

Summary Annual Report He Whakarāpopototanga - Te Pūrongo ā-Tau

2019/20

Financial and service results against objectives
set for year two of the Long-Term Plan 2018-28





Introduction He whakatakinga

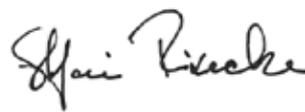
This summary document is an overview of the financial and service results for year two of the Environment Canterbury Long-Term Plan 2018-28. The full Annual Report for 2019/20 is available at ecan.govt.nz

This summary document does not include the disclosures and detailed financial information that is in the full Annual Report.



Jenny Hughey
Chair

22 October 2020



Stefanie Rixecker
Chief Executive



Activities and results Ngā Mahi me Ngā Hua i Puta

Environment Canterbury is the regional council for this diverse and beautiful region – from Kaikōura in the north to the Waitaki River catchment in the south. While most of the population is concentrated around Greater Christchurch, we also have communities across ten territorial authority areas: the Ashburton, Hurunui, Kaikōura, Mackenzie, Selwyn, Timaru, Waimakariri, Waimate and Waitaki District Councils, and the Christchurch City Council.

In our Long-Term Plan, we set the activities and services as well as the levels of service that we measure and report against, for each of the first three years of the 10-year period. 2019/20 was the second year of the 2018-28 Long-Term Plan.

How we performed in 2019/20

We achieved 82 per cent of the Levels of Service targets for the 2019/20 year.

COVID-19 had an impact on Council's ability to meet a number of its Levels of Service. Of the 74 Levels of Service targets, 61 were achieved, three were not measured due to COVID-19, and of the 10 not achieved, four were the result of COVID-19 impacts on our activities.

For each Level of Service, there are measures and targets and our performance is assessed against these. Levels of Service are usually specified in relation to quantity, quality, reliability, responsiveness, environmental acceptability, and cost.

The full Annual Report at www.ecan.govt.nz has details of all Levels of Service and the measures of performance.

2019/20 Summary

Te Whakarāpopototanga

2019/20 has been unprecedented, with the impact of the COVID-19 pandemic bringing challenges to us all. Council's priority was manaakitanga/people first, continuing to put the community at the centre of our work, and the wellbeing of our staff.

The COVID-19 response changed our normal focus on the challenges of sustainably managing the environment. We prioritised the delivery of essential services including emergency management, public transport, maritime navigation safety, incident/pollution response and flood protection. Much of our work was interrupted, with field services and community activities on hold. As a result of the pandemic response, a number of Level of Service (LoS) targets could not be achieved. Of the 74 LoS targets, 61 were achieved, three were not measured (due to COVID-19), and 10 were not achieved.

As we engaged on the Annual Plan for 2020/21, the pandemic impact became apparent, and Council accepted late feedback, enabling the Annual Plan to respond to community needs. Options presented by staff were robustly debated before Council agreed on a 4% rate rise – less than half the 9.8% increase in the draft plan first presented. The 4% provides for inflation and priority work such as public transport service improvements, coastal environment planning, climate change engagement, tree planting and other regeneration initiatives.

Highlights

In the 2019/20 financial year, the Council experienced changes in both governance and staff leadership. October 2019 saw Environment Canterbury return to a fully elected Council for the first time since 2010, in time for the 30th anniversary of the Council's establishment on 1 November 2019.

The newly-elected Council was quickly established and has had a particular interest in engaging with the community and working with young people. The new Council also affirmed our commitment to our partnership with Ngāi Tahu as mana whenua, agreeing to appoint two Tumu Taiao (Ngāi Tahu expert advisors) to Environment Canterbury in 2020.

We also farewelled former chief executive Bill Bayfield after almost ten years in the role, and later welcomed Stefanie Rixecker, who had been our Director of Science, into the position.

Despite the unprecedented challenges the year has brought, there are some key highlights across our six portfolios, including completion of the Waimakariri Flood Protection Project; an innovative project to address odour issues in Bromley; outstanding timeframe compliance in resource consent applications; enhancing our integrated approach to climate change; moving towards smarter, more sustainable public transport; and supporting new technology for cleaner home heating.

In the spirit of our organisational values – manaakitanga/people first, māiatanga/can do, kaitiakitanga/stewardship, whanaungatanga/collaboration, pononga/integrity – community involvement has been a significant highlight in many areas of our work.

Freshwater Management

The Freshwater Management portfolio aims to implement innovative solutions to manage our freshwater resource to support community use (mahinga kai, drinking water and recreation) achieve ecosystem health and sustainable economic development.

The work in our freshwater management portfolio continues to closely involve landowners, communities and stakeholders to develop locally-led solutions in catchments across the region, empowering our communities to get involved and understand local water issues.

Throughout 2019/20 our ten water zone management committees have identified projects for Immediate Steps Biodiversity Funding, consistent with zone priorities and in partnership with willing landowners. While some work was delayed due to COVID-19, a significant amount of work aimed at enhancing wetlands, riparian planting, mahinga kai awareness, water quality improvement and information sharing was able to progress.

