

New Zealand Government



Environment Canterbury Review

A discussion document

This discussion document has been prepared by the Ministry for the Environment and the Department of Internal Affairs.

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Ministers' message

The statutory management of Environment Canterbury (ECan) by Commissioners will soon end. This paper sets out a proposal for a mixed governance structure for ECan, similar to a district health board, with a mix of elected members and government appointees that we believe could provide the necessary stability for Canterbury from 2016.

In 2010, the Government decided to appoint specialist temporary Commissioners to lift Environment Canterbury's performance. The appointments followed unprecedented requests for urgent Government action from Cantabrians, Canterbury mayors and the recommendations of an independent report. ECan was failing to adequately manage Canterbury's natural resources, and serve its diverse communities.

This document considers the key issues facing ECan after the expiry of the Environment Canterbury (Temporary Commissioners and Improvement Water Management) Act in 2016. The review is specific to ECan, and will not look at wider local government in Canterbury.

This discussion document has been informed by conversations with the ECan Commissioners, Ngāi Tahu, and Canterbury's Mayoral Forum. The Government recognises the importance of ensuring that ECan's governance arrangements are designed in the best possible way to support effective, accountable decision-making and strong organisational performance.

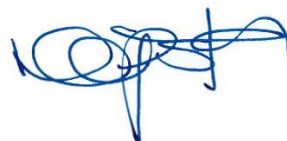
We have been encouraged by the transformation of ECan from a poorly performing council to a leading local government organisation, reflected in its organisational efficiency, sound relationships, and sustainable management of resources, including Canterbury's unique and nationally significant freshwater resources.

Currently, this transformation is supporting post-earthquake resilience in Canterbury. This is likely to be of increased importance as the Canterbury Earthquake Recovery Authority (CERA) winds down aspects of its role. The Government needs to transition CERA's role from leading the recovery to establishing long-term recovery arrangements. The next stage of recovery involves increased local responsibility and needs governance arrangements which sustains ECan's progress and enables it to tackle ongoing issues. The Government's immediate priority for ECan is its role in the earthquake recovery. In the longer term, the wise management of water, balancing competing interests in it for economic development, recreation and the environment, will be critical to the region's future.

The consultation questions in the back of the document are only a guide and all comments are welcome. We look forward to receiving your responses and ideas.



Hon Dr Nick Smith
Minister for the Environment



Hon Louise Upston
Associate Minister of Local Government

Chapter 1: Introduction

1.1 Overview

The Government is proposing a mixed-model governance structure for Environment Canterbury (ECan) to be in place after the local government elections in October 2016. The proposed structure will provide for a mix of community-elected councillors and Government-appointed members on ECan's governing body.

1.2 Statutory review of ECan

The proposal is part of the statutory review of ECan. The Environment Canterbury (Temporary Commissioners and Improved Water Management Act) 2010 (ECan Act) provides for the Minister for the Environment and the Minister of Local Government to review what ECan's governance needs will be after the current arrangements expire in 2016. This is a forward-looking process, which has considered a number of issues.

- The composition of ECan's future governing body and how membership should be shaped to best ensure strong organisational performance and transitioning to elections.
- ECan's use of, and continued need for, the additional resource management powers introduced to enable the Commissioners to establish an efficient, effective and sustainable freshwater management regime.
- ECan's relationships and work with territorial authorities and Ngāi Tahu in freshwater management and earthquake recovery. This includes ensuring ECan has capacity to deliver support when the Canterbury Earthquake Recovery Act 2011 (CER Act) expires in 2016.

The review began on 1 March 2014. The Terms of Reference for the review are available online at www.mfe.govt.nz/ecanreview.

1.3 Key issues for ECan

ECan is the regional council for Canterbury. It provides services to, and makes decisions on behalf of, individuals and communities in Canterbury.

In addition to the regular issues that most regions face, Canterbury has some issues that deserve special attention, particularly with regard to freshwater management.

- Canterbury is New Zealand's largest region by land area. It has a large proportion of New Zealand's freshwater resources in its iconic braided rivers and underground aquifers, yet has a dry climate, and is prone to periods of drought.
- Canterbury councils and communities are working collaboratively to address problems with water, stemming from the ways that water has been managed in the past – including declining water quality, a loss of cultural and recreational use, and less reliable water flow for farming.

Since 2010, ECan has been led by Government-appointed Commissioners to address serious performance problems and restore community confidence, particularly in relation to fresh water. The Commissioners have a high level of specialist skills and expertise.

The Commissioners have successfully changed ECan from a poorly performing regional council, and improved ECan's governance, decision-making and organisational capability to deliver better outcomes for its communities.

1.5 Canterbury's regional governance beyond 2016

Future governance and membership arrangements need to be shaped in a way that sustains ECan's progress, while ensuring that its priorities and challenges for the future are effectively provided for. They will also need to be shaped in a way that avoids a return to ECan's past problems.

A mixed model governance structure of elected and appointed members is being proposed as the next step for ECan. This mixed model would help to:

- ensure that ECan's governance strikes the right balance between local representation, and specialist skills and expertise for good-quality decision-making
- sustain ECan's progress and best provide for the future priorities and challenges.

Background information about the need for the proposed arrangements for ECan is outlined in **Chapters 2 and 3**. The proposal is detailed in **Chapter 4**. The proposal has been informed by consultation with Canterbury mayors, Ngāi Tahu, and ECan.

