan Scheme as an amendment to the 2004-14 Long-Term Council Community Plan. The scheme is limited to Christchurch, Timaru, Ashburton, Rangiora and Kaiapoi. Scheme was closed to new entrants in 2012.
Non-Commercial investments	<p>Non-commercial investments may occur where there are clearly defined social benefits to the community as a consequence of making such a loan or providing a guarantee. As this is a departure from normal investment policy the following criteria should be applied.</p> <p>The Council must be satisfied that the potential for capital loss is minimal. This is to be achieved by:</p> <ul style="list-style-type: none"> • Where possible, securing a charge over collateral security realisable on default • Ensuring the organisation is financially stable and the ongoing cash flow is sufficient to service the loan <p>The total value of Non-Commercial Loans and guarantees shall not exceed 2% of the Council's investment portfolio.</p>
Property investments	<p>Those properties retained for Council use will be assessed as to appropriateness on an annual basis to maximise ratepayer benefit. All properties will be maintained. The following practices will be applied by the Council in the consideration of Commercial property development:</p> <ol style="list-style-type: none"> a. the Council will consider the advice of its property consultants or steering group with respect to all property development matters b. the required rate of return for such development projects will be set by the property consultants or steering committee and will reflect the level of risk associated with such projects c. any proposal for commercial property development will require a rate of return equal to or greater than the required rate of return of the council's current cost of borrowing plus 5% before it is put forward as a recommended course of action d. consideration will be given to 3 types of development being; block lease (low risk), subdivision of land (moderate risk), subdivision and build (high risk) e. in considering options put forward, and to be consistent with its overall investment philosophy, the Council will place priority on the maintenance of

	Capital by focussing on investments with a lower risk profile. This means that the sub-divide and build option is unlikely to be the option adopted.
Local Government Funding Agency	<p>Despite anything earlier in this document, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency (LGFA) and may borrow to fund that investment. The Council's objective in making any such investment will be to:</p> <ul style="list-style-type: none"> • obtain a return on the investment; and • ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council. <p>Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.</p> <p>If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.</p>

Authorised Investment Criteria

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria - Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	70%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
Unrated Local Authorities	50%	Commercial Paper	Not Applicable	\$2.0 million
New Zealand Registered Banks*	100%	Call/Term Deposits/Bank Bills/Commercial Paper	Short-term S&P rating of A1 or better	\$15.0 million
State Owned Enterprises	50%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
Corporates **	50%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
Financials **	30%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
<ul style="list-style-type: none"> • * Short-term investments in any one New Zealand Registered Bank shall not exceed 70% of the portfolio or \$15.0 million whichever is the greater • ** The combined holding of Corporates and Financials shall not exceed 70% of the portfolio 				

Treasury organisational structure

Council

- Approve the Liability Management Policy ('LMP') and Investment Policy ('IP')
- Evaluate and approve amendments to the above policies
- Review treasury activity through quarterly reporting, supplemented by exception reporting
- Approve annual borrowing programme contained in the Long-Term Plan (LTP) or Annual Plan
- Approve budgets and high-level performance reporting
- Approves any risk management strategies outside the delegated authorities outlined in this policy document.
- Approves any amendments to the policy as recommended by the DFCS.
- Approves new borrowing facilities from the banking sector and capital markets upon the recommendation of the DFCS.
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure that the treasury function is operating in such a way as to ensure that the Council's strategic objectives are being met.

Performance Audit and Risk Committee

- Appoint and review the Treasury Advisor
- Review investment and borrowing performance annually.

Chief Executive

- In conjunction with the DFCS, approve the opening/closing of bank accounts and new banking facilities
- Review, and if required change, the composition of the Treasury Oversight Committee
- In conjunction with the DFCS, approve register of cheque and electronic banking signatories.

Director Finance & Corporate Services (DFCS)

- Overall responsibility for treasury function
- Primary responsibility for managing relationships with the Treasury Advisor, financial institutions and the capital markets
- Negotiate borrowing facilities
- Approve new borrowing undertaken in line with Council resolution and approved borrowing strategy
- Authorise the use of Council-approved interest rate risk management instruments for both borrowing and investing within discretionary authority
- Determines in conjunction with the Chief Financial Officer and the Finance Operations Manager the level of future core debt is to be used for interest rate risk management purposes.
- Recommend policy changes to Council for approval.

