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Office of the Minister for the Environment

Office of the Associate Minister of Local Government

Cabinet Economic Growth and Infrastructure Committee

Review of Environment Canterbury: recommendations for future governance arrangements

Proposal

1. We propose that Cabinet agrees to:
 - a mixed-model governance structure (the mixed-model) for Environment Canterbury (ECan) for the next local government term – with seven elected and up to six appointed members;
 - retaining limited appeal rights on the freshwater planning decisions made by ECan for the next local government term; and
 - the responsible Ministers issuing drafting instructions to the Parliamentary Counsel Office for a bill to implement the mixed-model.

Executive summary

2. In 2010, Parliament passed the Environment Canterbury (Temporary Commissioners and Improved Water Management) Act 2010 (the ECan Act), which replaced the 14 elected councillors at ECan with seven appointed Commissioners.
3. The ECan Act responded to the unprecedented concerns raised by Canterbury's City and District Mayors, Ngāi Tahu and communities about ECan's inability to effectively carry out its water management functions. It was evident that some 18 years after the Resource Management Act 1991 (RMA) had been passed, ECan's lack of an operative regional planning framework for freshwater management was resulting in significant adverse environmental and economic consequences for the region. These issues were attributed in part to the political impasse which existed at the time between polarised urban and rural interests.
4. The ECan Act gave the Commissioners special resource management powers to address issues relating to freshwater management in Canterbury. This included a power to fast-track changes to regional plans or policy statements through a limited appeals process. This process enabled the Commissioners to work collaboratively with stakeholders to progress an integrated freshwater planning framework within which the Canterbury Water Management Strategy could be implemented. The Commissioners were also given powers to place moratoria on water consent applications and more control over Water Conservation Orders (WCOs).
5. In 2013, the Commissioners' terms were extended for three years to continue their progress and to address additional regional challenges created by the Canterbury earthquakes. The ECan Act is now due to expire from the 2016 local authority elections. This would return ECan to the standard regional council model.

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6. We have now completed our statutory review of ECan. On 18 March 2015, we released a discussion document for public consultation on a proposal for a mixed-model with seven elected councillors and up to six Government appointed councillors.
7. The review has confirmed that since the Commissioners' appointment, ECan has transformed from a poor performing regional council to a leader in freshwater management. After many years of delay, ECan's Natural Resources Regional Plan (NRRP) was made operative in just one year and seven months and the main body of the Land and Water Regional Plan (LWRP) is expected to be made operative in June 2015.
8. ECan's improved performance can be attributed to the strong governance and decision making brought by the specialist skills, knowledge and expertise of the Commissioners.
9. Through the review we have identified that:
 - significant progress has been made by the Commissioners in freshwater planning, however Canterbury's zone committees are still working through the complex collaborative processes of finalising the water allocation and nutrient limits. We expect the plans which will include these limits to be substantially complete by 2019;
 - returning ECan to the standard regional council model in 2016 risks a loss of institutional knowledge at a single point in time and interruption to the progress made under the Commissioners; and
 - there is a need to provide the right leadership mix for continuity, community representation and expertise needed to continue progress in freshwater management, and provide a transition step to a fully elected council.
10. We therefore propose to implement the mixed-model, and that the new governing body should retain the power to limit appeals against plans and policy statements to ensure that by 2019, Canterbury has a substantially complete freshwater management framework. The mixed-model proposal is the sensible next step for ECan's governance arrangements. The mixed-model is supported by the Canterbury Mayoral Forum, ECan and a majority of Canterbury councils (as representatives of their communities).
11. We have engaged extensively with Canterbury councils, iwi and key stakeholders throughout the review. We received 534 submissions on the discussion document. We note that 475 of these were form-generated submissions from the opposition Labour Party that supported a return to a fully elected council in 2016. The review has concluded that this would not address the risks of a loss of momentum, or the possibility of a re-emergence of past leadership issues at this critical period. Most stakeholder organisations and Canterbury councils supported the mixed-model, but sought certainty on a return to a fully elected council in 2019. Since the public consultation period, we have clarified that the proposal is a transitional step to a fully elected council.
12. The mixed-model proposal will require legislation to implement. With Cabinet approval, we will issue drafting instructions to the Parliamentary Counsel Office. We expect to introduce a bill to the House in August 2015. It would be desirable for the bill to be passed by the end of 2015.