At the same time, Environment Canterbury has continued its strong commitment to the Canterbury Land and Water Regional Plan (LWRP), part of a framework which represents the country's toughest rules, particularly on water allocation and nitrate discharge. In some cases, stricter sub-regional rules have been established, based on zone committee recommendations.

Plan Change 7 was notified in July 2019 in response to emerging resource management issues in Hinds, Waimakariri and Orari, Temuka, Opihi Pareora (OTOP). We received more submissions (588) than for any other plan or plan change in the last ten years, mainly due to the engagement undertaken to support our communities to understand the impacts and participate in the process. An independent Hearing Panel originally scheduled for May was delayed due to COVID-19 and is now scheduled for September to December 2020.

Plan Change 1 to the Hurunui-Waiarau River Regional Plan (HWRRP) was notified in May with very few submissions and Independent Panel hearings held in late 2019.

9 Level of Service Targets:



Council adopted a recommendation in February 2020 with no appeals being received.

A campaign was undertaken in mid-2020 to ensure the few remaining farms requiring a Farm Environment Plan (FEP) have one. FEPs are required for farms that are part of a collective irrigation scheme or farming enterprise or as a requirement of an individual farming consent. They enable farmers to recognise and record environmental risks relevant to their property and plan how to manage them.

There have been a significant number of government policies and legislative proposals that could impact our local government responsibilities for freshwater, including the national Action for Healthy Waterways package. Our attention is turning to the implications of that package.

A consent review to bring Hakatere/Ashburton River water take consents into line with the minimum flows specified in the LWRP by 2023 began in mid-2019. The review is ongoing, with a focus on supporting those affected to work through their options.

Work is also ongoing on a five-year fish screen improvement campaign, supporting fish screen providers and consent holders to implement compliant solutions.

Whakaora Te Waihora is a long-term commitment to the ecological and cultural restoration of Te Waihora/Lake Ellesmere. Despite COVID-19, the majority of projects in the annual work plan were completed in 2019/20. The Whakaora Te Ahuriri project, constructing a wetland at Ahuriri Lagoon to improve water quality, biodiversity and mahinga kai values saw 124,000 plants installed and earthworks connecting the wetland to the Huritini/Halswell River completed.

Biodiversity & Biosecurity

The Biodiversity & Biosecurity portfolio aims to create a step-change in effort in the regeneration of freshwater, marine and terrestrial biodiversity.

Environment Canterbury continues to work alongside the community on a range of biodiversity and biosecurity initiatives.

Four Biosecurity Advisory Groups (BAGs) were established to enhance Environment Canterbury's work with communities in the biosecurity space. BAGs – Northern, Central, Christchurch and Banks Peninsula and Southern – have representation from rural and urban community groups, subject matter experts, Papatipu Rūnanga and local authorities, including regional and territorial authority councillors. The groups champion the Canterbury Regional Pest Management Plan and provide pest management advice.

A range of Community Partnership projects aim to build the capacity and capability of Canterbury community organisations through education and collaboration to deliver projects to improve local environments. Most have a biodiversity or biosecurity focus and have taken opportunities to share experiences and resources with each other.

We also supported the Christchurch Envirohub to hold several community events and the Timaru EcoCentre, to host the Sustainability Festival, focused on local environmental issues and sustainable living practices; five community groups were supported to expand their predator trapping projects and to protect habitat of critically endangered species.

Environment Canterbury has undertaken assessments of biodiversity project effectiveness after allowing sufficient time for benefits to become apparent. Sixteen projects completed in the 2015/16 financial year were assessed in 2019/20. Medium-term effectiveness was generally very high and projects were mostly on track to meet planned outcomes, with a moderate-to-high likelihood of achieving desired outcomes longer term.

2019/20 was the first year of Pest-free Banks Peninsula, a 30-year initiative aimed at the widespread eradication of animal pests from

8 Level of Service Targets:



Banks Peninsula/Te Pātaka o Rākaihautū. The initiative is community-led, and Environment Canterbury is one of 14 organisations involved. We worked on possum control, monitoring locations in the Southern Bays area, and a programme to cull feral goats.

In the biosecurity sphere, this year the Wilding Conifer Control Programme expanded to 2.2 million hectares across Canterbury, receiving more than \$9 million in funding. As part of the government's COVID-19 recovery plan, Environment Canterbury received an additional \$2 million of regional support package funding to bolster the programme.

Three new projects have been started at Craigieburn, Ōhau and Tekapo, tackling both wilding pines and providing 70 jobs for people, many of whom had lost jobs as a result of the COVID-19 pandemic.