Treasury Oversight Committee (TOC)

- Recommend policy changes to the DFCS as Chairman of the TOC
- Evaluate and approve borrowing, investment and risk management strategies

- Review borrowing and investment management activity through regular meetings as required and quarterly reporting
- Recommend performance measurement criteria for all borrowing and investment and risk management activity
- Monitor monthly performance against benchmarks
- Ongoing risk assessment of treasury activity.

Treasury Advisor

- Assist with the review of the LMP and IP
- Provide advice on developments in both the domestic and international financial markets insofar as they relate to Council's treasury activities
- Evaluate available borrowing options for Council
- Formulate appropriate interest rate risk management strategies for Council's external debt
- Provide quarterly reports which detail relevant aspects of Council's borrowing and financial market investment activities.

Finance Operations Manager

- Day-to-day responsibility for treasury function
- Secondary responsibility for managing relationships with the Treasury Advisor, financial institutions and the capital markets
- Assist in the negotiation of borrowing facilities
- Review funding requirements, develop borrowing and risk management strategy, and provide recommendations to the TOC
- Review cash flow requirements, develop financial investment strategy with the Funds Manager (including performance measures) and provide recommendations to the TOC
- Responsible for maintaining operational and accounting systems to record and report treasury activity
- Approve all amendments to the Council's records arising from checks to counterparty confirmations
- Report treasury activity to the TOC
- Prepare cash flow forecasts and undertake cash management activity within policy guidelines
- Update treasury system/spreadsheets for all new, re-negotiated or maturing transactions
- Maintain loan repayment records.
- Reconcile treasury system/spreadsheets to general ledger
- Execute approved borrowing, investment, and interest rate risk management strategies
- Review and approve bank reconciliations

Independent Audit

- Verify accuracy of treasury transactions at financial year end by undertaking independent confirmation checks
- On-going review of treasury procedures and controls
- Consideration of the internal audit charter.

Treasury Oversight Committee (TOC) - Composition

- The composition of the TOC is approved by the Chief Executive. The following table details the positions within the Council that form part of the TOC, as well as the input they are expected to add:

Position	Input Value
Director Finance & Corporate Services	Overall responsibility for treasury functions. Chairman of TOC.
Property Manager	Perspective from the Council's asset manager.
Chairman of PARC ex-officio	Providing political perspective to treasury decision making as required.
Finance Operations Manager/Chief Financial Officer	Management of treasury function. Development of strategy. Analysis of treasury performance. Compliance monitoring.
Operational Section Manager	Provide input from the operations group of Environment Canterbury.
Risk Advisor	Oversight on risk
Treasury Advisor	Technical expertise, outlook on market movements, new investment tools, investment and borrowing recommendations, reporting on market conditions and overall advice.

Managing Cash Surpluses and/or Deficits

The Finance Section is responsible for managing the Council's cash surpluses and/or deficits.

The Council maintains monthly and annual cash flow projections which form the basis of its cash management activity. The Council maintains one main bank account for its operating cash flows as well as other bank accounts for specialist activities. Individual sections within the Council do not maintain separate bank accounts.

The Council manages its working capital balances by matching expenditure closely to its revenue streams and managing cash flow appropriately. Daily bank balances are extracted by the Finance Operations Manager. Daily cash requirements are determined by reference to the Daily Cash Flow Position Report and appropriate adjustments are made to money market balances.

Cash flow surpluses from timing differences will be invested at the best possible rate on the short-term money market.

If any counterparty's credit rating falls below the minimum specified in the investment policy, then all practical steps are taken to reduce the credit exposure to that counterparty to zero as soon as possible.

Treasury Reporting

Report Name	Frequency	Prepared by	Recipient
Treasury Exceptions Report	Daily	Finance Operations Manager	Treasury Oversight Committee
Treasury Report listing investments and debt with maturity dates	Quarterly (detailed)	Finance Operations Manager	Director Finance & Corporate Services TOC
Limits Report	Daily – reported on an exception's basis	Finance Operations Manager	Director Finance & Corporate Services

			TOC
Debt Maturity Profile	Quarterly	Finance Manager Operations	Director Finance & Corporate Services TOC
Statement of Council Public Debt	Quarterly	Finance Manager Operations	Director Finance & Corporate Services TOC
Treasury Performance	Quarterly	Funds Manager & Finance Operations Manager	Director Finance & Corporate Services PARC