Background

The Commissioners were placed at ECan in 2010

13. In 2009, all ten of Canterbury's City and District 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.
 14. In 2010, in response to these significant concerns expressed from within Canterbury, the Government commissioned an independent investigation into ECan's performance.
 15. The investigation found:
 - freshwater resources were high in demand. ECan had no operative freshwater planning framework and was failing to manage competing demands and interests;
 - fragmented planning arrangements caused long delays for resource consents; and
 - insufficient engagement with Ngāi Tahu and other stakeholders.
 16. ECan was failing in its governance and resource management responsibilities. These issues led to the passing of the ECan Act in 2010, which replaced the 14 elected councillors at ECan with seven appointed Commissioners. The Commissioners have extensive expertise in organisational change, freshwater management, local authority and governance management, tikanga Māori, and knowledge and understanding of the Canterbury region and people.
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17. The Commissioners were mandated to fix governance and organisational problems, and were given modified resource management powers to address issues relating to freshwater management in Canterbury. Part 3 of the ECan Act empowered ECan to:
 - impose moratoria on the granting of freshwater consents;
 - directly consider applications for Water Conservation Orders (WCOs) with alternative criteria and a limited appeals process; and
 - make changes or variations to plans or regional policy statements through a limited appeals process.
 18. The purpose of the power to place moratoria on consents was to prevent further allocations in over-allocated and at-risk catchments, giving ECan time to establish an integrated planning framework.
 19. As an example, two moratoria were imposed in 2010 over consents relating to the Hurunui River and the Waiau River. During the period of the moratoria, work was undertaken to develop the Hurunui and Waiau Regional Plan and Plan Change 3 to the NRRP to provide a framework for decisions on the consents.
 20. The former lack of an integrated planning framework in Canterbury had prompted several applications for WCOs from recreation and conservation interests with concerns about the adequacy of river flows for outstanding water bodies in the absence of regional plan limits. ECan's alternative process has resulted in fast, yet robust, decisions being made on WCOs. One application for amendment to the Rakaia River WCO was considered, heard and a decision reached, in just over 18 months.
 21. The special powers have allowed ECan's NRRP to be made operative in just one year and seven months after many years of delays. The main body of the more detailed LWRP is expected to be made operative in June 2015.

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22. ECan is leading ten zone committees which set limits on water allocation and nutrient levels for each river catchment and these will provide detailed content on water allocation and nutrient limits for the sub regional chapters of the LWRP.

The Commissioners' initial terms were extended but are due to expire in 2016, subject to a statutory review

23. In 2013, the Commissioners' terms were extended for three years to avoid disrupting the good progress being made at ECan, and because of new challenges created by the Canterbury Earthquakes [CAB Min (12) 13/11 refers].
24. Without new legislation, ECan will revert to a fully elected council with standard resource management powers and processes at the local authority elections in 2016. The ECan Act requires a review of ECan to identify whether this is the appropriate step for ECan, or if other arrangements are needed.
25. The review began on 1 March 2014, following terms of reference agreed by Cabinet [CAB Min 14 6/8 refers]. On 18 March 2015, we released a discussion document to outline the proposal for a mixed-model governance structure for ECan of seven elected and up to six appointed councillors [CAB Min 15 8/4 refers]. The discussion document invited feedback and submissions from councils, the public and other stakeholders in Canterbury.

We have now completed the review of Environment Canterbury

We carried out extensive engagement in Canterbury as part of the review

26. We have engaged extensively with elected representatives and key stakeholders on the review of ECan, including meeting with the Canterbury Mayoral Forum, Ngāi Tahu and all ten city and district councils in Canterbury. A high level of regard for the Commissioners and their work, and the need to protect ECan's progress were consistent themes across these meetings.