1.6 We want to hear what you think

Chapter 5 explains how you can be involved and make your opinion count. There are three ways to make a submission:

- Use our online submission tool, available at www.mfe.govt.nz/more/consultations.
- Download a copy of the submission form to complete and return to us. This is available at www.mfe.govt.nz/ecanreview. If you do not have access to a computer we can post a copy of the submission form to you.
- Type up or write out your own submission.

Once the consultation is complete the Government will decide the way forward. Legislation is likely to be required, which will go before a Select Committee and provide a further opportunity for public input. The new structure for ECan is intended to be in place after the local government elections in 2016.

Chapter 2: What ECan does and why it has Commissioners

2.1 Overview

This chapter describes ECan’s current governance and membership arrangements in the context of New Zealand’s local government structure, and the challenges facing ECan that led to the appointment of Commissioners in 2010.

2.2 Services provided

ECan is the regional council for Canterbury, working with 10 territorial authorities across the region.

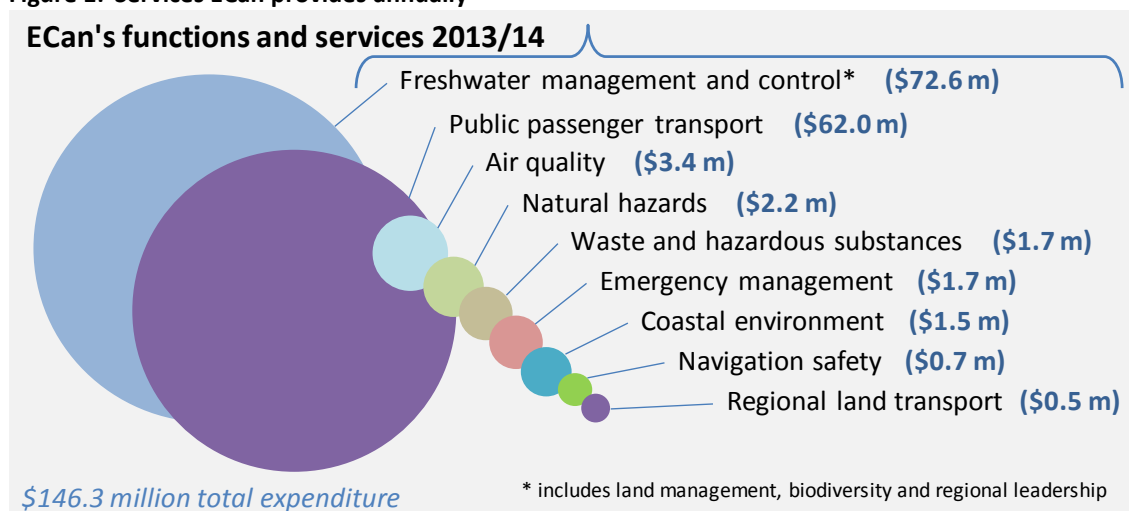
New Zealand’s local government system has three types of local council – regional councils, territorial authorities (city and district councils), and unitary authorities (which combine the functions of regional councils and territorial authorities).

As a regional council, ECan’s main functions include:

- managing fresh water, land, air and coastal water through regional policy statements, plans and consents
- mitigating soil erosion and providing flood control
- planning and contracting public transport services¹
- managing and preparing for regional civil defence emergencies.

As can be seen in Figure 1, the functions are not equal in terms of ECan’s time, expenditure and other resources.

Figure 1: Services ECan provides annually²



¹ ECan’s regional land transport planning function deals with an anticipated \$330 million in annual expenditure on State highways, local roads and public transport within Canterbury over the next 10 years. This regional planning work provides the basis for bids for national funding from the Canterbury region.

² ECan Annual Report, 2013/14. The report is available online at www.ecan.govt.nz.

Regional councils are typically responsible for issues that require an integrated approach, and cross the boundaries of adjacent territorial authorities. They need to have strong technical and environmental monitoring capability to perform these functions.

To be effective, regional councils need to have good working relationships with the territorial authorities in their region, iwi, their communities of interest, and with central government. This is because the functions and areas of interest of the different levels of government often intersect. For example, under the Local Government Act 2002 (LGA), regional councils and territorial authorities in a region are required to jointly prepare a triennial agreement that sets out how they will work together on issues that cross council boundaries or affect each other.

Regional councils prepare regional policy statements under the Resource Management Act 1991 (RMA), and may use regional plans to guide resource management and consenting decisions. All councils fund their activities through rates (property taxes), fees and charges, and subsidies and grants.

Regional councils are typically governed by 7 to 14 councillors, who are elected from constituencies that take into account population and geographic communities. All councils have:

- a chief executive who is appointed by the councillors
- staff to support the chief executive and governing body's decision-making role and deliver the services of the council.

ECan is currently governed by Government-appointed Commissioners (rather than elected councillors), who will continue in these roles until October 2016.