Environment Canterbury has been working to bring together all braided river work, including biodiversity, biosecurity, regulation, land management and flood protection, working with our partners on a landscape-scale alignment that acknowledges our responsibility to Ngāi Tahu mana whenua, their kaitiaki relationship with braided rivers and ability to access mahinga kai. Initiatives include:

- The Braided River Action Group (BRAG) is a strategic partnership bringing together Land Information New Zealand, the Department of Conservation, Ngāi Tahu, Fish and Game, Forest & Bird, Federated Farmers and some local authorities to address land use change in braided rivers and develop best practice public land management in these environments.
- Braided River Revival – Whakahaumanu Ngāi Awa ā Pākihi – to align mana whenua, agencies and communities involved, aims to revive the critical ecological corridors from the mountains to the sea and the connections between people and rivers.
- The Ashley River-Rakahuri plan, developed with Te Ngāi Tūāhuriri Rūnanga, the Waimakariri District Council and the Department of Conservation is part of this effort, providing

a vision and enabling long-term delivery of biodiversity, mahinga kai and recreation values as funding becomes available.

- Working closely with Te Rūnanga o Arowhenua and the Department of Conservation on a plan for the Rangitata River.

Developing Wetland Action Plans alongside engaged landowners is a priority, with efforts this year focused on wetlands in the Mackenzie and Lees Valley. Funding was provided for six projects in the Mackenzie, four in the Lees Valley, and one in Kaikōura.

We worked with Mackenzie landowners, helping fund 87 hectares of willow control in five wetlands, contributing to the protection of 520 hectares of wetland. In the Lees Valley, the goal has been to work with landowners to better fence and manage their wetlands.

With support from the Sustainable Farming Fund, Environment Canterbury has been working with landowners to develop seven sites to demonstrate best practice wetland management, in Hawarden, Kaikōura, Otematata, Hakataramea, Windwhistle, Te Waihora and Pigeon Bay, with a range of land uses represented. More demonstration sites will follow in the remaining two years of the project.

Level of Service target 9.1A was not achieved due to COVID-19 restrictions delaying stakeholder engagement required for the development of the first ki uta ki tai/mountains to the sea plan for the Ashley River/Rakahuri. The current draft document will be reviewed internally, discussed with Papatipu Rūnanga and completed by June 2021. See the full 2019/20 Annual Report at ecan.govt.nz for more detail on our Level of Service measures and targets.



Image: Hurunui River

Hazards, Risk & Resilience

The Hazards, Risk & Resilience portfolio aims to ensure our communities have an improved understanding of, and resilience to, natural hazard risk including climate change.

Environment Canterbury is the administering authority of the Canterbury Civil Defence Emergency Management Group (CDEM). The December 2019 Rangitata flood event was one of three times the group was activated during the year. The other two were for the COVID-19 response and an Alpine Fault training exercise.

The Rangitata event saw flows that peaked at levels 35 times more than usual, causing extensive damage to river protection works, flooding onto roads and farmlands, and resulting in disruption to road and rail networks. The eventual cost is expected to run to millions of dollars, with funding arrangements being discussed with a range of partners. Some funding has been secured with the government committing \$15.5 million to six Canterbury flood protection and climate change resilience projects – including the Rangitata flood recovery project.

In August 2019 we celebrated the completion of the 10-year \$40 million Waimakariri Flood Protection Project. Delivered ahead of schedule, it protects an estimated \$8 billion of property and assets, and significantly improves the Greater Christchurch and Waimakariri District's resilience to a major flood event and climate change. Associated plantings have added to biodiversity values, and new cycle and walking tracks have been created.

Work has been ongoing with the Christchurch City Council (CCC) on tsunami modelling and updated tsunami evacuation zones, now publicly available on the CCC website. We worked closely with district councils across the region, completing coastal hazard assessments, providing technical information and advice on flood and geological hazards (including earthquake faults, liquefaction and landslides) and undertaking floodplain modelling. We also provided technical assistance and advice to the Kaikōura, Waimakariri, Selwyn, Timaru and Waitaki District Council District Plan reviews. Canterbury continues to have the second largest recreational boating population in New Zealand and we continued our work to ensure safe marine navigation in Canterbury's two

23 Level of
Service Targets:



ports (Lyttelton and Timaru) and the busy harbours of Akaroa and Kaikōura, the coastal area and our lakes and rivers. Regional Harbourmaster's Office staff recorded more than 1500 interactions with boat users over the summer period.

The cruise ship season, which saw 81 ships visit Akaroa, was curtailed by COVID-19. In response to community concern about the impact of cruise ships on the Akaroa seabed, we commissioned an environmental risk assessment from the Cawthron Institute. Preliminary findings indicate that potential effects from cruise ships may exist, but are manageable. More research is required and Environment Canterbury has requested the cruise ship industry to provide an independent scientific study on local impacts within two years.

We also completed a Hazardous Activities and Industries List (HAIL) for the Hurunui and Kaikōura districts and began work on the Ashburton District. We worked with the Timaru District Council towards remediation of the former Concours Electroplaters site, and with the Christchurch City Council and the Ministry for the Environment to identify remedial options and funding sources for up to 22 sites affected by a former landfill site in South Christchurch, first identified during the post-quake rebuild and repair programme. Our climate change integration programme ensures climate change is robustly, consistently and visibly incorporated into our work and decisions across all portfolios. Our collective understanding has been enhanced by a literature review of likely climate change impacts on Canterbury. We also commissioned a risk screening report to better understand the threats and opportunities climate change presents to the region.