We received 534 submissions during the public consultation period

27. We received a total of 534 submissions in response to the discussion document, 475 of which were form-generated submissions¹. The majority of remaining submissions were from councils and stakeholder organisations. Submissions from individuals through non-form-generated methods made up 28 of the total number of submissions.
28. Submissions expressed a range of views, but were broadly supportive of either:
- the mixed-model with a return to a fully elected council in 2019 (a majority of councils); or
 - a fully elected council in 2016 (a majority of individual submissions).

¹ These submissions were made through a political campaign website (campaign.labour.org.nz) and were opposed to the proposal.

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29. The Canterbury Mayoral Forum supported the proposal for the mixed-model. Six Canterbury Councils expressed support of the mixed-model, one opposed, one supported Local Government New Zealand's submission to continue the current Commissioner arrangements until 2019 and one presented a neutral position. ECan wrote to us separately in support of the proposal, and has previously recommended a mixed-model.
30. The continuation of resource management powers under a new governance structure was supported by four councils. A number of organisational submitters also supported a continuation of the powers.
31. Since public consultation on the proposal closed, we have worked to refine the proposal to incorporate feedback and suggestions from submitters. The final proposal is a reflection of the extensive consultation as part of the review.
32. A full summary document outlining the submissions is attached to this paper.

The review has confirmed the need for strong regional governance and freshwater management progress in Canterbury

The Commissioners have provided the leadership necessary to strengthen ECan's governance and progress an effective framework for freshwater allocation and management

33. The specialist skills, knowledge and expertise of the Commissioners, have resulted in improved organisational performance and decision making at ECan.

34. ECan has come to be considered one of New Zealand's leading regional councils, particularly for the collaborative processes it has developed to set limits for, and manage, freshwater. Due to the work of the Commissioners, ECan now has a fully operative NRRP, and the main body of the LWRP is expected to be made operative in June 2015.
35. Some other key achievements under the Commissioners include rebuilding and leading the organisation to:
 - improve compliance with statutory timeframes for processing resource consents from 23 per cent in 2007/08 to 98 per cent in 2015;
 - strengthen the relationship with Ngāi Tahu;
 - take a leading role in earthquake recovery initiatives such as the Natural Environment Recovery Programme, the Land Use Recovery Plan, input to the Christchurch Replacement District Plan and the Lyttelton Port Recovery Plan; and
 - lift ECan's reputation, culture and provide leadership for Canterbury's territorial authorities.

Commissioners have enabled key work of zone committees through the use of limited appeals powers

36. The Government's intervention in 2010 was to address significant problems in ECan's overall governance and its management of freshwater in the region. While ECan had developed the Canterbury Water Management Strategy, the independent report identified that fragmented planning had resulted in significant costs and delays in resource consent processes, water quality deterioration and over-allocated catchments.

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37. Over the past four years, use of the ECan Act special powers for plan making has allowed ECan to make good progress towards an operative planning framework for sustainable freshwater management.
38. ECan is leading ten zone committees in agreeing water allocation and nutrient limits for their river catchments. Zone committees consist of council, iwi and community representatives and their outcomes feed into the development of the sub-regional chapters of the LWRP.
39. The removal of appeal rights has been offset by the success of the zone committees' collaborative approach, where participants have an earlier say in creating new freshwater programmes.
40. Agreement has been reached by some of the zone committees on the limits for their catchments. The limited appeal process increases confidence in the collaborative process and is still critical to efficiently incorporate the detailed content into the sub-regional chapters of the LWRP. As shown in Table 1 below, ECan does not expect every sub-regional chapter of the plan to be complete until at least 2020 or 2021, but all the key areas should be notified by 2019.