Key responsibilities of councillors, and in ECan's case the Commissioners, include being responsible and accountable for the decisions of the council, including:

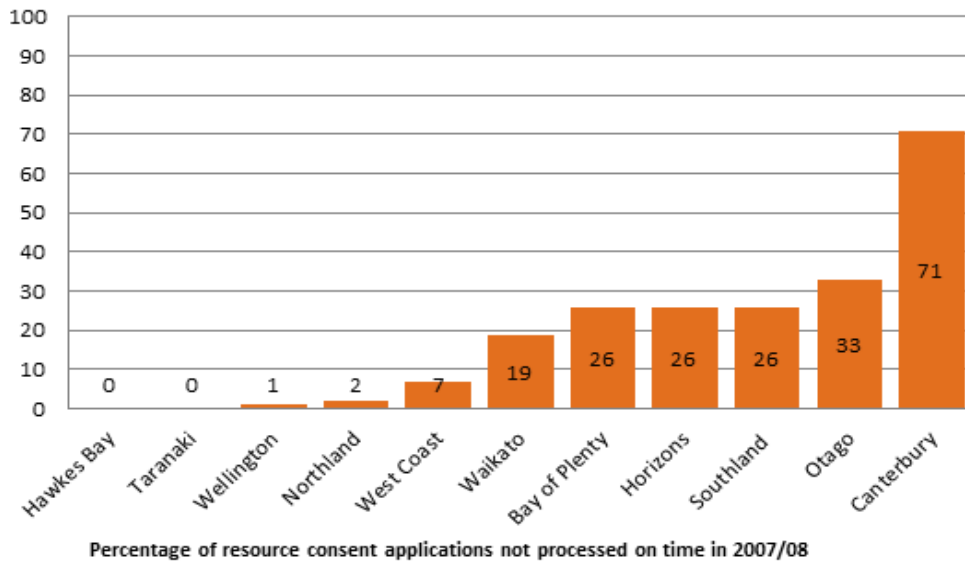
- setting policy direction (for example, for soil conservation or use of coastal resources)
- monitoring and reviewing these policies, and the council's overall performance
- giving effect to national requirements
- setting rates and managing the council's budget.

2.3 History to Government action

Leading up to the Commissioners' appointment in 2010, Canterbury's freshwater resources had been coming under increasing pressure. Demand for access to fresh water was high, and ECan's leadership was struggling to manage the competing urban and rural interests, covering social, economic, environmental and cultural priorities.

ECan also had a reputation for failing to meet statutory timeframes for processing resource consent applications. In the 2007/08 Ministry for the Environment RMA Survey of Local Authorities, ECan reported 71 per cent non-compliance with statutory timeframes, the worst performance of any council. ECan's performance in relation to other regional councils at that time, is shown in Figure 2.

Figure 2: Regional council non-compliance with statutory timeframes (2007/08)³



Canterbury’s 10 territorial authorities, Ngāi Tahu, and other major stakeholders took the unprecedented step of writing to the Government expressing their complete loss of confidence in the Council, and requesting urgent Government intervention. In 2009, in response to these significant concerns expressed from within Canterbury, the Government commissioned an independent investigation into ECan’s performance.

³ Source: Ministry for the Environment, RMA Survey of Local Authorities 2007/08. The report is available online at www.mfe.govt.nz.

Independent review findings and recommendations

The report of the independent review into the performance of ECan⁴ (the Creech report) was presented to the Government in February 2010. The review found that:

- freshwater resources were in high demand, particularly for irrigation and hydro-electricity, and council was failing to manage the competing demands and interests in water effectively (which contributed to a litigious and adversarial culture amongst those seeking access to, or the protection of, freshwater resources in Canterbury)
- there was no operative region-wide planning framework
- no credible leadership was being provided for the territorial authorities
- there were long delays for resource consents
- there was insufficient engagement with Ngāi Tahu on its interests in water management issues.

The report concluded that a new institutional approach was needed for freshwater management in Canterbury.

2.4 Temporary appointment of specialist Commissioners

In 2010, in response to the Creech report, the Government passed the ECan Act. Under this legislation ECan's 14 elected regional councillors were replaced with seven temporary Government-appointed Commissioners, addressing ECan's serious, wide-ranging and systemic performance issues. The Commissioners were initially appointed for a term of three years (to 2013).

The Commissioners selected have specialist skills, allowing them to make progress on the management of natural resources (particularly fresh water) in the Canterbury region. They were also given unique resource management powers, to:

- make changes to a plan or regional policy statement, or make a variation to a proposed plan or regional policy statement, through a limited appeals process
- impose a moratorium on the granting of specific water and discharge consent applications
- directly consider applications for water conservation orders (WCOs) received from the Minister for the Environment, with alternative criteria and a limited appeals process.

This enabled the Canterbury Water Management Strategy (CWMS)⁵ to be quickly incorporated into the RMA planning framework, and helped to mitigate issues caused by competing applications in respect of water until that was done.

⁴ Creech W, Jenkins M, Hill G, Low M. 2010. *Investigation of the Performance of Environment Canterbury under the Resource Management Act & Local Government Act*. Wellington: Ministry for the Environment. Located at <http://www.mfe.govt.nz/publications/rma/investigation-performance-environment-canterbury>.

⁵ The CWMS is a collaborative integrated framework for managing Canterbury's fresh water. See Section 3.2 Long-term freshwater management issues in Canterbury for more information.

An amendment to the ECan Act in 2013 extended the Commissioners' appointment for another three years, to enable the Commissioners to consolidate their good progress for Canterbury communities and to minimise potential disruption to earthquake recovery. The Cabinet papers supporting this legislation can be found on www.mfe.govt.nz. The amendment to the Act also included a requirement to carry out this review.⁶

2.5 ECan achievements

Since their appointment in 2010, the Commissioners have helped ECan to become a local government sector leader, and made important progress for Canterbury, including:

- improving ECan's governance, decision-making, organisational capability to perform, and delivery under the LGA and the RMA
- establishing a planning framework that allows comprehensive and integrated freshwater management (see Section 3.2 Long-term freshwater management issues in Canterbury)
- gaining the confidence of territorial authorities and Ngāi Tahu through better relationship management and communication
- contributing to the implementation of a planning framework, and working with the Government, territorial authorities, and Ngāi Tahu to coordinate earthquake recovery.