Level of Service target 16.1 was not achieved as river and drainage scheme reviews were not completed as originally scheduled due to competing priorities, in particular the Rangitata River significant flood event. Level of Service target 18.1B to undertake a strategic review of parks and reserve land management was also not achieved due to a reprioritisation of the work programme and will instead be completed by December 2020. See the full 2019/20 Annual Report at ecan.govt.nz for more detail on our Level of Service measures and targets.

Transport & Urban Development

The Transport & Urban Development portfolio aims to enable a resilient, multi-modal transport system for the efficient movement of people and freight into, out of and within the Canterbury region.

This year saw significant progress towards a smarter and more sustainable Public Transport network. In 2019/20 Environment Canterbury completed contracting arrangements for urban, school and ferry services, and started the transition towards a zero-emission public transport fleet.

In Timaru we developed an on-demand public transport system – MyWay by Metro. A successful pilot in early 2020 saw strong community engagement and although curtailed by the COVID-19 lockdown, its early success saw it operating through alert levels four, three and two as the only public transport service in Timaru. The trial has been reinstated post-lockdown with very positive community uptake.

Late in 2019 we consulted with Waimakariri residents on an express bus service to the Christchurch Central Business District, receiving more than 400 submissions. The service is expected to be operational in January 2021.

We also started work on a Future Public Transport business case for Greater Christchurch to identify a preferred 10-year investment programme to improve the service and community outcomes for Greater Christchurch public transport.

The COVID-19 pandemic has had a significant impact on public transport patronage and fare revenue in 2020, although Waka Kotahi NZ Transport Agency are now underwriting public transport through to 31 December 2020.

A priority of the Regional Transport Committee, a joint committee established by Environment Canterbury, has been to progress a new Regional Land Transport Plan. Seven strategic objectives to support the objective of a thriving multi-modal transport system in the region have been identified – better freight options, reduced harm, reliable and consistent journeys, mode shift, improved resilience, shared prosperity, and improved advocacy.

12 Level of Service Targets:



In the urban development sphere, considerable work has also been done alongside territorial authorities, iwi and government agencies through the Greater Christchurch Partnership to sustainably manage growth, and to provide for future housing needs in Greater Christchurch.

The Canterbury Land and Water Regional Plan was amended to support the implementation of the Ōtākaro Avon River Corridor Regeneration Plan. Environment Canterbury also supported the Urban Development Bill with a submission supporting the purpose of the Bill to “facilitate urban development that contributes to sustainable, inclusive and thriving communities”, noting the importance of collaborative partnerships with local authorities, iwi, and other key stakeholders when undertaking development projects to ensure positive, local outcomes are achieved.

We also provided a submission to the Greater Christchurch Regeneration Amendment Bill, supporting the intent of the Bill to accelerate the transition back to local leadership.

The following Level of Service targets were not achieved:

- Target 25.1: This target of quarterly urban development indicator reports produced and published on the Greater Christchurch Partnership website was not achieved due to other work priorities for the Greater Christchurch Partnership
- Target 27.2: This target of 20 million trips by 2020 and 35 million trips by 2030 has not been achieved as Christchurch’s central city regeneration has been slower than originally anticipated. In 2019/20 there were 11,176,273 passenger boardings in Greater Christchurch and Timaru.
- Target 27.4: This target of 50% cost recovery from passengers in Canterbury by 2020 has not been achieved as Christchurch’s central city regeneration has been slower than originally anticipated.

The following Level of Service targets were not measured:

- Target 27.1: This target, 95% of passengers are satisfied or better with the overall public transport service, could not be measured as the Metro Users Survey to confirm passenger satisfaction levels could not be completed in May (as annually scheduled) due to the COVID-19 lockdown. This target was achieved in 2018/19.
- Target 27.3: This target could not be measured because Ministry of Transport has not released the Household Travel Survey data. This information is used to determine whether we have met our target of 3% total trips by public transport by 2020. This was a new target for 2019/20 and not reported on in 2018/19.
- Target 27.5: This target, 95% of registered customers are satisfied or better with the service they receive when they engage with a Total Mobility provider, could not be measured as the Total Mobility Customer Survey could not be completed as normally scheduled due to the COVID-19 lockdown. This target was achieved in 2018/19.

See the full 2019/20 Annual Report at ecan.govt.nz for more detail on our Level of Service measures and targets.





Toitū te marae o Tāne, toitū te marae o Tangaroa, toitū te iwi.
Protect and strengthen the realms of the land and sea,
and they will protect and strengthen the people.

Image: Rangitata Rivermouth

Air Quality

The Air Quality portfolio ensures the air we breathe supports health and wellbeing.