Table 1: Zone committee progress

Zone Committee	Status	Target date
Ashburton (Hinds Plains)	Variation notified	2015/16
Ashburton (Rakaia)	Agreeing limits	2019/20
Banks Peninsula	Agreeing limits	2015/16
Christchurch West Melton zone	Agreeing limits	2020/21
Hurunui-Waiiau	Agreeing limits	2018/19
Kaikoura	Agreeing limits	2021/22
Lower Waitaki - Coastal South Canterbury	Lower Waitaki- Agreeing limits South Canterbury variation notified	2015/16
Orari-Opihi-Pareora zone	Agreeing limits	2017/18
Selwyn-Waihora	Plan notified	2015/16
Upper Waitaki	Agreeing limits	2015/16
Waimakariri	Agreeing limits	2017/18

Source: Information held by the Ministry for the Environment

41. A primary purpose of the intervention will not be complete until all the zone based limits on allocations and nutrients across Canterbury have been put in place. However, our expectation is that most of the critical plan changes will be substantially in place by 2019. Plan changes that have reached the notification stage prior to the elections for a fully elected council would continue under the special powers process. Any plan changes following the elections will be dealt with under the standard RMA provisions in place at that time.
42. The Commissioners have indicated that changes to the resource management settings after 2016 could change participants' attitudes to the current collaborative processes. This risks a return to the old adversarial approaches to planning and could slow down the planning programme significantly.

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The Commissioners effectively used moratoria and water conservation order powers to prevent over-allocation and manage competing interests

43. The special powers to impose moratoria were used to prevent serious over-allocation of the Hurunui River. Resource consents were placed on hold for a year in 2010 in which ECan was able to develop an integrated planning framework for the River, which recognises a range of interests and values, enabling water storage for irrigation in a more sustainable way.
44. ECan was also able to use the modified WCO powers to successfully manage competing interests for water in Lake Coleridge. Trustpower owns the Lake Coleridge Hydro-electric Power Station. Landowners can take water from the Rakaia River and request Trustpower to store water in Lake Coleridge until required. The environmental benefit is that 100 million cubic metres of water that is normally extracted from the groundwater aquifers can instead be taken from the storage facility.

Freshwater planning is now at a stage where some powers given to the Commissioners are no longer needed

45. Moratoria and WCO powers have clearly been useful in the past and we have received advice from officials that the special powers were designed as a complementary package. However, submissions, including those of the Commissioners, suggest that collaborative processes in Canterbury are now sufficiently mature for the moratoria and WCO powers to be allowed to expire.

46. We consider that the loss of the ability to impose moratoria and manage WCO applications could have some effect on public confidence in the collaborative zone committee processes, but it is the limitation on appeals to the Environment Court that will have the greatest and most direct effect on the timely completion of the critical freshwater management frameworks. Therefore, we recommend that the mixed-model continues to have the benefit of the limitation on appeals to the Environment Court.

The powers of limited appeal rights (against plans and policy statements) should remain to allow the completion of key freshwater work

47. On balance, we recommend that the mixed-model should retain the limited appeals process to help speed up plan-making by preventing lengthy appeals to the Environment Court. This will ensure that the remaining work to incorporate the remaining sub-regional chapters of the Land and Water Regional Plan started by the Commissioners can be substantially completed under the mixed-model by 2019.
48. The extension of the limited appeals process is a further mechanism for regional and organisational stability. It is designed to ensure continuity and momentum of the current work programmes and reduce the length of time taken to make plans operative.

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There is a risk that a loss of the Commissioners' leadership would adversely impact progress in freshwater management

49. When the ECan Act expires in 2016, the Commissioners terms will end. This means that the Commissioners' collective skills, expertise and knowledge would be lost at a single point in time. The review has confirmed that this approach risks a return to the political impasse that existed at ECan prior to 2010. This would have a significant impact on the ability for ECan to complete the freshwater planning work started under the Commissioners, undermine collaborative processes and risk adverse environmental and economic growth outcomes.

