

I hereby give notice that a meeting of the Strategy and Policy Committee will be held on:

Date: Tuesday, 10 December 2019
Time: 10.00am
Venue: Tararua Room
Horizons Regional Council
11-15 Victoria Avenue, Palmerston North

STRATEGY AND POLICY COMMITTEE AGENDA

MEMBERSHIP

Chair	Cr RJ Keedwell
Deputy Chair	Cr JM Naylor
Councillors	Cr AL Benbow
	Cr EM Clarke
	Cr DB Cotton
	Cr SD Ferguson
	Cr EB Gordon
	Cr FJT Gordon
	Cr WM Kirton
	Cr NJ Patrick
	Cr WK Te Awe Awe
	Cr GJ Turkington

Michael McCartney
Chief Executive

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**Full Agendas are available on Horizons Regional Council website
www.horizons.govt.nz**

for further information regarding this agenda, please contact:
Julie Kennedy, 06 9522 800

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REGIONAL HOUSES	Palmerston North 11-15 Victoria Avenue	Whanganui 181 Guyton Street		
DEPOTS	Levin 120-122 Hokio Beach Rd	Taihape 243 Wairanu Rd		
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AGENDA

1 Welcome / Karakia

2 Apologies and Leave of Absence

At the close of the Agenda no apologies had been received.

3 **Public Forums:** Are designed to enable members of the public to bring matters, not on that meeting's agenda, to the attention of the local authority.

Deputations: Are designed to enable a person, group or organisation to speak to an item on the agenda of a particular meeting.

Requests for Public Forums / Deputations must be made to the meeting secretary by 12 noon on the working day before the meeting. The person applying for a Public Forum or a Deputation must provide a clear explanation for the request which is subsequently approved by the Chairperson.

Petitions: Can be presented to the local authority or any of its committees, so long as the subject matter falls within the terms of reference of the council or committee meeting being presented to.

Written notice to the Chief Executive is required at least 5 working days before the date of the meeting. Petitions must contain at least 20 signatures and consist of fewer than 150 words (not including signatories).

Further information is available by phoning 0508 800 800.

4 Supplementary Items

To consider, and if thought fit, to pass a resolution to permit the Committee/Council to consider any further items relating to items following below which do not appear on the Order Paper of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended), and the Chairperson must advise:

- (i) The reason why the item was not on the Order Paper, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

5 Members' Conflict of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

Minutes of the first meeting of the eleventh triennium of the Strategy and Policy Committee held at 10.00am on Tuesday 12 November 2019, in the Tararua Room, Horizons Regional Council, 11-15 Victoria Avenue, Palmerston North.

PRESENT Crs RJ Keedwell (Chair), AL Benbow, EM Clarke, DB Cotton, SD Ferguson, EB Gordon, FJT Gordon, WM Kirton, JM Naylor, NJPatrick, WK Te Awe Awe (from 10.16am), and GJ Turkington.

IN ATTENDANCE Chief Executive Mr MJ McCartney
Group Manager
Corporate and Governance Mr C Grant
Committee Secretary Mrs JA Kennedy/Mrs KA Tongs

ALSO PRESENT At various times during the meeting:
Mr R Strong (Group Manager River Management), Dr N Peet (Group Manager Strategy & Regulation), Mr G Shirley (Group Manager Regional Services & Information), Dr J Roygard (Group Manager Natural Resources & Partnerships, Mr J Twomey (Senior Policy Analyst Iwi), Ms C Morrison (Media & Communications Manager), Mr R Templer, Mr H Waugh (Manawatu District Council), Ministry of Health representatives, and a member of the press.

The meeting was opened at 10.00am and immediately adjourned.

The meeting reconvened at 10.13am.

The Chair invited Mr Twomey (Iwi Liaison) to open the meeting with a karakia.

The Chair welcomed everyone to the meeting.

APOLOGIES

SP 19-1 *Moved* **Keedwell/Naylor**
That the Committee receives an apology from Cr Te Awe Awe for lateness.
CARRIED

PUBLIC FORUMS / DEPUTATIONS / PETITIONS

There were no requests for public speaking rights.

SUPPLEMENTARY ITEMS

There were no supplementary items to be considered.

MEMBERS' CONFLICTS OF INTEREST

There were no conflicts of interest declared.

Cr Te Awe Awe joined the meeting at 10.16am.

UPDATE ON PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS) INVESTIGATIONS

Report No 19-170

This report provided an update on progress around investigations into contamination of land and water by per- and polyfluoroalkyl substances (PFAS) in the Horizons region, primarily arisen from the use of fire-fighting foam. Dr Roygard (Group Manager Natural Resources and Partnerships) introduced the item. Ms Matthews (Manager Science and Innovation), took Councillors through a powerpoint presentation which focused on PFAS as an issue in the Horizons area and the work undertaken to fully understand the extent and possible impact of the problem. Mr Templer (Chief Executive, Manawatu District Council (MDC)) reiterated the importance of the PFAS issue in the region and commented on the great working relationship between Horizons and MDC in regard to PFAS. Dr Roygard and Ms Matthews clarified Members' questions.

SP 19-2 Moved B Gordon/F Gordon

That the Committee recommends that Council:

- a. receives the information contained in Report No. 19-170.*
- b. approves the ongoing use of budget up to an amount of \$60,000 for monitoring and technical work around the issue of per- and polyfluoroalkyl substances and related substances. This budget is approved to be from general rate reserves, with expenditure to occur over the 2019-20 and 2020-21 financial years.*

Against: Cr Turkington

CARRIED

NATIONAL PESTICIDE SURVEY

Report No 19-171

Dr Roygard (Group Manager Natural Resources and Partnerships), and Ms Matthews (Manager Science and Innovation) presented the report which highlighted results of the National Pesticides Survey, a four-yearly groundwater monitoring programme co-ordinated by the Institute of Environmental Science and Research (ESR) that had been running since 1990. Sampling was carried out by regional councils and unitary authorities in late 2018 and for the first time included glyphosate (a herbicide used in Roundup and other products) and a suite of emerging organic contaminants (EOCs).

SP 19-3 Moved Clarke/Patrick

That the Committee recommends that Council:

- a. receives the information contained in Report No. 19-171.*

CARRIED

CHAIR AND COUNCILLOR VERBAL UPDATES

Chair's Update

The Chair mentioned attending the Regional Sector meeting and noted the number of new Chairs. She attended a meeting with the Minister for the Environment David Parker which included discussion around the Essential Freshwater package, and mentioned her inclusion on an independent panel which was set up regarding community issues around Essential Freshwater and how it would land from a Horizons point of view.