Environment Canterbury monitors air quality in eight designated airsheds, assessing concentrations of pollutants against National Environmental Standards for Air Quality (NESAQ). Over the last 20 years, significant progress has been made.

In 2019, airsheds in Rangiora, Christchurch, Kaiapoi, Timaru and Washdyke reported exceedances of PM10 (particulate matter less than 10 microns in diameter). This is usually from winter wood-burning. However, Washdyke's exceedances occur throughout the year and are coarser particles of between 2.5 and 10 microns.

Investigations suggested a number of industrial and environmental sources, including sea salt. Environment Canterbury is working with local industry and the Timaru District Council on the issue.

A range of Environment Canterbury initiatives promote healthy home heating, with financial assistance available to help residents upgrade from non-compliant to lower emission burners.

The Healthier Homes Canterbury voluntary targeted rates scheme allows eligible ratepayers to add up to \$6000 of the cost of home heating, insulation and/or ventilation and installation to their rates bills. Uptake of the scheme has been higher than anticipated with 807 applications received during the 2019/20 financial year.

The subsidies scheme for households with limited means in areas prone to air pollution contributes to the cost of changing non-compliant heating to another form of heating with no repayment required.

This year 68 applications were approved, with all budgeted funds for Waimate and Geraldine being allocated. An additional \$160,000 reserve funding was made available.

The increased demand was partly due to a Canterbury Air Regional Plan rule change effective from 2020, requiring older burners in Geraldine and Waimate to be replaced.

6 Level of Service Targets:



We continue to work with manufacturers to support innovative wood burning technologies. This year the first application for a 'secondary emission reduction device' was received. Installed in a standard chimney, the device reduces particulate emissions from low emission burners to the level of an ultra-low emission burner.

In March 2020 Environment Canterbury and the Christchurch City Council undertook an innovative pilot project to tackle offensive odours in Bromley. Community reports via a mobile app were cross-referenced with weather and operational data to map odour plumes, with odours verified by trained assessors. Two significant odour emitters were identified.

Environment Canterbury is working with the Christchurch City Council to address the issue and is continuing to work with other odour emitting businesses in Bromley.

As a result of community concern regarding quarries around Christchurch, the industry has installed devices to monitor dust levels. Quarries have been using operational best practice, and no exceedances have been recorded.

Level of Service target 28.1 was not achieved as faults at the Rangiora and Kaiapoi monitoring stations during COVID-19 alert level four lockdown meant that monitoring data could not be collected for a period of time. For the 2019/20 year, only 92% of data has been collected in those airsheds, less than the 95% requirement in the National Environmental Standards for Air Quality (NESAQ) guidelines. See the full 2019/20 Annual Report at ecan.govt.nz for more detail on our Level of Service measures and targets.

Regional Leadership

The Regional Leadership portfolio maintains effective relationships; providing evidence-based policy; supporting well informed decision-makers and community; and providing a robust, adaptive and cost-effective regulatory process that underpins the sustainable management of Canterbury's natural resources.

The 2019 local government election saw Environment Canterbury return to a fully-elected Council for the first time since 2010. The new 14-strong Council, with four returning and ten new Councillors, has an equal representation of males and females across a range of ages and science, agriculture and community interests.

The Council has developed its Strategic Direction (2020-2023), which will guide development of the 2021-31 Long-Term Plan. The Strategic Direction contains both enduring priorities for the Council's core ongoing activities, and transformational opportunities for aspirational future ambitions.

Council established two working groups. Reflecting Council's interest in community engagement, the Public Visibility Working Group has made recommendations to Council on community engagement, democratic processes, and community participation in democratic decision making.

Having lost the ability to appoint Ngāi Tahu Councillors at the local government election, the Council has been working with Papatipu Rūnanga chairs to develop an alternative arrangement for Ngāi Tahu participation in Council decision-making. Council committed to two Tumu Taiao roles to provide Council with mana whenua expertise and advice.

Youth engagement has been a particular interest for the new Council. The Youth Rōpū is a voluntary group aged 14-24 enthusiastic about the environment and developing leadership skills. Achievements in that time include supporting two members to join Water Zone Committees.

The Te Waihora Co-Governance Group continues to focus on funding and investment opportunities to support the restoration of the mauri of Te Waihora and provide governance oversight for the Whakaora Te Waihora programme. The Whaka-Ora Healthy Harbour programme is another co-governed initiative, focused on restoring the ecological and cultural health

16 Level of Service Targets:



of Whakaraupō/Lyttelton Harbour as mahinga kai.

Other partnerships with government agencies, iwi and territorial authorities saw key work advance. The Mackenzie Basin Agency Alignment programme received additional funding for wilding conifer control with projects focused in Ōhau and Tekapō. The Soil Conservation and Revegetation (SCAR) programme completed the first of a four-year programme to support landowners with erosion-prone land.