We recommend a mixed-model governance structure to underpin freshwater management progress

50. Given the risks to the progress made under the Commissioners, we recommend a mixed-model that retains elements of the current Commissioner model to ensure a capable and stable governing body with the specialist expertise to lead the completion of this work, and manage the risks to strong organisational performance. The mixed-model would retain powers of limited appeal rights to continue progress in freshwater management in Canterbury.
51. Seven councillors for ECan would be elected from four constituencies across Canterbury at the 2016 local authority elections under the mixed-model. We would jointly appoint up to six appointed councillors in a similar process to the current Commissioners. From early 2016, the current Commissioners would work to manage the transition between the current council and the mixed-model.
52. The mixed-model design seeks to align the roles and responsibilities of the elected and appointed councillors as closely as possible. This is intended to minimise perceived differences in power or mandate between the types of councillors and encourage collaborative decision-making across the Council. It should maintain a highly effective decision making organisation for the delivery of the freshwater planning programme.
53. The mixed-model would be put in place for the next local government term as a transitional step towards a fully elected council in 2019, as recommended by a number of key stakeholders. ECan would be required to carry out a representation review under the Local Electoral Act 2001 to decide the constituencies and boundaries prior to elections for a fully elected council in 2019.
54. It is our expectation that there would be a return to a standard regional council model in 2019, with all members elected. However, Christchurch City Council raised the alternative proposal of a redistribution of transport functions that could see transport functions transferred to a new council-controlled organisation that could be jointly owned by Christchurch City Council, Selwyn District Council and Waimakariri District Council. In this scenario, an alternative structure may be needed to manage other regional functions, including freshwater.
55. In April 2015, at the request of the Canterbury Mayoral Forum, the Ministry of Transport began facilitating a review of public transport service arrangements in the region, being conducted by the Forum. The consideration of an alternative approach would have to be made alongside the outcomes of this review.

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Policy settings for the mixed-model are detailed in an attached report

56. A report outlining our proposed detailed policy settings for the mixed-model is attached. Table 2 below outlines the key features of the proposal.

Table 2: Policy settings for the mixed-model governance structure

Category	Details
General composition	<ul style="list-style-type: none"> • Governance by seven elected councillors and up to six appointed councillors from 2016 local authority elections • Functions of ECan do not change • Structure in place for the 2016-2019 local government term
Roles and responsibilities of members and chair/deputy chair	<ul style="list-style-type: none"> • Governance and decision-making roles and responsibilities of all councillors the same; all councillors have equal voice • Chair and deputy chair are elected by all councillors from the elected or appointed councillors
Representation arrangements for 2016 election	<ul style="list-style-type: none"> • Seven councillors elected from four constituencies provided for in the legislation as follows: <ul style="list-style-type: none"> ◦ one councillor from South Canterbury (comprising those parts of Waitaki in the ECan region, Waimate, Mackenzie and Timaru Districts); ◦ one councillor from mid-Canterbury (comprising Selwyn and Ashburton Districts); ◦ one councillor from North Canterbury (comprising Waimakariri, Hurunui and Kaikoura Districts); ◦ four councillors from Christchurch elected at large (comprising Christchurch City)
Appointment process for appointed councillors	<ul style="list-style-type: none"> • Appointed councillors selected jointly by the responsible Ministers to take office as soon as practicable after the 2016 election. Appointment criteria to mirror ECan Act • Appointment criteria include skills, knowledge and expertise of candidates who will be selected to complement the skills of elected councillors
Remuneration of councillors	<ul style="list-style-type: none"> • The remuneration and expenses of all councillors will be based on a determination by the Remuneration Authority • Remuneration and expenses of all councillors will be met by ECan
Resource management powers	<ul style="list-style-type: none"> • ECan retains the same limited appeal plan-making powers as drafted under Part 3 of the ECan Act for the duration of the mixed-model

The next steps will be to announce the findings of the review, and issue drafting instructions for legislation

57. Subject to Cabinet approval of the proposals in this paper, we will announce the findings of the review and proactively release this Cabinet paper, the policy settings document, summary of submissions and Regulatory Impact Statement as soon as practicable.