Councillor's Updates

- Cr Benbow – discussion with James Feary at Woodville around areas of interest and schemes in the Tararua region.
- Cr Clarke – attended the recent LGNZ workshop.
- Cr Ferguson – mentioned the death of a cyclist in Horowhenua and his contact with NZTA regarding roadworks in Horowhenua, and bridges in the region not catering for cyclists.
- Cr B Gordon – invited to Ohakea and received an overview of an upcoming significant development in the area.
- Cr F Gordon – attended the recent LGNZ workshop.
- Cr Kirton – attended the Waimarino Community Board meeting which focused on the Raetihi community's frustration with the road closure.
- Cr Patrick – commented on her recent meeting with the Castlecliff Coast Care Group and attendance at a Nga Puna Rau o Rangitikei meeting.
- Cr Te Awe Awe – attended a meeting with iwi regarding Whirokino bridge access, and mentioned future co-governance opportunities.
- Cr Turkington - looked forward to meeting with the Taueki's in the near future and also looking at the Totara Reserve.

IWI RELATIONSHIPS QUARTERLY UPDATE

Report No 19-172

Mr Twomey (Senior Policy Analyst iwi) presented this report which provided a quarterly update to Council on iwi and hapū relationships in the region, including Treaty matters that require engagement with Council.

SP 19-4

Moved

Te Awe Awe/Turkington

That the Committee recommends that Council:

- receives the information contained in Report No. 19-172 and Annex;*
- notes that the Ngāti Rangī Settlement Act includes Te Waiū o Te Ika framework, a co governance arrangement for the Whangaehu River;*
- nominates a member for appointment to the statutory body of Ngā Wai Tōtā o te Waiū to be confirmed at the Regional Council on 26 November 2019;*
- releases any public announcement regarding the appointment at a time that is mutually agreeable to iwi and councils;*
- notes that a relationship agreement is being drafted with Te Korowai o Wainuiārua;*
- notes that Te Korowai o Wainuiārua will update Council on their settlement aspirations on 26 November 2019.*

CARRIED

HORIZONS ONE PLAN - PLAN CHANGE PROGRESS UPDATE

Report No 19-173

Dr Peet (Group Manager Strategy & Regulation) introduced this item which gave Council an update on the progress of plan changes being advanced to iterate the Horizons One Plan. Dr Peet clarified Members' questions.

SP 19-5 **Moved** **Naylor/Te Awe Awe**

That the Committee recommends that Council:

- a. *receives the information contained in Report No. 19-173.*

CARRIED

The meeting closed at 12.17pm.

Confirmed

CHIEF EXECUTIVE

CHAIR

Report No.	19-193
Decision Required	

HORIZONS ONE PLAN: PLAN CHANGE UPDATE AND PROPOSED PANEL APPOINTMENTS

1. PURPOSE

- 1.1. To provide Council with an update on the progress of plan changes being advanced to iterate the Horizons One Plan (One Plan), and to seek Council's approval to appoint three hearing panel commissioners to hear, consider, report and make recommendations on decisions on submissions to Council for Plan Change 2.

2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 19-193;
- b. approves the appointment of the hearing panel for plan change 2 (Existing Intensive Farming Land Uses) pursuant to section 34A of the Resource Management Act as follows:
 - i. Brent Cowie – Independent Commissioner and Chairperson;
 - ii. David McMahon – Independent Commissioner; and
 - iii. Elizabeth Burge – Independent Commissioner.
- c. delegates to the Hearing Panel all of the powers, functions and duties under the Resource Management Act 1991 to hear, consider and make recommendations on submissions and further submissions on Plan Change 2, including (without limitation) any powers necessary to address preliminary matters and/or conduct of the hearing;
- d. authorises the Chair of Horizons to sign the appointment order on behalf of the Council, inclusive of the following conditions of appointment:
 - i. The Hearing Panel must conduct the hearing in accordance with the most recent version of the "Making Good Decisions" Workbook, 4th edition including the "Chairs Supplement".
 - ii. The Hearing Panel can continue to hear and make decision if one of more of the commissioners is unable to continue with the hearing provided that there is at least one member of the panel able to hear the submitters.

3. FINANCIAL IMPACT

- 3.1. There is no impact on existing budgets as a result of this report.

4. COMMUNITY ENGAGEMENT

- 4.1. The Council has carried out community engagement on plan changes in alignment with the requirements of Schedule 1 of the **Resource Management Act 1991 (RMA)**. There has been engagement with iwi, stakeholder groups and the wider community around the difficulties in implementing the One Plan's nutrient management provisions and how we might resolve them.

5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. Resource management issues, particularly freshwater issues, attract public interest and there is a lack of consensus around solutions or approaches. A loss of public or ministerial confidence in Horizons' ability to make timely or appropriate decisions would have significant ramifications for Council.
- 5.2. The Council has continued to advance Plan Change work to progress towards resolution for our immediate nutrient management implementation issues, while being cognisant of the Government's broader reform proposals for freshwater and resource management.

6. BACKGROUND

- 6.1. The One Plan is the combined regional policy statement and regional plan for the Manawatu-Whanganui region, as required under the RMA. The One Plan is required to take into account any new regulation and national direction. All parts of the One Plan are required to be reviewed at least once in a ten-year period.
- 6.2. Earlier this year Council began the process of evolution of the One Plan to ensure that it maintains currency with Government policy, as well as accounts for progress in environmental management and policy. There were also some immediate issues that needed to be addressed in relation to the regulation of nutrient management for intensive farming operations arising from the declaration decisions of the Environment Court.
- 6.3. Plan change 2, which focused on addressing nutrient management issues for existing intensive land uses was notified on 22 July 2019. This plan change was prepared as an intermediate step to resolve nutrient management regulatory settings for existing intensive farming land users. The Minister for the Environment has continued to express a strong interest in the Council advancing this work, particularly the One Plan's workability issues highlighted by the declaratory proceedings.
- 6.4. The Council has a broad plan for review of the entire Horizons One Plan within the 10 year limit. In addition, there are a series of plan changes mapped out to respond to key issues; including nutrient management (plan change 2 & 3), implementation of national standards (plan change 4), and freshwater futures (plan changes 6 & 10). The latter is likely to change timeframes if the Essential Freshwater package of Government requires the 2023 and 2025 timeframes to be met. A diagram of this work is attached as **Annex A**.