A key outcome of collaborative freshwater planning has been greater consensus between different local authorities and interest groups on how fresh water should be used or protected.

Table 1: Key aspects of ECan's past and present performance

ECan 2009 performance	ECan 2015 performance with Commissioners
<ul style="list-style-type: none"> • 71 per cent of consents take longer than the legal maximum timeframe (as reported in the 2007/08 RMA Survey of Local Authorities). Worst performing of all councils 	<ul style="list-style-type: none"> • 2 per cent of consents take longer than the legal maximum timeframe (Commissioners' Quarterly Report, September 2014)
<ul style="list-style-type: none"> • No operative planning and policy framework, as required by the RMA 	<ul style="list-style-type: none"> • Canterbury Land and Water Regional Plan and sub-regional plans in place
<ul style="list-style-type: none"> • A fragmented and ineffective approach to managing fresh water 	<ul style="list-style-type: none"> • The Canterbury Water Management Strategy is being implemented and 10 zone committees are working in a participatory and collaborative way to agree suitable water quality
<ul style="list-style-type: none"> • City and district councils had little confidence in ECan 	<ul style="list-style-type: none"> • City and district councils confirm excellent relationships have been developed. Canterbury Mayoral Forum operating effectively to provide coordination and leadership
<ul style="list-style-type: none"> • Minimal engagement with Ngāi Tahu, and a strained relationship 	<ul style="list-style-type: none"> • Ngāi Tahu confirm strong, collaborative relationships with all levels of ECan

⁶ Section 17A of the ECan Act. Available online at www.legislation.govt.nz.

Chapter 3: Critical issues for Canterbury governance

3.1 Overview

This chapter describes the key long-term issues, opportunities and challenges for Canterbury governance. It has a particular focus on the challenges and opportunities of freshwater management.

3.2 Long-term freshwater management issues in Canterbury

Freshwater profile

Canterbury has a unique freshwater profile. ECan's key responsibilities for water management are in managing the effects of land use to reduce impacts on rivers and aquifers. Fresh water is critical for the current and future economic, environmental and cultural well-being of the people of Canterbury and New Zealand.

Fresh water flows through Canterbury's unique braided rivers (shown in Figure 3), iconic lakes, and groundwater aquifers from the mountains to the sea. Three of Canterbury's water bodies, Lake Ellesmere (Te Waihora), and the Rakaia and Rangitata rivers, are protected by water conservation orders (WCOs). This gives the water bodies special status and greater protection from over-extraction or change.

A small portion of the other remaining water sources are used for irrigating farmland and for supplying homes and businesses.⁷ Other uses include industry, power generation, tourism, recreational fishing, and ecological conservation. To effectively manage water, ECan must balance the diverse and sometimes competing uses and interests in fresh water of iwi, businesses, home users, recreation, and conservation.

A key challenge for Canterbury people and freshwater management in the region is the significant seasonal variation in the amount of water that is available. Over winter, natural storage of water occurs through snowfall on the mountains and high rainfall that recharges groundwater aquifers. This water becomes available at other times of the year – in summer, the meltwater and groundwater feeds into rivers. However, the lower rainfall on the lowland plains during summer means that more irrigation is needed for agriculture. Canterbury has 1.6 metres of annual rainfall, compared to the New Zealand average of 2.3 metres.

⁷ About 4 per cent of the total 76,888 million cubic metres of water that enters Canterbury (mostly through rain and snow) is allocated for irrigation. Not all the water that enters Canterbury through rain and snow is available for productive use. For example, some water serves ecological functions (such as plant growth and habitat for native fauna), and other quantities are not physically accessible.

Figure 3: Canterbury region and rivers



Canterbury's fresh water and land resources provide jobs for Cantabrians, and help make it a prominent food growing, processing and exporting region.

- Local products include meat, dairy, grain, seeds and wine.
- There is a significant food-manufacturing sector, which processes these products.
- It is a centre for agribusiness research and innovation, which add value to the agricultural sector.

Much of Canterbury's primary and related industries depend on reliable access to fresh water to offset the dry climate.

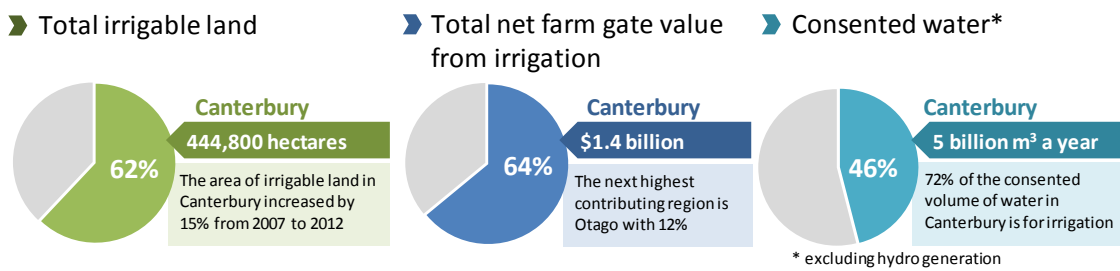
The region also has far more consented water takes for agriculture than anywhere else in the country. This puts pressure on rivers during the driest parts of the year. Irrigated land contributes significantly to New Zealand's economy, with Canterbury contributing 64 per cent of New Zealand's total net farm gate value from irrigation.