Our regional planning team provides active support for the planning processes of all ten Canterbury territorial authorities. This work ensures development in the region is in accordance with the Canterbury Regional Policy Statement. This financial year support included working collaboratively with Waimakariri, Selwyn, Timaru, Mackenzie and Waitaki District Councils on full plan reviews, focusing on provisions to better protect biodiversity and respond to natural hazards. The team has also been providing significant assistance to Kaikōura District Council for their natural hazards plan change.

The following Level of Service targets were not achieved:

- Target 32.2: This target, at least 95% of the Levels of Service targets included in the 2018-28 Long-Term Plan achieved each year, was not achieved as only 61 of the 74 Levels of Service targets were achieved
- Target 33.1A: This target of quarterly Environment Canterbury - Ngāi Tahu governance meetings and working group forums every two months was not achieved as meetings scheduled for March and April 2020 were cancelled as a result of the COVID-19 alert level four lockdown
- Target 37.2B: This target to develop a framework for coordinated reporting on mātauranga Māori was not achieved as the delivery was affected by COVID-19 and other issues which reduced the capacity for both Environment Canterbury and the contractor

See the full 2019/20 Annual Report at ecan.govt.nz for more detail on our Level of Service measures and targets.

Our income

Ngā Whiwhinga Pūtea

Rates

The quarterly rates invoice from Environment Canterbury – included in the rates bill from each local territorial authority – contains two different types of rates: a general rate and a targeted rate.

General rates

General rates for an individual property are calculated using the property's capital value (the combined value of the land and buildings). The total rates for Canterbury are spread across all properties: residential, commercial and industrial. Because rates are calculated on the capital value, higher-value properties have higher rates than properties with a lower capital value.

Targeted rates

Targeted rates are levied for a particular purpose or to a group who may benefit from a service that the Council provides. For example, people near a bus route might pay a targeted rate because they could benefit from that bus route, or rural landowners might pay a targeted rate to pay for pest control on their land, a new stop-bank to protect their land from flooding, or an ecosystem restoration programme.

Other sources of income

Some of our activities are funded by user-pays charges. These are paid on activities such as consents and passenger fares paid on public transport. Environment Canterbury also receives grants to carry out work, particularly for public transport. Much of this funding comes from central government agencies.

Grants make up about 20 per cent of Council revenue. Sometimes, Environment Canterbury draws on its reserves to pay for work that is additional to budget, including some of our water management programmes.

Other income also includes a \$12M gain on the revaluation of forestry assets at 30 June 2020.

\$69.7M

**GENERAL RATES
COLLECTED**

\$42.7M

**TARGETED RATES
COLLECTED**

\$92.6M

**OTHER INCOME,
INCLUDING \$19.5M
FROM PUBLIC
TRANSPORT GRANTS
AND FARES
AND A \$12M
GAIN ON THE
REVALUATION OF
FORESTRY ASSETS**