7. APPOINTMENT OF COMMISSIONERS – PLAN CHANGE 2

- 7.1. Prior to notification of Plan Change 2, the Council agreed that it would appoint independent commissioners to hear the submissions on Plan Change 2, and that a range of suitably qualified individuals would be sought.
- 7.2. Council staff have worked through a long list of potential candidates for appointment drawn from a number of sources (policy leaders, senior staff, and consultants) and proposes candidates that collectively bring the skills, experience and technical expertise required for a complex plan change. Iwi in the region were also consulted and asked to put forward their views on whether they wished to identify a suitable candidate for appointment to the Hearing Panel.
- 7.3. The proposed constitution of the Hearing Panel is: Brent Cowie (chair), David McMahon and Elizabeth Burge. It is suggested that the proposed membership composition addresses the skill set required to hear this plan change (legal, science, iwi). As this is a highly technical and complex plan change the Commissioners, particularly the Chair, needs to have strong planning skills and the ability to interpret highly technical documents. Each of the candidates brings experience in hearing panel membership, and has a good understanding of fresh water issues. The proposed Chair also has familiarity with parts of the One Plan. A summary of experience of each member is attached as **Annex B**.

- 7.4. Hearing panel commissioners are appointed pursuant to section 34A of the RMA and are required to hear and determine all submissions and further submissions and prepare decision reports on the submissions.
- 7.5. Council will need to delegate all powers, functions and duties under the Resource Management Act 1991 necessary for the Hearing Panel to hear, consider and make recommendations on submissions and further submissions on Plan Change 2. This encompasses (inter alia) the power to consider and determine any preliminary and/or administrative matters and issue directions, including the power to convene parties, direct expert conferencing, and to seek and receive s42A reports and any technical evidence.
- 7.6. The Hearing Panel, once it has heard submissions, will prepare a report detailing their recommendations that will then be considered by Council.
- 7.7. Such delegations should be subject to the following conditions:
 - a. The Hearing Panel must conduct the hearing in accordance with the most recent version of the “Making Good Decisions” Workbook, 4th edition including the “Chairs Supplement”.
 - b. The Hearing Panel can continue to hear and make decision if one of more of the commissioners is unable to continue with the hearing provided that there is at least one member of the panel able to hear the submitters.

8. PLAN CHANGE UPDATES

Plan Change 2

- 8.1. The Plan Change 2 work programme continues to advance. Further submissions closed on 3 December 2019, completing the submissions part of the notification process.
- 8.2. A substantial amount of technical work is underway to support the plan change, including a specific focus on Horticulture. This includes engagement with HortNZ and their growers. HortNZ have indicated that they may use the technical work produced as an input into further modelling.
- 8.3. Resources have been increased to support the technical planning development necessary for this work. As this is a highly complex plan change, with a wide spectrum of views being expressed by submitters, all the issues will need to be carefully considered along with the decisions about what submission content is out of scope. These matters will also be worked through with the Panel in due course. Given the panel members’ availability, hearings are anticipated to occur during two weeks in April 2020.

Plan Change 3

- 8.4. Plan change 3 is looking to incorporate key changes resulting from the Essential Freshwater package (as they relate to nutrient management) and nutrient management issues relating to intensive land use conversions and rotations. A science programme has been designed to investigate the approach to limits, values and targets in the proposed National Policy Statement for Freshwater Management 2020, released as part of the Essential Freshwater package in September 2019. While there is not yet confirmation on how the 23 suggested attributes will be finalised, there is a large body of technical work that will need to be completed to support policy development and inform the Council of their policy choices and trade-offs.
- 8.5. A land use study is currently being commissioned to support the further work required on nutrient management, particularly where new intensification could occur, or where there could be coordination of land intensification in less sensitive catchments being coupled with de-intensification in target catchments.

Plan Change 4

- 8.6. Plan change 4 focuses on the implementation of the National Planning Standards (effectively standardising table of contents, chapters and definitions) and minor administrative fixes that have been identified since implementation.
- 8.7. Increased resourcing in the Policy Team over the first half of 2020 will enable this work to build pace, and work towards the original intended timeframe for notification of late 2020. This work excludes the development and implementation of the required electronic planning documents system, as this will need to be developed at regional and/or territorial local authority scale. The development of an e-plan is technically complex, and Environment Canterbury have shared with other Councils that they have encountered a number of technical issues in the implementation of their e-plan that have been expensive and time consuming to resolve.

9. FINANCIAL IMPACT

- 9.1. There is no impact on existing budgets as a result of this report.

10. RISKS AND MITIGATIONS

- 10.1. Council staff have identified a range of risks for Plan Change 2, including technical complexity, scope, uncertainty, resourcing and timing. These, along with their mitigations, have been previously discussed with Council and will continue to be managed.

11. SIGNIFICANCE

- 11.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Kate Proctor
RURAL ADVISOR