Approvals

Activity	Delegated to:
Approve policy document	Council (by resolution)
Alter policy document	Council (by resolution)
Open/close bank accounts	Chief Executive, Director Finance & Corporate Services
Approval and appointment of the Treasury Advisor	Performance Audit and Risk Committee
Acquire and dispose of investments other than financial investments	Council (by resolution)
Approve borrowing programme for the year	Council (by resolution)
Approve charging assets as security over borrowing	Council (by resolution)
Approve new loans in accordance with Council resolution	Chief Executive, Director Finance & Corporate Services
Negotiate debt in relation to interest rate, term and maturity date.	Director Finance & Corporate Services
Approve cheque signatories	Chief Executive, Director Finance & Corporate Services
Approve Electronic Banking funds transfer signatories	Chief Executive, Director Finance & Corporate Services
Manage borrowing strategy	TOC (recommend strategy) Director Finance & Corporate Services (approve strategy as Chair of TOC) Finance Operations Manager (execute approved strategy, daily management)
Approve interest rate risk management instruments contained in the Risk Management Tool Kit in the guidelines and subsequent additions and deletions	Council (by resolution)
Authorise use of the Council approved interest rate risk management instruments	Director Finance & Corporate Services
Manage the Council cash requirements	Finance Operations Manager

Internal Controls

The internal controls for the operation of the Council's treasury function are noted below:

Organisational controls

The Director Finance & Corporate Services (DFCS) has responsibility for establishing appropriate structures, procedures and controls to support treasury activity. Detailed procedures supporting the key controls contained in this document are contained in these policies.

All borrowing, investment, cash management and risk management activity is undertaken in accordance with approved delegations authorised by the Council.

The Council's systems of internal controls over treasury activity include:

1. Adequate segregation of duties among the core treasury functions of deal, confirmation, settling and accounting/reporting. There are a small number of people involved in the Finance Section. Accordingly, strict segregation of duties is not always achievable. The risk from this will be minimised by the following processes:
 - Utilising the services of Council's Treasury Advisor
 - A documented discretionary approval process for treasury activity
 - Regular management reporting
 - Regular operational risk control reviews.
2. Organisational, systems, procedural and reconciliation controls to ensure:
 - All treasury activity is bona fide and properly authorised
 - Checks are in place to ensure the Council's accounts and records are updated promptly, accurately and completely.

Personnel with dealing responsibilities cannot perform bank reconciliations or act as a sole cheque signatory.

New Cheque/Electronic banking signatories approved by the Chief Executive on recommendation of Director Finance & Corporate Services (DFCS).

Dual signatures are required for all cheques and electronic transfers.

Authorised personnel - all counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.

Settlement

Payment batches for treasury payments are set up on desk bank and checked by the accountant to ensure settlement details are correct. Payment details are authorised by two approved signatories as per delegations.

Investments

NZ Government stock, Treasury bills, local authority stock and debentures are registered with the relevant registry or custodian. The Council receives notice of the stocks transferred into its name from the registry. This notice is checked to the Council's treasury system/spreadsheets.

Internal Debt Management

The Finance Section is responsible for administering the Council's internal debt portfolio. Loans are set up within the debt portfolio based on planned loan funded expenditure and allocated to the area incurring the expenditure. The following operational parameters apply to the management of the Council's debt portfolio.

Where debt is incurred for general capital works:

- capital expenditure details are extracted by the Finance Section each month end
- a notional internal loan is set up for all new capital expenditure and allocated in the debt portfolio to the area incurring the expenditure
- interest is charged by financial services to areas on month-end loan balances at an agreed rate
- the interest rate, where the external debt has not been specifically raised for that project, will be based on the Council's weighted opportunity cost of funds, and a margin which provides for certainty in the charging rate and avoids frequent adjustments. The rate is reviewed by the TOC and is set for the next financial year in the Long-Term Plan and Annual Plan.

Where debt is raised for a specific natural capital asset/project:

- the interest rate when the external debt has been raised specifically for that project will be the rate of that external debt. All costs related to incurring that debt, including interest are charged to the project
- for calculating effect on rating requirements, the Council will use the repayment and interest costs for the year. The finance section will, for every loan, maintain a record of its repayments, identifying principal and interest portions; this will be used for rating calculations and cashflow across the life of the loan.