Our expenditure

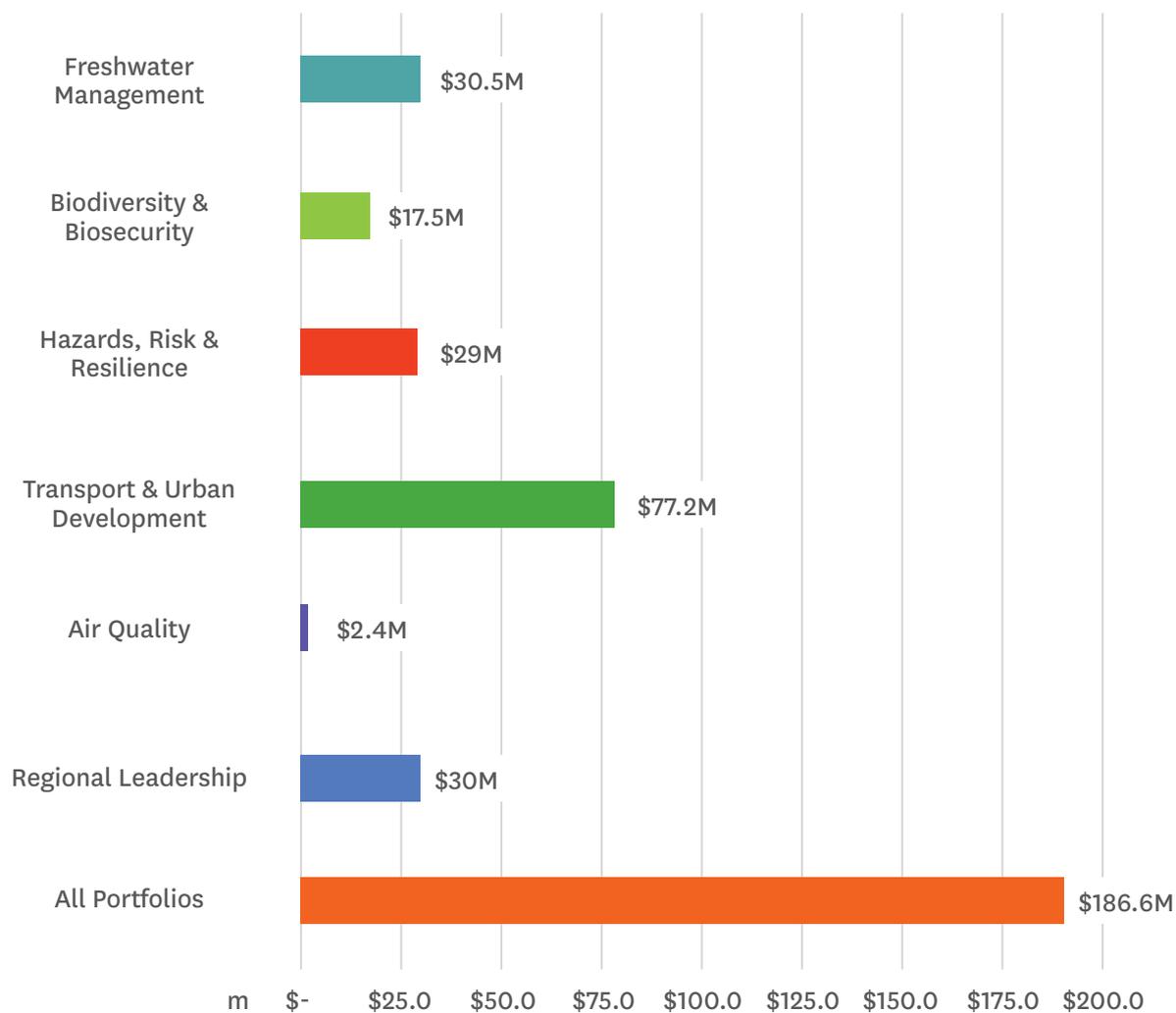
Ngā Whakapaunga Utu

In 2019/20 Environment Canterbury divided activities and related budgets into six service groups or portfolios. Each is funded by a combination of general rates, targeted rates, user charges, loans and subsidies.

The graph below shows the proportion of expenditure on each portfolio (all figures are in millions of dollars).

More information on the activities and projects that make up these programmes can be found in the full Annual Report at www.ecan.govt.nz

Portfolio expenditure 2019/20



2019/20 in numbers

The following are a few of the statistics for the 2019/20 year. More information is contained in the full Annual Report and other reports available at www.ecan.govt.nz

The majority of our reports cover the financial year, like this Annual Report summary, but other seasonal reports are released throughout the year.

110

LAND INFORMATION REQUESTS,
183 FLOOD HAZARD ASSESSMENTS
AND 132 GENERAL ENQUIRIES

96

RECREATIONAL WATER SITES
MONITORED OVER SUMMER

1,687

CONSENT APPLICATIONS RECEIVED,
1,250 DECISIONS MADE WITH
99.6% STATUTORY TIMEFRAME COMPLIANCE

3,941

CONSENTS MONITORED,
WITH 5,339 INSPECTIONS CONDUCTED

3,877

RESOURCE MANAGEMENT
INCIDENT REPORTS RECEIVED

611

MEDIA ENQUIRIES RESPONDED TO

191,679

TOTAL ENGAGEMENTS ACROSS
SOCIAL MEDIA CHANNELS

124,000

PLANTS HAVE BEEN PLANTED AT
THE WHAKAORA TE AHURIRI
CONSTRUCTED WETLAND



Summary of Financial Statements | Ngā Pūrongo Pūtea

In 2019/20, Environment Canterbury received \$205 million of revenue and spent \$187.6 million, for a surplus after taxation of \$17.4 million. This surplus includes a gain on forestry revaluation of \$12 million.

Statement of comprehensive revenue and expense	Actual 2019/20 \$000	Annual Plan 2019/20 \$000	Actual 2018/19 \$000
Revenue			
General rates	69,724	68,381	63,136
Targeted rates	42,690	41,901	39,295
Subsidies and grants	45,478	39,887	34,897
Fees and charges	31,841	36,158	34,570
Other revenue/gains	15,219	1,513	9,148
Total operating revenue	204,952	187,840	181,046
Expenditure			
Personnel costs	53,055	53,292	49,206
Finance costs	1,756	1,495	1,148
Other expenses	132,757	134,421	126,235
Total operating expenditure	187,568	189,208	176,589
Surplus/(deficit) before tax	17,384	(1,368)	4,457
Tax (expense)/benefit net of loss offset	5	-	9
Surplus/(deficit) after tax	17,389	(1,368)	4,466
Other comprehensive revenue and expense	141,050	-	35,624
Total comprehensive revenue and expense	158,439	(1,368)	40,090

Statement of financial position	Actual 2019/20 \$000	Annual Plan 2019/20 \$000	Actual 2018/19 \$000
Current Assets	57,815	28,770	39,111
Total non current assets	1,129,671	952,290	968,407
Total assets	1,187,486	981,059	1,007,518
Total current liabilities	36,605	22,277	27,400
Non-current liabilities	44,281	47,921	32,749
Total liabilities	80,886	70,198	60,148
Net assets	1,106,600	910,860	947,370
Equity	1,106,600	910,860	947,370