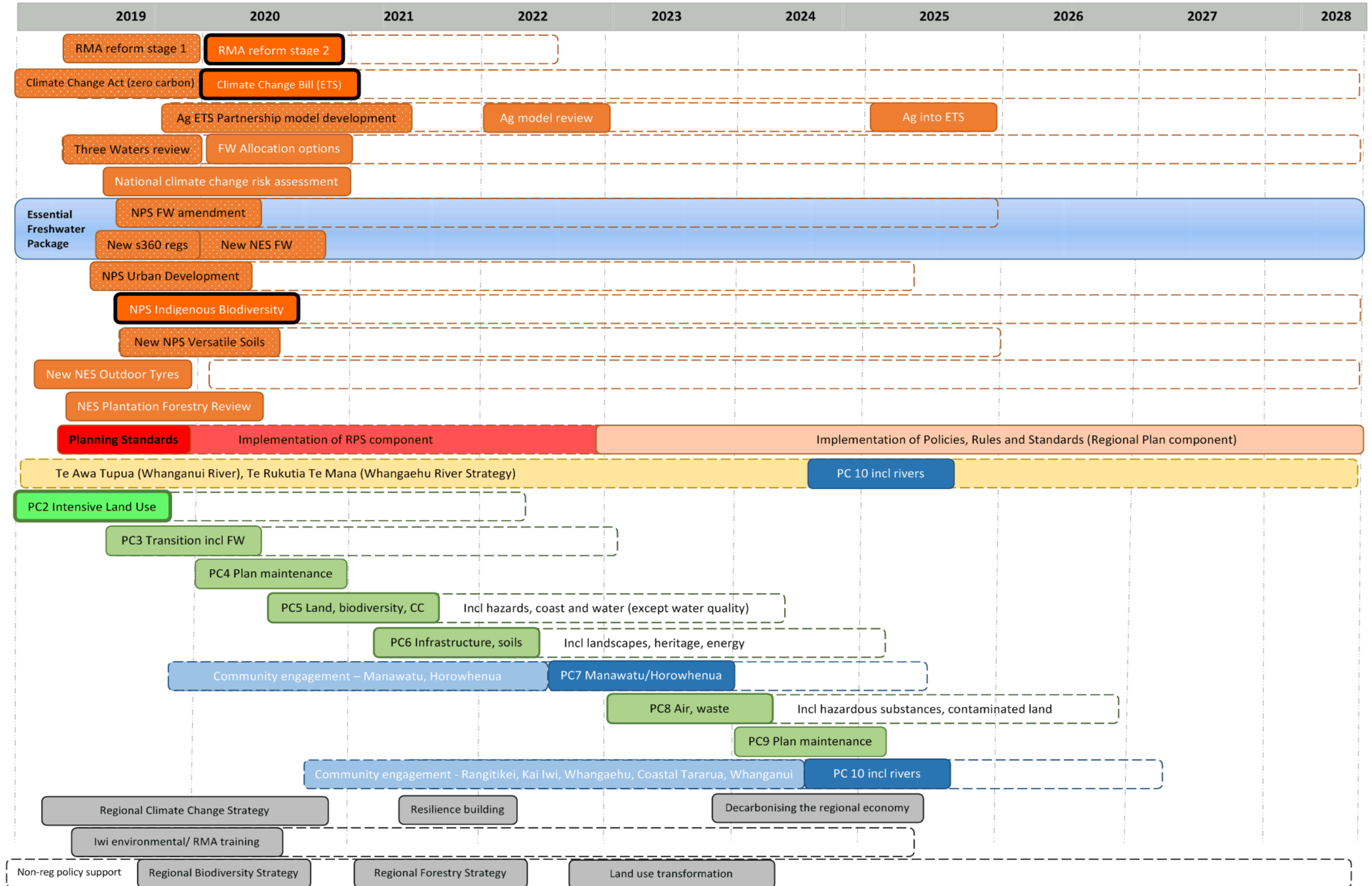
Rebecca Tayler
MANAGER, POLICY & STRATEGY

Nic Peet
GROUP MANAGER, STRATEGY & REGULATION

ANNEXES

- A One Plan evolution 10 year work plan
B Proposed Hearing Panel Members Biography

Environment Policy – 10 year outlook



Annex B – Proposed Hearing Panel Member Biographies

Brent Cowie Proposed Panel Member and Chair

Brent Cowie has 35 years' experience in environmental management and consultancy with key areas of focus being planning and science. He also brings experience in local government, having senior management experience in Councils.

His specialist areas include: acting as a hearing commissioner, chairing hearing committees and decision writing, preparation of resource consent applications and evidence for hearings. He has particular expertise in water resource management, investigation and reporting, and is an experienced project manager. Mr Cowie currently holds appointment from Horizons as a panel member for the consent hearing into the Levin Wastewater disposal (Levin POT), which is scheduled to be heard prior to Plan Change 2.

David McMahon Proposed Panel Member

David McMahon has 34 years' experience in resource planning, and is a Wellington based planning practitioner. He brings experience of having worked in central government, and in private sector consultancy work, and currently operates a Resource Management consultancy business representing clients in both the public and private sectors.

He has a wide range of commissioner experience, having been a sole Commissioner, and also been on Panels. His areas of expertise have included District and Regional Plans/changes, designations, and resource consents. He has also been a member of four Government-appointed Boards of Inquiry since 2010.

Elizabeth (Liz) Burge Proposed Panel Member

Elizabeth has 15 years' experience in resource management planning, including local industry resource management roles. She has broad experience in the planning and implementation phases of resource management and development planning, and currently works for a resource management consultancy that also does surveying and land development.

She is an experienced hearing commissioner, having recently been included on the Panel for Greater Wellington Regional Council, and brings specialist skills in terms of planning and Iwi engagement.

Report No.	19-194
Decision Required	

STRATEGIC GOVERNANCE: OPPORTUNITIES FOR THE TRIENNIUM

1. PURPOSE

- 1.1. This report sets out an approach to strategic governance for the triennium, including identification of strategic challenges, the likely influences on the policy programme over the three-year term and potential direction setting for the next Long-Term Plan for the 2021-2024 period.

2. EXECUTIVE SUMMARY

- 2.1. The Council has a range of decisions it needs to make as part of its statutory responsibilities in the triennium. These include a refresh of the triennial agreement, the development of a new **Long-Term Plan (LTP)** for the 2021-2024 period. These decisions impact on asset and activity planning, resourcing, and community engagement and wellbeing.
- 2.2. These decisions are an opportunity for the Council to focus the energy and direction of Council on areas they have determined are strategic priorities for the triennium. As a first step to defining the strategic priorities three strategic challenges for consideration (climate change, fresh water, information management) have been proposed and are likely to endure throughout the period, and any potential changes to central Government.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 19-194 and Annexes.
- b. note that the three strategic challenges proposed for Council to consider are:
 - i. Climate Change
 - ii. Fresh Water
 - iii. Information Management
- c. agree that the strategic challenges decided by Council will be included in the first instance in a strengthened triennial agreement with Territorial Authorities and their Mayors; providing greater direction of the key priorities and focus of the Council.

4. FINANCIAL IMPACT

- 4.1. There is no financial impact on existing budgets as a direct result of this report.

5. COMMUNITY ENGAGEMENT

- 5.1. As the Council works through the LTP process for the 2021-2024 period there will be a number of opportunities for the community to engage with work that may flow on from this report. No community engagement was conducted in preparing this report.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. There is no significant business risk associated with the contents of this report.