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58. Implementing the mixed-model will require legislation that should be passed by the end of 2015 and at the very latest by March 2016. We note that key processes for the 2016 local authority elections start on 1 April 2016, including voter enrolment and candidate nomination processes so the mixed-model needs to be in place before this time to ensure the smooth running of the elections
59. If Cabinet agrees, we would instruct the Parliamentary Counsel Office to draft a bill which would be introduced into the House in August 2015. This would allow for further public and stakeholder input on the design of the mixed-model through the select committee process.

Consultation

60. The Minister of Local Government has agreed to the submission of this paper in accordance to the delegation of all matters relating to ECan to the Associate Minister of Local Government.
61. The Economic Growth and Infrastructure Committee approved our intention to consult publicly on the mixed-model proposal for ECan as part of the review [CAB Min 15 8/4 refers]. Public consultation via a discussion document on the proposal took place between 18 March and 1 May 2015. Public consultation on the proposal is discussed above, and a summary of submissions is attached.
62. The following departments and agencies were consulted on this paper: Treasury, New Zealand Transport Agency, Ministry of Transport, Ministry of Justice the Department of Conservation, Canterbury Earthquake Recovery Authority, Ministry of Business, Innovation and Employment, Te Puni Kōkiri, Ministry of Health, State Services Commission, Ministry of Civil Defence and Emergency Management and Ministry for Primary Industries. The Department of the Prime Minister and Cabinet was informed.
63. Subject to Cabinet approval of the proposals in this paper, we intend to discuss support for the retention of limited appeal rights for ECan with the Government's support parties prior to any public announcements on the outcome of the review.

Financial implications

64. There are no financial implications arising from this proposal. Departments would manage the councillor appointment process and any other minor administration costs associated with the establishment of the mixed-model through existing baselines. As with all other councils, ECan would meet costs such as remuneration of councillors through existing budgets.

Legislative implications

65. The recommendations of this paper and attached policy design report will be used as the basis for drafting instructions for the Bill to allow the mixed-model to be implemented. We aim to introduce the Bill in August 2015, subject to Parliamentary Counsel Office drafting being completed.
66. Legislation should be passed by the end of 2015, to allow Cantabrians, candidates for election and ECan to plan and prepare for elections in October 2016 with certainty and confidence. Election preparations need to begin from 1 April 2016.

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67. There is an existing bid for priority 3 legislation on the 2015 Legislation Programme for a bill titled Environment Canterbury (Temporary Commissioners and Improved Water Management) Amendment Bill. We would use this place on the Legislation Programme for the Bill. A revised title for the Bill would be decided prior to introduction.

Regulatory impact analysis

68. The Regulatory Impact Analysis (RIA) requirements apply to the proposal in this paper. A Regulatory Impact Statement (RIS) has been prepared by the Ministry for the Environment and is attached. The Regulatory Impact Analysis Team (RIAT) in the Treasury has reviewed the RIS. RIAT considers that the information and analysis summarised in the RIS partially meets the quality assurance criteria and provide the following statement:

“The objectives for reform contain clear trade-offs between perceptions of efficiency and environmental stewardship, and local democratic accountability. These are difficult to balance without objective information about previous and potential regulatory outcomes, so the assessment of options largely relies on subjective valuations. The fact that no alternative options were consulted on, and that proposals from stakeholders have received limited consideration, suggests that the full range of feasible options has not been examined.” [RIAT, the Treasury, May 2015]

69. In response, we note that a range of options were discussed with councils and other stakeholders and considered during the course of the review. Cabinet approved the content of the discussion document on 23 February 2015, which proposed a mixed-model governance structure, and welcomed all comments [CAB Min (15) 8/4 refers]. More radical options for reform were not considered given the complex issues already facing Canterbury and particularly Christchurch with the rebuild and local government already being under huge pressure. We have given full consideration to the varying proposals that have been put forward, and on balance recommend implementing the mixed-model governance structure, which we modified in response to feedback. The recommended structure is a sensible transitional next step for ECan. As discussed above, the option has the support of key stakeholders.