Many of the catchments in Canterbury are either fully- or over-allocated in relation to limits set by ECan and communities, including all the main groundwater zones⁸ and several river

⁸ Ashburton River, Ashburton-Lyndhurst, Chertsey, Eyre, Makikihi, Rakaia-Selwyn, Rangitata-Orton, Selwyn-Waimakariri, Valetta and Hook.

catchments. This means that no more water can be extracted from them beyond what is already consented. In the future, Canterbury will increasingly need to capture water at peak times and store it.

Figure 4: Key Canterbury irrigation statistics compared with the rest of New Zealand⁹



The challenges of freshwater management

The Canterbury Water Management Strategy (CWMS) is a collaborative integrated framework for managing Canterbury's fresh water. It sets targets, and involves catchment-based zone committees in:

- effecting targets
- representing community interests
- recommending policies to ECan and territorial authorities.

Significant progress has been made in freshwater management, but the job is not complete. The challenges of freshwater management will be long term. The main structure of the CWMS is in place, but the majority of the limits and standards for fresh water being set by each of the 10 water-catchment zone committees still need to be incorporated into the resource management planning framework as agreement is reached. This could take until 2020 to complete, despite the Commissioners having special resource management powers.

This review of regional governance arrangements in Canterbury is considering whether the governing body of ECan post-2016 will need the special resource management powers currently exercised by the Commissioners. The Government's current RMA reforms, if enacted, would likely provide the necessary flexibility to manage regional RMA responsibilities. However, a transitional arrangement may be needed in respect of the powers.

The increased agricultural production has raised concerns about the environmental damage of intensive farming, including dairying and its impact on the region's waterways. This has led to stricter controls on land use and effluent run-off.

The current National Policy Statement for Freshwater Management requires any over-allocation of water to be phased out, and water quality to be maintained or improved overall to at least the standard set in nationally determined bottom lines. In addition to the continued implementation of the CWMS, the National Policy Statement will be challenging in Canterbury, given the multiple demands for fresh water and the region's economic reliance on freshwater resources.

⁹ Sources: Total irrigable land, from *Agricultural Production Statistics: June 2012*, Statistics New Zealand, 2012; Total net farm value from irrigation, from *Value of Irrigation in New Zealand*, New Zealand Institute of Economic Research and AgFirst Consultants New Zealand Limited, 2014; Consented water, from *Update of water allocation data and estimate of actual water use of consented takes 2009-10*, Aqualinc Research Limited, 2010.

Climate change may also provide further challenges for freshwater management. While it is difficult to accurately predict the effects of climate change, it is possible that these could increase pressure on water resources. Climate change could increase the frequency and severity of droughts, flooding and storms in Canterbury.

3.3 Ngāi Tahu and regional governance

Ngāi Tahu's tribal territory spans from Kaikoura to Stewart Island/Rakiura. Within Canterbury, 10 papatipu rūnanga of Ngāi Tahu hold customary authority (mana whenua) in individual rohe (territories), and have responsibilities to act as kaitiaki (guardians/stewards) of natural and physical resources.

ECan and the 10 papatipu rūnanga have committed to engage in an enduring and collaborative relationship. This commitment is based on the recognition that ECan's responsibilities for environmental management require it to integrate Ngāi Tahu values to enhance environmental outcomes. A relationship agreement, Tuia, which translates as "working together shoulder to shoulder", outlines this commitment.

Through this partnership approach, ECan's Commissioners have made good progress in building and improving the Council's engagement with Ngāi Tahu. The Commissioners and ECan staff work closely with Te Rūnanga o Ngāi Tahu and the papatipu rūnanga, at both governance and operational levels, and a joint work programme is in place. The ongoing restoration of Te Waihora/Lake Ellesmere has been a notable achievement for ECan and Ngāi Tahu. Ngāi Tahu was also closely involved in developing the Land Use Recovery Plan and the Natural Environment Recovery Programme for greater Christchurch following the earthquakes, and is a partner with ECan in implementing the Canterbury Biodiversity Strategy.

The Government's resource management reform programme underpins this approach. The National Policy Statement for Freshwater Management provides for greater recognition of iwi values in water management, and the role of iwi as kaitiaki. The Government is also proposing to amend the RMA to enhance Māori participation in resource management planning and to support collaborative plan-making by communities. Through the ECan Commissioners' stewardship and partnership with Ngāi Tahu, Canterbury is already well-advanced in this approach to resource management, but this positive progress and relationship must be maintained.

3.4 Canterbury Earthquake Recovery

ECan has led aspects of earthquake recovery, particularly in setting and implementing the Natural Environment Recovery Plan, producing and reviewing the Land Use Recovery Plan and developing the Lyttelton Port Recovery Plan.

ECan has played, and needs to continue to play, a vital role in maintaining the recovery of greater Christchurch, both as a lead and in working alongside strategic partners. Examples include its ongoing involvement in the Urban Development Strategy governance structure for greater Christchurch, its lead on the provision of public transport services, and its involvement in the Land Use Recovery Plan and Lyttelton Port Recovery Plan. The Urban Development Strategy governance structure emphasises the role of local councils' involvement in decision-making for the recovery, an important aspect of the ongoing recovery of greater Christchurch.

ECan has been key in the drafting, implementing and reviewing the Land Use Recovery Plan, which provides direction for residential and business land-use development to support recovery and rebuilding across greater Christchurch. Along with its influences on the

residential and business recovery, it ensures the repair and development of transport networks and service infrastructure to support these activities.