7. BACKGROUND

- 7.1. The Council is beginning the journey of an 18-month period of development towards a new long-term plan. With the reintroduction of the four wellbeings (social, cultural, environmental and economic) into the **Local Government Act (LGA)**, there is an opportunity to reflect on the challenges of the previous triennium of Council, to identify the strategic challenges of the new triennium that may shape the policy agenda for the Council and build the foundational areas of focus for the development of the next LTP (2021-24).
- 7.2. There are also a set of key strategic decisions that the Council may choose to make in its approach to the LTP, such as the development and integration of key documents (including the triennial agreement with territorial authorities), including long-standing agreements, assets and plans; the desired level of engagement within the region on community outcomes and iterative or step-change movements in Council activities and levels of service.
- 7.3. A short brief on the political and regional landscape is included in **Annex A**, which is a precursor step to a robust environmental scan for the region in preparation for the next LTP. In summary, the brief highlights the substantial legislative agenda being advanced by the current Government (particularly in environmental policy), notable trends towards greater use of Commissions that have enduring functions and powers at arm's length from Government, e.g. Independent Climate Change Commission, reform of public sector leadership and cohesion, and the shift away from the former Business Growth Agenda (that was integrated across the public sector) to the Wellbeing framework.
- 7.4. Regionally, there is significant growth, with Manawatū-Whanganui ranking 2nd in economic growth across New Zealand. This growth this comes on the back of infrastructure projects (including Te Ahu a Turanga), strong sheep and beef commodity prices and a surge in house prices. The uplift in prices is likely to shortly be reflected in revised valuations and rating calculations; with affordability for first homebuyers, superannuitants and renters becoming a real issue to be faced by the region.
- 7.5. Regional councils play a critical role in providing regional services (including environmental management) and undertake a range of statutory responsibilities. The statutory and operational service-driven responsibilities have tended tend to drive our policy work programme within Council. An evaluation of the policy priorities of the previous triennium have highlighted that some issues are enduring (such as climate change and strengthening Iwi relationships). An evaluation of the six key policy issues identified during the 2016-19 period is attached at **Annex B**.
- 7.6. Over the last six months Council staff from across the organisation have worked together to identify a set of strategic challenges that they believe will endure throughout the triennium. Development of this work has been influenced by political theory around public sector models and consideration of ensuring enduring public value, legitimacy of local government functions, and capability and capacity to deliver for the public. A description of these identified strategic challenges and their influence on systems is provided below.

8. STRATEGIC CHALLENGES FACING COUNCIL

Framework for determining the strategic challenges

- 8.1. There is always debate about how organisations should prioritise their areas of focus. For the Council, identifying the key priorities early in the term assists to align the organisation towards making good progress on these issues over the triennium. In order to determine

the vital few, five criteria were identified, as set out below. This resulted in three strategic challenges being identified for Council to consider.

- 8.2. The framework defines the following five criteria, that the strategic challenges are:
- i) are a reflection of our statutory functions, but not driven by our statutory functions per se;
 - ii) reflect society's general expectations and our local communities in the region in particular;
 - iii) have the potential to have a marked influence on our 50 year financial strategy and 30 year infrastructure strategy;
 - iv) could influence the majority of council business units, including policy and operational functions over time;
 - v) cannot be wholly solved by the Council alone, yet:
 - (a) the Council holds a key role in ensuring progress toward outcomes on these challenges can be made (i.e. Council has to be involved in some way in order for tangible progress to occur); and
 - (b) Council involvement is likely to enhance community wellbeing overall if the strategic challenges are appropriately determined.
- 8.3. In assessing issues against the criteria, three strategic challenges were identified; these being freshwater, climate change and information management. Cross-cutting themes of community wellbeing, stakeholder engagement (particularly strengthening relationships with iwi) and regional growth are inherent in the strategic challenges identified.

Fresh water

- 8.4. The health of our rivers and lakes is strongly linked to many New Zealanders' values and sense of wellbeing. From secure drinking water, to healthy ecosystems and swimmable rivers, freshwater management is a well-recognised issue nationally, and a topic of much discussion and debate.
- 8.5. The Government recently announced its intent to halt degradation of freshwater bodies and provide long-term direction, within the next five years. Their proposals, delivered within the Essential Fresh Water package, acknowledge that everyone has a part to play and envisages close involvement of communities in regional planning. This reflects public expectations, both in terms of environmental improvement and responsiveness to popular opinion.
- 8.6. Councils, including Horizons, have been focused on freshwater management for a decade, with mixed results. There has been criticism that progress to improve freshwater quality is too slow; however, the complexity of the issues and the timeframes within which the Government — and the public — expect tangible progress presents a significant challenge for councils. All aspects of water management are under review — from resource management to drinking water, wastewater treatment and stormwater management (the three waters review).
- 8.7. Over the past two years, we have been working toward a catchment-based approach to fresh water management, with the first of the catchments (Manawatū) going through the process of finalising co-governance arrangements. This work aims to provide the common vision and commitment to action by and for communities within each catchment that can identify and resource actions that make a tangible improvement to water quality, rather than an overriding focus on regulation and Government-directed responsibilities.
- 8.8. Within this term of Council, we will have to have to make difficult decisions about which aspects of our fresh water work programme should be prioritised. If we fail to do so, the

freshwater work programme may overwhelm our organisation's capacity to advance any further water quality improvements in our region. There are also likely to be some hard decisions confronting councils about how to define suitable activities and land use in the face of continued water quality degradation in some catchments. The Council will need to resolve how we can ensure timely decisions while enabling community and iwi involvement; and find balance when reconciling national and regional consistency with local conditions; and encouraging tangible environmental improvement while ensuring fairness and appropriate apportionment of transition costs.

Climate change

- 8.9. Ensuring our region remains a great place for future generations to live, work and play demands that we plan for a changing climate. Communities across New Zealand are looking to local government to take a stronger lead. We have, to date, lacked a strategy that expresses a vision for the future, shows how far existing initiatives get us and identifies additional work required to fill the gaps.
- 8.10. However, existing council activities are contributing to our response to climate change by building community resilience and changing behaviour to reduce emissions that affect global warming. Trees planted for erosion control also absorb carbon dioxide and improve resilience to intense storm events. Freshwater planning and flood-protection design take the likely effects of climate change into account.
- 8.11. It is critically important to engage all members of our regional community to think about their contribution to climate change activities – whether they are urban-based or rural. This includes our choices of transport, reducing food waste and general waste, utilising local suppliers and a much stronger understanding of the interconnectedness of the activities we do on land that affect our waterways, biodiversity and biosecurity, and natural ecosystems. This means greater action than simply educating people, but incentivising change through a range of regulatory and non-regulatory measures and incentives.
- 8.12. For the Council to be effective, our response to climate change needs to be integrated into (not separate from) our day-to-day decisions and practices. To do this we will need to also ask our communities about their views on the relative priorities and ensure we have sufficient resources to undertake the work needed across the organisation to fulfil community expectations. We will also need to coordinate our actions with those of the territorial authorities in the region. This is likely to require strong governance leadership to ensure better long-term outcomes on climate change for local communities.