Statement of changes in net assets/equity	Actual 2019/20 \$000	Annual Plan 2019/20 \$000	Actual 2018/19 \$000
Balance as at 1 July	947,370	912,228	907,280
Total comprehensive revenue & expense	158,439	(1,368)	40,090
Reserves transfer to Capital Work in Progress	791	-	-
Balance at 30 June	1,106,600	910,860	947,370

Cash flow statement	Actual 2019/20 \$000	Annual Plan 2019/20 \$000	Actual 2018/19 \$000
Net cash flow from operating activities	14,140	4,344	2,772
Net cash flow from investing activities	(25,242)	(22,022)	(12,387)
Net cash flow from financing activities	16,015	8,522	8,000
Movement in cash - Net increase / (decrease) in cash held	4,913	(9,156)	(1,615)
Add cash bought forward	11,704	10,682	13,319
Cash carried forward	16,617	1,526	11,704

Explanation of Major Variances Against Budget

Additional operating revenue of \$5.1 million was received, from an increase in the capital value of the rating base, as well as additional grant funding for the National Wilding Conifer Programme. The gain on revaluation of forestry assets of \$12 million is also included in revenue in 2019/20.

Expenditure for the year is \$1.6 million below budget, as result of lower spending in public transport largely due to bus contract payments and the phasing of Employment Relations Act changes, and in Freshwater Management due to Plan Change 7 postponement and the Te Waihora programme experiencing delays due to COVID-19.

Change in Accounting Policy

In previous financial periods, forestry was included within the Property, Plant & Equipment asset class. As a result of a review undertaken in 2019/20, and taking account of the increased focus on forestry management, in 2019/20 these assets are accounted for in accordance with PBE IPSAS 27 Agriculture as Forestry Assets. As a result, the forestry revaluation gain of \$12.0m at 30 June 2020 is included in Other revenue/gains.

COVID-19

The effect of COVID-19 on our operations is reflected in these financial statements, based on the information available to the date the financial statements were signed. An impairment assessment has been completed for tangible and intangible assets. The result of this assessment was that there has been no material movement in asset values resulting from COVID-19. There were no significant

uncertainties highlighted in respect of COVID-19 in the flood protection and forestry asset valuations performed as at 30 June 2020. The summary financial statements have been extracted from the full audited Annual Report dated 22 October 2020. The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial report. A copy of the full Annual Report of Council can be obtained from the Council's website www.ecan.govt.nz

The full financial statements have been prepared in accordance with NZ GAAP and the requirements of the Local Government Act 2002 and comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and have been prepared in accordance with Tier 1 Public Benefit Entity accounting standards. The summary financial statements comply with PBE FRS-43. All amounts are expressed in New Zealand Dollars and have been rounded to \$000s.

The full Annual Report has been audited, and an unmodified audit opinion was issued on the financial statements. The opinion contained an emphasis of matter paragraph to draw readers' attention to the note disclosing the impact of the COVID -19 pandemic. A modified opinion was issued on the statement of service performance (called the 'Activity Reports by Portfolio' in the Annual Report). The modified opinion relates to the Transport and Urban Development portfolio, as Council was not able to report on a measure relating to providing quality public transport services to customers. The summary financial statements were authorised for issue on 22 October 2020 by the Council.

Independent Auditor's Report

To the readers of Canterbury Regional Council's summary of the annual report for the year ended 30 June 2020

The summary of the annual report was derived from the annual report of the Canterbury Regional Council (the Regional Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements on pages 5 to 18:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement for the year ended 30 June 2020;
- other explanatory information to the financial statements; and
- the statement of service performance.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The full annual report and our audit report thereon

We expressed a modified audit opinion on the statement of service performance and an unmodified audit opinion on the Regional Council's audited financial statements and other audited information in the full annual report for the year ended 30 June 2020 in our report dated 22 October 2020. The basis for our modified opinion on the statement of service performance is explained below.

Customer satisfaction for public transport services is an important part of the transport & urban development portfolio performance report because it is indicative of the quality of the service provided. As explained on page XXXI of the full annual report, the Metro Users' survey to determine passenger satisfaction levels could not be completed due to the Covid-19 pandemic lockdown. As a result, the Regional Council has been unable to report against the passenger satisfaction performance measure this year.

Information about this matter is also disclosed on page 10 of the Regional Council's summary annual report.

Our audit report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 pandemic on the Regional Council as set out in full Annual Report in Note 25 to the financial statements. An extract of this information is included in the summary of the annual report on page 18.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have reported on the Regional Council's annual reporting certificate to the debenture trustee for 2020, which are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the Regional Council.



Julian Tan
Audit New Zealand

On behalf of the Auditor General
Christchurch, New Zealand
22 October 2020

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*Image front and back cover:
Waiau River*