Human rights, Gender and Disability implications

70. An assessment into the New Zealand Bill of Rights Act 1990 (BORA) implications for the proposal will be possible once a bill has been drafted, and will follow the standard BORA vetting process for new legislation.

Publicity

71. The responsible Ministers plan to make an announcement on the final proposal following Cabinet approval. This will also include the proactive release of this Cabinet paper, the policy settings document, summary of submissions document and Regulatory Impact Statement relevant Cabinet material and documents from the review. We will also signal the opportunity for further public input into the mixed-model as legislation progresses to select committee.

Recommendations

72. The Minister for the Environment and Associate Minister of Local Government recommends that the Committee:

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Background

1. **Note** that on 1 March 2014, the Minister for the Environment and the Minister of Local Government began a statutory review of Environment Canterbury, as required under the Environment Canterbury (Temporary Commissioners and Improved Water Management) Act 2010;
2. **Note** that on 16 March 2015 Cabinet approved a discussion document for public release as part of the statutory review of Environment Canterbury on the proposal for a mixed-model governance structure for Environment Canterbury [CAB Min (15) 8/4 refers];
3. **Note** that the responsible Ministers engaged widely on the proposal and met with all ten city and district councils in Canterbury and Environment Canterbury during a public consultation period which ran from 18 March 2015 to 1 May 2015;
4. **Note** that having completed the review, the responsible Ministers recommend a mixed-model governance structure be put in place for Environment Canterbury from the 2016 local authority elections;
5. **Note** that a mixed-model governance structure will need to address a substantial freshwater planning programme prior to the 2019 local authority elections and the responsible Ministers recommend retention of the limited appeals power against resource management plans and policies;
6. **Note** that while used to good effect earlier in the Commissioners' terms, the responsible Ministers recommend that the moratorium and Water Conservation Order powers should be allowed to expire in 2016;

Policy design

7. **Agree** to establish a mixed-model governance structure of seven elected councillors and up to six appointed councillors for Environment Canterbury for the 2016-2019 local government term;
8. **Agree** to Environment Canterbury retaining limited appeal rights powers for the 2016-2019 local government term;
9. **Authorise** the responsible Ministers to discuss support for the retention of limited appeal rights powers for Environment Canterbury with the Government's support parties;
10. **Note** the policy package detailed in the attached policy report for a mixed-model governance structure for Environment Canterbury;

Legislation

11. **Note** that the Environment Canterbury (Temporary Commissioners and Improved Water Management) Amendment Bill holds a category 3 priority on the Legislation Programme (to be passed in 2015 if possible);
12. **Authorise** the responsible Ministers to issue drafting instructions to the Parliamentary Counsel Office for a bill to replace that noted at recommendation 11 above, and to implement the mixed-model governance structure for Environment Canterbury in accordance with the recommendations in this paper;

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13. **Note** that details of the overall policy intent of the mixed-model governance structure are set out in in *Review of Environment Canterbury: recommendations for future governance arrangements* and *Review of Environment Canterbury: Policy settings for future governance arrangements* (attached);
14. **Authorise** the responsible Ministers to make, as required, decisions on any technical issues arising from legislative drafting that align with the overall policy intent;
15. **Agree** to include transitional provisions as required to assist the implementation of the mixed-model governance structure, and ensure a practicable transition of Environment Canterbury's governance arrangements and resource management powers at the 2016 local authority elections;
16. **Note** that we aim to introduce the Bill to implement the mixed-model governance structure into the House in August 2015, to be passed by the end of 2015 if possible; and

Publicity

17. **Note** that we will make a public announcement on the outcome of the review of Environment Canterbury and intend to publicly release key supporting documents as soon as practicable following Cabinet decisions.



Hon Dr Nick Smith
Minister for the Environment

10 / 6 / 2015

Hon Louise Upston
Associate Minister of Local Government

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