Information Management

- 8.13. Robust, relevant and timely information is the foundation upon which our operational programmes are built and allows us to use evidence to inform our decisions on how to respond to environmental change.
- 8.14. Increasingly, members of the public expect evidence to be open to scrutiny and available for reuse. To deliver on these expectations, we must be able to bring many datasets together dynamically, in real time, across organisations and drawing from multiple repositories. Data also needs to be available in a form where it can be reinterpreted in ways that may not have been envisaged when the data was collected
- 8.15. In order to achieve real progress on environmental issues in the region, there may need to be a fundamental economic shift within the region from commodity production and manufacturing to high value digital services. This shift has already occurred in a number of sectors, for example traditional news outlets (television, newspapers) are struggling to compete with social media; which offers real time, local and targeted news. The “gig economy” appears to be here to stay, with traditional passenger transport services (buses,

taxis) being displaced by ride hailing services and networked microtripping (e. g rentable e-scooters) and accommodation providers competing with home rental platforms.

- 8.16. Preparing well for these types of challenges and to participate effectively in the digital economy as part of local government, and to deliver effective public services would require a transformation in the traditional way the Council have been approaching management of data. We can also only deliver if we have the right capability in place.
- 8.17. New tools and technology offer exciting opportunities; harnessing them will require capital investment and investment in changing corporate systems and practices. Talent, relationships and business systems all require long-term investment that may not correspond directly to immediate priorities. Adopting the necessary culture to effectively manage data and information and support innovation, is critical to our success as an organisation over the long term.

9. COMMENT

- 9.1. Council has the opportunity to define the strategic challenges that could form the foundation for community outcomes in the next iteration of the LTP. These community outcomes now need to show a clear link to the recently reintroduced wellbeings in the LGA. If this approach to strategic governance is agreed, then this provides the Council with sufficient time to align its work organisationally to develop a robust policy programme and organisational activities that provide a more cohesive picture in the LTP and provide space for governance leadership and organisational innovation.
- 9.2. What this would mean in practice, is that Council staff could prioritise and resource effectively. For example, if Council was to define climate change as a strategic challenge, then policy effort would be directed towards ensuring we look to influence central Government policy related to climate change (for example, the current consultation on the Emissions Trading Bill currently before Select Committee), including building preparedness in data, information and science to implement the Climate Change (Zero Carbon) Amendment Act. Similarly, the planting programmes that utilise targeted Council funding could focus on carbon sequestration effectiveness and overall contribution to reducing emissions.
- 9.3. The Chief Executive has already identified the need for Council to have ongoing strategic conversations and all elected members have signalled their readiness to engage at this level. The journey towards developing the next iteration of the LTP will be strongly aided by this work.

10. CONSULTATION

- 10.1. Discussions were held among Horizons staff and with colleagues in other regions in the preparation of this report.

11. NEXT STEPS

- 11.1. The next three years present an opportunity to refocus the contribution we make to the wellbeing of local communities across the region, and the next 18 months provides Council with a meaningful opportunity to do this through the LTP. It is not without risk and may require greater resourcing than is available at present. It will also be influenced by the pace and scale of the Government's reform programme.
- 11.2. Staff are proposing to support Council to engage on the strategic matters through a series of structured discussions, supported by information to build situational awareness (for example, of Government's environmental policy, local government-specific and broader reform agenda) and development of the regions approach to wellbeings in the next LTP

over the coming year. Over time, we anticipate this would develop into the priorities for the policy and operational work programmes to be delivered on behalf of Council.

12. SIGNIFICANCE

- 12.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

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ANNEXES

- A Situational Analysis in brief
- B Evaluation of key policy issues

Annex A – Situational Analysis: Political and Regional Context

Trends and influences

In the first half of their term the Government focussed attention and allocated resources to areas of under-investment or under-performance. Some were pre-determined within the coalition agreement, but they have also supported matters important to their traditional support base, such as those promoted by trade unions, where wage growth is at a ten year high. Government has made strong use of expert panels, commissions and committees to inform direction and policy in multiple areas of their work – particularly on social, health, and environmental issues.

In this, the second half of the government's 3-year term, we are now facing a stream of policy changes as they drive to achieve outcomes. The pace and scale of reform is at the expense of clarity or completeness of policy, with little deviation from their plotted course, unless political pressure has been applied (for example, capital gains tax).

The return of the wellbeings in the Local Government Act is a nod to the leadership role that government expects councils to take in promoting the social, economic, environmental and cultural wellbeing of their people and communities. It also characterises the shift from the previous administration's business growth agenda to enhancing community wellbeing, which is now legislated for in both central and local government functions.

The government have also taken a risk adverse, hands on approach to matters where they believe that councils have failed to act. This is the case with drinking water, where a Crown Agent will become the regulator, to focus on compliance, monitoring and enforcement. The cost to deliver the role and services will be carried by the Crown, but with mechanisms to recover costs through fees and charges. At present Regional Councils will retain their current regulatory functions and are likely to receive a number of additional functions as reforms are progressively implemented, but associated resourcing is unlikely to follow. There is acknowledgement that a relationship reset needs to occur between central and local government, with local government needing to be valued in their own right, rather than being treated as a delivery arm of the Crown.

Collective leadership and collaboration

The government is moving to make significant and long-term changes within the Public Service to improve internal culture, collaboration, and leadership. The proposal is the formation of a Chief Executive-level Public Service Leadership Team, led by the Public Service Commissioner, to drive the shift towards the desired outcomes. Provision in the bill has also been made for interdepartmental executive boards that deliver joined-up approaches, support agile service delivery and enable joint management of assets and staff expertise.

There is also work to improve how government agencies organise themselves in the regions with boundaries based on communities of interest, reflecting territorial or regional (for environmental matters) authority boundaries. The step change required in the leadership may be quite challenging to achieve in the short term, and councils may have to rethink their relationships. However, councils may have an indirect influence on central government executive leadership style and thinking.

Economic wellbeing

The Productivity Commission proposed in their draft report on Local Government Funding and Financing that central government should more effectively fund the implementation of their legislative programmes. Their draft report suggested that the New Zealand Transport Agency co-funding model be extended to support resilience of roading infrastructure to climate impacts, and that an agency should be created for three-waters infrastructure. They also commented positively on an alternative method of funding fast growth projects, where the cost is borne by property owners over a long-term period. Alongside the recent assertion by key Ministers that regional

councils need to be getting on with it, there are a number of mixed messages, and as yet, no clear pattern regarding funding.

The region is ranked 2nd for economic growth; this comes on the back of infrastructure projects (including Te Ahu a Turanga), strong sheep and beef commodity prices and a surge in house prices. Recently, an independent economist commented that in these times of low interest rates and slow private industry activity that councils should be spending or borrowing to stabilise or develop their regions. However, there will be a continuing need for Councils to work closely together, as they will inevitably face similar challenges in terms of balancing the reform agenda from Government with the economic realities of their communities.