ECan's role in developing the transport network is essential to the recovery and protection of future opportunities for the region. An important aspect of transport network recovery is ECan's relationship with Christchurch City Council to ensure the infrastructure supports the services provided. This relationship, along with the relationship with the other strategic partners, has proved fundamental to drafting and implementing the Land Use Recovery Plan. ECan plays a lead or supporting role in ongoing actions in the Land Use Recovery Plan, which demonstrates the continuing importance of ECan in the Recovery Plan's implementation.

ECan has taken a lead role in the drafting of the Lyttelton Port Recovery Plan. The plan is being developed in collaboration with the port company and the Christchurch City Council as part of the replacement district plan review. The port controls 80 per cent of Canterbury's imported and exported goods, emphasising the importance of its recovery for both the Lyttelton community and the wider Canterbury region.

Chapter 4: The way forward for Canterbury governance

4.1 Overview

When the ECan Act expires in 2016, the Commissioners' terms will end. This will represent significant change. It is vital that this change is carefully managed so that it does not slow the progress made so far, especially in establishing an integrated planning framework and applying collaborative local solutions to sustainably manage fresh water in Canterbury. Providing support for earthquake recovery will also continue to be an area of focus.

This chapter proposes a mixed-governance regional council to meet ECan's future governance needs.

4.2 Canterbury governance from the next local government term

Challenges

A coordinated transition is needed to ensure certainty for the Canterbury public, ECan's customers, stakeholders and staff, and to build on ECan's progress in freshwater management, relationships and earthquake recovery. There are a number of key issues likely to require management.

- The end of the Commissioners' term in October 2016 removes their significant knowledge and experience at a single point in time. This loss of expertise will need to be managed so that the new governing body has access to:
 - the skills and experience that will enable it to fulfil its statutory responsibilities
 - institutional knowledge of ongoing priorities, projects, and work programmes to the members of the new governing body.
- The Commissioners have developed good relationships with stakeholders, which will need to be re-confirmed once the new body is formed. The level of stakeholder confidence in the new governing body will contribute to the speed with which this can take place.
- For ECan, there is a risk that competing interests and a lack of shared vision on the regional council could once again prevent effective governance and decision-making about complex and conflicting resource management issues. This includes finding a path between differing urban and rural perspectives on managing Canterbury's fresh water.

Goals

The goals for ECan's governance are:

- **high quality leadership** – disciplined and suitably skilled decision-makers who are able to lead on contentious, complex and multi-dimensional issues and manage multiple interests
- **economic growth** – sustainable development of economic growth and the provision of jobs

- **strong environmental stewardship** – economic, recreational, cultural and environmental interests balanced for long-term sustainability
- **strong accountability to local communities** – strong, respectful relationships with communities, iwi and councils, and high levels of local collaboration
- **value and efficiency for ratepayer money** – effective and affordable solutions for Canterbury ratepayers.

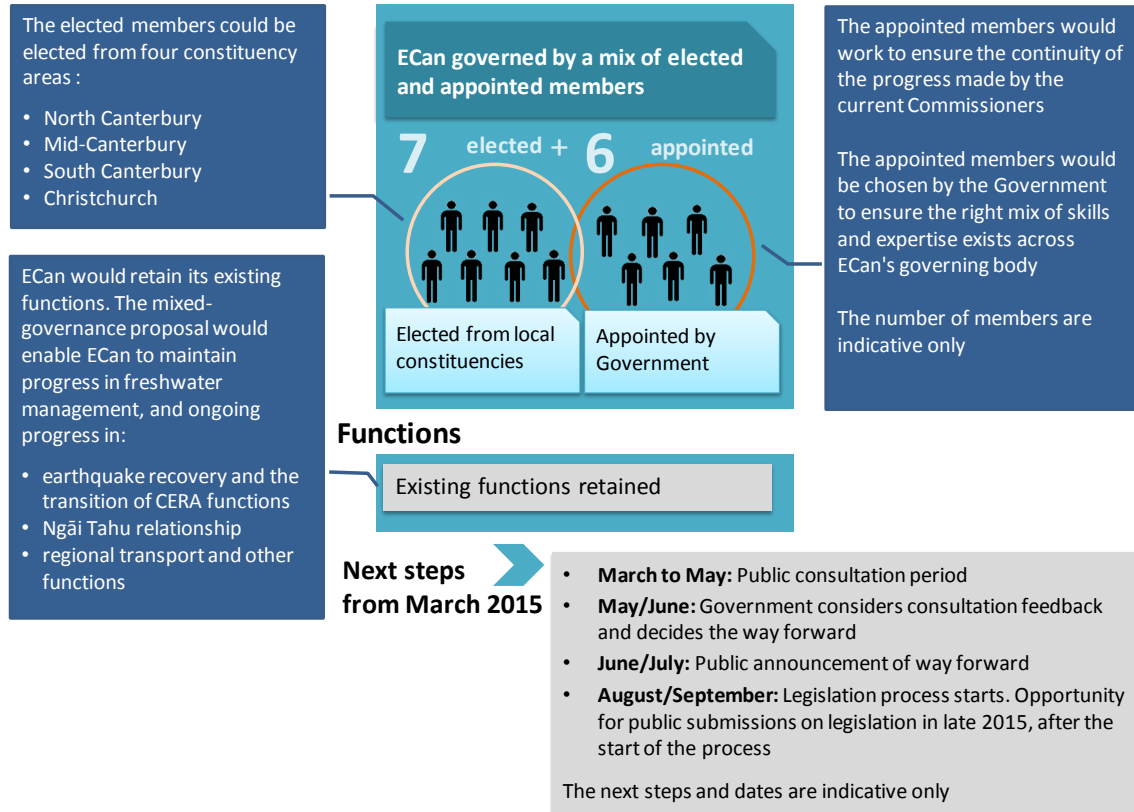
What would future success look like?