Authorised Investment Criteria – Working Capital Fund

Authorised Asset Classes	Overall portfolio limit as a percentage of the total portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	Treasury Bills	Not Applicable	Unlimited
Rated Local Authorities	70%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
Unrated Local Authorities	50%	Commercial Paper	Not Applicable	\$2.0 million
New Zealand Registered Banks	100%	Call/Term Deposits/Bank Bills/Commercial Paper	Short-term S&P rating of A1 or better	\$20.0 million*
State Owned Enterprises	50%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
Corporates * *	50%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million

Financials* *	30%	Commercial Paper	Short-term S&P rating of A1 or better	\$3.0 million
<p>* Short-term investments in any one New Zealand Registered Bank shall not exceed 70% of either fund or \$15.0 million whichever is the greater.</p> <p>** The combined holding of Corporates and Financials shall not exceed 70% of either fund (Financial Markets or Working Capital)</p>				

Interest Rate Risk Management Instruments & Terms: definitions

Bank Bill Market (BKBM): The bank bill mid-market settlement rate as determined each business day and displayed on the New Zealand Financial Markets Authority website. This is the standard rate for the settlement of interest rate swaps, forward rate agreements and interest rate caps and collars.

Bond Options: The Council, when purchasing a bond option, has the right but not the obligation to buy or sell a specified Government stock maturity on an agreed date and time and at an agreed rate.

Forward Rate Agreement: An agreement between the Council and a counterparty (usually a bank) protecting the Council against a future adverse interest rate movement for a specified period. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark rate (usually BKBM).

Interest Rate Collar Strategy: The combined purchase (or sale) of a cap or floor with the sale (or purchase) of another floor or cap.

Interest Rate Options: The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date for a specified period. The Council and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark rate (usually BKBM). Interest rate option products include caps, floors, bond options and swaptions.

Interest Rate Swap: An Interest Rate Swap is an agreement between the Council and a counterparty (usually a bank) whereby the Council pays (or receives) a fixed interest rate and receives (or pays) a floating interest rate. The parties to the contract agree notional principal, start date of the contract, duration of the contract, fixed interest rate and the benchmark rates (usually BKBM).

Swaption: The purchase of a swaption gives the Council the right but not the obligation to enter into an interest rate swap, at a future date, at a specific interest rate.

Repurchase Agreements: A simultaneous sale and repurchase of a fixed interest security for different settlement dates. Repurchase agreements are also known as Lending.

Standard and Poor's Definitions

Long-Term Issuer Credit Ratings Definition	
Category	
AAA	An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P Global Ratings.
AA	An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.
A	An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
BBB	An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
BB; B; CCC; and CC	Obligor rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.
BB	An obligor rated 'BB' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.
B	An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.
CCC	An obligor rated 'CCC' is currently vulnerable, and is dependent upon favourable business, financial, and economic conditions to meet its financial commitments.
CC	An obligor rated 'CC' is currently highly vulnerable. The 'CC' rating is used when a default has not yet occurred, but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.
R	An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favour one class of obligations over others or pay some obligations and not others.
SD and D	An obligor rated 'SD' (selective default) or 'D' is in default on one or more of its financial obligations including rated and unrated financial obligations but excluding hybrid instruments classified as regulatory capital or in non-payment according to terms. An obligor is considered in default unless S&P Global Ratings believes that such payments will be made within five business days of the due date in the absence of a stated grace period, or within the earlier of the stated grace period or 30 calendar days. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations, but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.
NR	An issuer designated 'NR' is not rated.
*The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.	
Short-Term Issuer Credit Ratings Definition	
Category	

A-1	An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by S&P Global Ratings. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.
A-2	An obligor rated 'A-2' has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.
A-3	An obligor rated 'A-3' has adequate capacity to meet its financial obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
B	An obligor rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitments.
C	An obligor rated 'C' is currently vulnerable to non-payment that would result in a 'SD' or 'D' issuer rating, and is dependent upon favourable business, financial, and economic conditions for it to meet its financial commitments.
R	An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favour one class of obligations over others or pay some obligations and not others.
SD & D	An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated), excluding hybrid instruments classified as regulatory capital or in non-payment according to terms, when it came due. An obligor is considered in default unless S&P Global Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations, excluding hybrid instruments classified as regulatory capital, but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.
NR	An issuer designated 'NR' is not rated.

7. Exclusion of the Public from Part of the Council Meeting

Council paper

Meeting Date	21 May 2020
Author	Louise McDonald, Senior Committee Advisor

Recommendations

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

1. Performance Audit & Risk Committee minutes – 30 April 2020

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

Item No.	Report	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
	1. Performance Audit & Risk Committee minutes	Good reason to withhold exists under section 7	Section 48(1)(a)

- This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceeding of the meeting in public are as follows:

Item No.	
1	<p>Enable the Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)</p> <p>Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p>

2. That appropriate officers remain to provide advice to the Committee.

8. Other Business

9. Notices of Motion

10. Questions

11. Next Meeting

12. Closing Karakia