The recent surge in house prices throughout the region has extended the affordability divide, increasing the difficulty for first homebuyers, and pressure on rental accommodation (although as a region it is below the national average -\$299 versus \$428 per week) with rents having markedly increased. The increased asset wealth of the baby boomer population is likely to be tempered by an increase in rates; at a time when many will be close to, or are already superannuants. When compared nationally, the region is at the lower end of the scale for median income levels for those over 65. This generational cohort are strong at expressing themselves and may express a reaction to a significant upwards movement in rates.

Social Wellbeing

After a previous decline in population, the region grew by 13.8% between 2013 – 2018 and future growth is expected to be modest while most other regions show strong upwards trends. However, the 25 – 64 year old age group has shrunk by 2%. Māori are the second largest ethnic grouping; accounting for just over 20% of the total population.

In the median future, we are likely to experience significant changes to the commercial business district in most of our cities and towns as the fate of earthquake prone buildings are determined by their owners. The number of vacant buildings, including heritage, may grow as owners choose to walk away, rather than make the capital investment required to strengthen (effectively leading to demolition by neglect). Faced with shrinking choices for shopping and entertainment, those who can afford to move to larger centres may choose to do so. District councils will need to look hard at how to manage buildings, aging infrastructure, including wastewater treatment plants, the effects of climate change, and an aging population. All of these factors will increase the social pressure within rural communities.

Kāinga Ora, is the new Crown entity that combines the functions of the Housing Corporation and is also charged with addressing housing supply and issues of homelessness. This latter function is intended to be managed through working in partnership with communities, stakeholders and providers to enable, facilitate, and deliver housing and urban development projects. Time will tell as to whether they will actively seek councils as partners to assist in improving the current housing shortage, via development or social housing.

Environmental Wellbeing

A Climate Change Commission will be established to provide independent, expert advice on adapting to the effects of climate change and mitigating climate change, including reducing greenhouse gases emissions. The Government must establish a system of a series of emissions budgets, to act as stepping stones towards the long-term target. Emissions budgets must be met, as far as possible, through domestic emissions reductions. Currently councils are not tasked directly. However, judging by the questions that the Minister or Commission can direct at councils, there is an expectation that councils will have started planning for, and measuring the effects of climate change.

The New Zealand Emissions Trading Scheme (ETS) will be amended to support meeting the expected emission budgets. The amendments are intended to provide certainty, flexibility and

incentives to participants in the ETS. With very limited options for offsetting, the push to plant trees is likely to continue. Regardless of the governing party, significant forestry initiatives will likely continue in one form or another.

In recent times, we have seen a few sheep and beef farms in the region being purchased for carbon farming. This will assist with emissions reduction targets, and probably water quality in those particular areas. However, the district councils and farmers are concerned about the future of their rural communities.

Government has set, and is proposing policies that will require a burgeoning work force, particularly in the Freshwater space, to administrate, develop plans, monitor and enforce. A skilled labour force, including Mātauranga Māori specialists, and increased legal requirements and will create pressure to secure, and train the required internal capacity. Even if some of the activities are conducted by private companies, or by central government moving to the regions, all will face challenges to attract and retain their workforce.

Cultural Wellbeing

A vibrant Taniwhā economy, as witnessed in other areas of Aotearoa, off the back of strong settlements, or economic opportunities, has yet to emerge in this region. Seven iwi and Te Awa Tupua claim have settled, with the first iwi, Ngaa Rauru Kiiitahi, completing theirs in 2005. There has been a steady trickle since, with circa 2030 looming as a realistic timeframe for settling all claims in the region. Iwi that received smaller financial and commercial redress will always struggle to generate significant returns for their people and we may see a number of them grouping together for economic benefit.

Te Awa Tupua and the Ngāti Rangī settlement contain co-governance structures for their respective awa. Both settlements will require significant people and financial resources, from all parties in order for them to succeed. Although they received an initial injection of Crown funds, experience has demonstrated that these processes are costly, and therefore these funds are likely to be used quickly, with funding then needing to be sought from Councils.

The retention of larger Māori land blocks appears to be primarily in the Ruapehu and Rangitīkei districts with smaller holdings elsewhere. There is a wide range of stewardship over lands; from large successful incorporations such as Te Tiroa E & Te Hape B and Te Ātīhau, land locked parcels, individuals farming their blocks, and others who are simply leasing out their blocks. There are a range of Government initiatives that are attempting to assist Māori land-owners generate increased production and, or returns from their land, with some councils also adding capacity into this area. This includes attempting to resolve long-standing issues around land-locked land, which is of particular interest and importance in some districts within the region.

ANNEX B – Evaluation of key policy issues identified for the 2016-2019 term

For the 2016-2019 period, six key policy issues were identified as likely to shape the triennium. Three of these issues related to the implementation of legislative or regulatory changes, and three were strategic issues. Set out below is an evaluation of what we have learned that can inform Council as it looks towards shaping its strategic agenda for the new triennium and a high level summary of each of the six issues, and their related progress over the period.

Evaluation of the key policy issues of the 2016-2019 period demonstrated some continuing trends, but also highlighted the new policy work undertaken in areas we hadn't anticipated. It appears that the focus on environmental policy – particularly the focus on the RMA (including further NPS and NES instruments) and Climate Change will continue; as will the strengthening and maturing of relationships with iwi.

The Council was well positioned in the last triennium to assist the region to take advantage of the upswing in focus towards regional development through the strong relationships built across the region with territorial authorities, industry (including sector groups) and Government agencies. Similarly, the track record of our operational teams supported our ability to capitalise on the forestry planting programmes announced approximately halfway through the triennium. However, forestry development is of increasing concern to parts of the rural community, and there may need to be a strategic approach across the region to planting.

The new significant policy work area in the 2016-2019 triennium was as a result of the declaratory proceedings in 2017 on Council's nutrient management framework under the One Plan. Overall, the Horizons Long-Term Plan continued to deliver consistently for business activities.

Currently, the most significant driver of policy work is the change of Government, and their ambitious programme of reform – particularly in environmental policy. The Government now has a markedly different approach to costs (for example, to ratepayers) and growing expectations of what local government will deliver for its communities on behalf of the nation.

The 'wellbeings' focus of the Government (including the Treasury's Living Standards Framework) is yet to fully establish itself in policy and practice, and is likely to significantly impact on the relationships between central and local government. However, the recent change to the Local Government Act to reintroduce wellbeings will influence the direction and expectations of the next iteration of LTPs. Wellbeings have also been recently embedded in the Public Finance Act, which will also influence Government agencies approaches to policy.