- Excellence in freshwater management
 - multi-dimensional nature of water issues in Canterbury managed effectively (CWMS principles achieved)
 - communities' values and interests in water balanced (economic/cultural/recreational/environmental).
- Excellence in non-freshwater services such as planning and consenting, and planning and contracting public transport services.
- Solution-focused decision-making.
- Commissioners' specialist knowledge and expertise of Canterbury governance issues passed on.
- Cost-effective and seamless transition from Commissioners.

4.3 Proposal to establish a mixed-model governance structure for ECan

The Government is proposing to establish a mixed-model governance structure for ECan for the next local government term, which will provide for a mix of elected and appointed members.

Figure 5: Summary of the mixed-governance proposal



How a mixed-governance approach might work

A mixed-governance regional council could begin at the end of the Commissioners' terms. It would continue to deliver ECan's current range of regional functions. The difference from ECan's current arrangement is that it would be governed by seven elected councillors, who would join six appointed members on ECan's governing body. The chairperson would be selected by the councillors and appointed members from among themselves. This approach would re-introduce community representation, combined with the specialist expertise of the appointed members, to address the issues Canterbury will still face.

The proposal would involve the setting up of a new type of governance arrangement in the local government context. However, a similar arrangement is already in use in New Zealand's district health boards. Parliament would need to pass new legislation to set up these arrangements.

DHBs – an example of mixed governing bodies

There are 20 district health boards (DHBs) in New Zealand. DHBs are responsible for providing and funding health services in their district. Each DHB is governed by a board of up to 11 members. The board of the DHB sets the DHB's overall direction and monitors its performance. The Minister of Health appoints up to four members to each board, and the board's chair and deputy chair. Seven members are publicly elected every three years, at the time of local authority elections.

In making appointments, the Minister considers a range of people who may be able to fill gaps in elected board members' skills.

Functions and powers

ECan would continue to be responsible for the functions and services of a typical regional council. These include:

- setting policy direction (for example, for soil conservation or use of coastal resources)
- monitoring and reviewing these policies, and the council's overall performance
- giving effect to national requirements
- setting rates and managing the council's budget.

Future of the special resource management powers

The review is considering whether or not the new governing body will need these powers after 2016.

Since the review provisions in the ECan Act came into force, reforms have been proposed to the RMA, which if enacted, would make planning and consenting functions more efficient and effective and will remove the need for the new governing body to have special powers.

However, a transitional arrangement could be put in place for the new governing body in 2016, to extend the special powers. This could ensure that there is no period in which there is a need for a return to the standard resource management arrangements before the RMA reforms are implemented. To return to standard RMA arrangements for just a short period may be an inefficient use of resources and a source of confusion for Canterbury communities and other users of the resource management system.

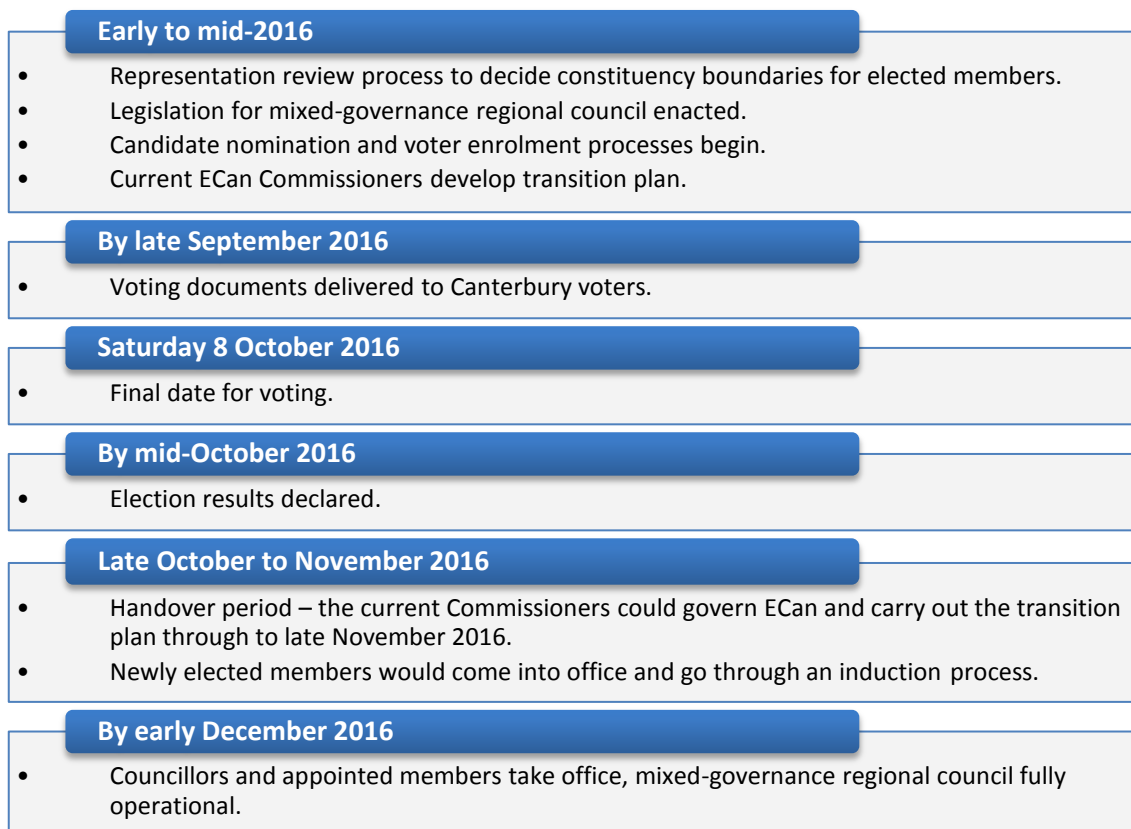
Funding

ECan's current funding arrangements would continue under the proposal, with a mix of income from rates, Government grants and user charges.

- The mixed-governance regional council would be able to set rates. Territorial authorities could collect rates on behalf of the council, so that Canterbury ratepayers continue to receive a single rates bill, as is ECan's current practice. Rates would be used to fund services and activities provided to the Canterbury community.
- User charges could apply to many of its services. These would be paid for by the users of the services, for example, user pays resource consents.

The mixed model governance structure would have to follow standard local government and rate-setting processes to decide the level of rates, which involves a full public consultation process.

Figure 6: Transitioning from Commissioners' leadership to a mixed-governance model



4.4 Meeting the review's goals for ECan

A mixed-model governance structure of elected and appointed members is being proposed as the next step for ECan. We believe that this structure can meet the goals for ECan as outlined in this review.

- The mixed model would help to ensure that ECan's governance strikes the right balance between local representation and the specialist skills and expertise needed for good-quality decision-making.
- The mixed model would help sustain ECan's progress and best provide for future priorities and challenges.
- A mixed model would take the region forward, and ensure a smooth transition from the Commissioners. It would be well placed to meet the goals outlined in this review and achieve success.

Other options, such as a more significant change to the arrangements for managing fresh water and reverting ECan to a standard regional council, have been considered, but are not being progressed. The level of change these options involve would be too significant at this stage. Balancing continuity and moving ECan forward is vital.

Chapter 5: What happens next

5.1 Written submissions

Written submissions on this discussion document must be with the Ministry for the Environment by **5.00pm on 1 May 2015**. After this, the Review Team (made up of Ministry and Department of Internal Affairs staff) will prepare a summary of the submissions received, which will inform decisions on the new governance arrangement.

5.2 Submission questions

The consultation questions are listed below, and refer to information in the document. They are only a guide and all comments are welcome. You do not have to answer all the questions.

Critical issues for Canterbury governance

1. In your view, what are the most significant regional issues for Canterbury (for example, resource management or governance issues)? Please explain.

The way forward for Canterbury governance

2. Do you agree with the goals for ECan's governance? (These are: high quality leadership, economic growth, strong environmental stewardship, strong accountability to local communities, and value and efficiency for ratepayer money.) Please explain.
3. In your view, are some of the goals more important than others? Please explain.
4. Do you think the proposal is suited to Canterbury and meets the goals for ECan? Please explain.
5. In your view, is there a governance model that better addresses the goals for ECan? Please explain.
6. Are there any considerations we need to give when transitioning to the proposed mixed-model governance structure? Please explain.
7. Should the mixed-model governance structure retain the special resource management powers currently used by the Commissioners? If so, for how long? Please explain.

5.3 How to make a submission

There are three ways you can make a submission:

- Use our online submission tool, available at www.mfe.govt.nz/more/consultations.
- Download a copy of the submission form to complete and return to us. This is available at www.mfe.govt.nz/more/consultations. If you do not have access to a computer we can post a copy of the submission form to you.
- Type up or write out your own submission.

If you are posting your submission, send it to ECan Review, Ministry for the Environment, PO Box 10362, Wellington 6143 and include:

- the title of the review (Environment Canterbury Review)
- your name or organisation name
- postal address
- telephone number
- email address.

If you are emailing your submission, send it to ecanreview@mfe.govt.nz as a:

- PDF
- Microsoft Word document (2003 or later version), or
- other compatible format.

Submissions close at 5.00pm on 1 May 2015.

5.4 Publishing and releasing the submissions

All or part of any written submission (including names of submitters), may be published on the Ministry for the Environment and the Department of Internal Affairs' websites, www.mfe.govt.nz and www.dia.govt.nz. Unless you clearly specify otherwise in your submission, the Review Team will consider that you have consented to website posting of both your submission and your name.

Contents of submissions may have to be released to the public under the Official Information Act 1982 following requests to the Review Team (including via email). Please advise if you have any objection to the release of any information contained in a submission and, in particular, which part(s) you consider should be withheld, together with the reason(s) for withholding the information. The Review Team will take into account all such objections when responding to requests for copies of, and information on, submissions to this document under the Official Information Act.

The Privacy Act 1993 applies certain principles about the collection, use and disclosure of information about individuals by various agencies, including the Review Team. It governs access by individuals to information about themselves held by agencies. Any personal information you supply to the Review Team in the course of making a submission will be used by the Review Team only in relation to the matters covered by this document. Please clearly indicate in your submission if you do not wish your name to be included in any summary of submissions that the Review Team may publish.

5.5 What happens next?

Submissions will be summarised by the Review Team and available online via www.govt.nz. A report on the outcomes of the review will be prepared and published in 2015. The Government will then make a decision.

Whatever shape ECan takes, the post-Commissioner arrangements will require new legislation to be passed. This means that there will be further opportunities for the public to have a say on the future arrangements, at the Select Committee stage of the legislative process.