1. Resource Legislation Amendment Bill

- 1.1. The overarching purpose of the Resource Legislation Amendment Bill (RLAB) was to create a resource management system that achieved the sustainable management of natural and physical resources in an efficient and equitable way. The RLAB contained 40 Amendments, which promulgated consequential amendments to five different acts: Resource Management Act 1991 (RMA), Conservation Act 1986, Reserves Act 1977, Public Works Act 1981, and the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2013.
- 1.2. Horizons provided a submission on the Bill, supporting some of the proposed elements where they improved efficacy. The bill was passed into law on 18 April 2017 and became incorporated into the resource management system.
- 1.3. The new Resource Management Act Amendment Bill (2019) is currently before Select Committee, and the bill aims to repeal many of the changes made in the RLAB, including restoring public participation rights, and removing special powers relating to urban

development. The Bill also seeks to remove the collaborative planning process established by the RLAB (which has not been known to be used by any Council to date).

2. Better Local Services Bill - Local Government Act 2002 Amendment Bill (No 2)

- 2.1. The purpose of the **Better Local Services Bill** was to implement a set of reforms to enable improved service delivery and infrastructure provision arrangements at the local government level, and was intended to enable local government to deliver services and infrastructure through collaboration and innovation.
- 2.2. However, there was significant opposition to the Better Local Services Bill from various stakeholders as many argued that it focused on the lack of engagement within the sector during the policy development phase of the proposed legislation. This led to LGNZ strongly putting forward a member-backed view that the Better Local Services Bill would have had a significant impact on local democracy.
- 2.3. This included reductions right across participatory democracy, including community consultation, requirements for community support, and decreasing overall engagement. It would also have reduced the local decision-making of councils, and their involvement in reorganisation investigations. The Better Local Services Bill passed its second reading in June 2017, but has since been effectively shelved and is unlikely to progress given the change of Government in late 2017.

3. National Policy Statements and National Environmental Standards

- 3.1. The Government signalled a strong interest in better utilising instruments of national direction - namely **National Policy Statements (NPS)** and **National Environmental Standards (NES)** - that were available to them under the RMA. The Government also notified Councils of its intent to create a template plan that would apply to regional councils, territorial authorities and unitary authorities, and that this would be developed in the form of **National Planning Standards**.
- 3.2. In September 2017 the Ministry for the Environment published a list of priorities in relation to National Policy Statements and National Environmental Standards, updating an earlier list it had published in August 2015, and clearly setting out that government were actively pursuing a number of NES and NPS instruments.
- 3.3. The key NPS and NES focus areas identified by Horizons were the proposals to update the **National Policy Statement for Freshwater Management (NPSFM)**, which was further changed in 2017 (having been first published in 2011, and further amended in 2014), and the **National Environmental Standard for Plantation Forestry (NESPF)**, which came into force on 1 May 2018.
- 3.4. In August 2017, a report on NPSFM implementation was published by the Ministry for the Environment. Horizons was an early leader in implementation of the NPSFM, having already adopted objectives and identified values for freshwater in the One Plan and broadly in alignment with the National Objectives Framework. On 18 December 2018 a proposed Implementation plan was considered by Council, and it was agreed that a catchment-by-catchment approach (*Our Freshwater Future*) would be taken to freshwater management, with Manawatū being the first catchment focus.
- 3.5. The Ministry for Primary Industries led the nationwide introduction of the NESPF in 2018. The NESPF was originally initiated by forestry companies to address how different local authorities regulate manage production forestry. On 28 August 2018 minor amendments were made to the Horizons One Plan to accommodate the new management standards for forestry under the NESPF. Horizons had held some concerns that the NESPF would result

in more consent applications, especially for activities such as earthworks and quarrying, and more work to monitor forestry operations compliance for already resource-pressured team.

4. Iwi Relations

- 4.1. Horizons has been working with a number of iwi and hapū on the development and implementation of agreed projects through the Memorandum of Partnership, joint environmental enhancement activities and Treaty Settlement processes. Willing engagement from iwi in these areas have indicated a maturing of our relationships with iwi and hapū, and shared aspirations, through the region.
- 4.2. Significant progress has been made in relation to Treaty settlement processes for several iwi or large natural groupings within the region. This includes the passing of settlement legislation for Ngāti Rangitāne o Manawatū, Rangitāne o Wairarapa, Tamaki Nui ā Rua, Ngāti Tūwharetoa (Land settlement), and the significant river legislation relating to Te Iwi o Whanganui (River Claim), and included in the settlement of Ngāti Rangi (Te Waiū o Te Ika, the Whangaehu River Strategy).

5. Climate Change

- 5.1. In 2016 Council was presented with a report that identified that climate change will have a significant impact across many of Horizons' activities and on many of our communities over the course of this century. Due to its gradual and global nature it is an issue that crosses borders and levels of governments. Central Government and local authorities are working on a range of strategies to determine how to manage the issues related to climate change.
- 5.2. The Horizons 2019 State of the Environment Report included commentary on the need to respond to climate change, and signalled how it was being factored in to operational issues for land and river management, including erosion and flood control planning. The new Government developed a strong position on climate change action, and formed the interim Climate Change Commission.
- 5.3. During the triennium the Government released a series of discussion documents and proposals on climate change, and developed the Climate Change Response (Zero Carbon) Amendment Bill. Horizons submitted on this Bill to the Select Committee. The key points of the submission were that: there would be challenges for the region in meeting some proposed emission targets; the Bill required further policy development, and did not align well with other responsibilities the Council holds under related legislation (such as the RMA). The Bill was reported back from Select Committee in late October 2019 with few substantive changes from the original bill, and passed its third reading on 7 November 2019.

6. Regional Development

- 6.1. Horizons Regional Council and territorial authorities developed a Regional Growth Strategy informed by the Manawatu-Whanganui Regional Growth Study which had identified a number of opportunities that could help realise economy prosperity in the Region. Accelerate25 facilitates regional leadership and alignment of plans and initiatives developed by businesses, organisations and iwi, and engagement with local and central government on priority policy and funding areas to drive growth and create a more prosperous Manawatū-Whanganui Region by 2025.

- 6.2. Te Pae Tawhiti sets out an inter-generational strategy for the Māori economic development in the Manawatū-Whanganui for the next 24 years (2016 – 2040). Its initial purpose of this was to enable financial support for Māori to pursue economic development as a collective across the region.
- 6.3. With the advent of the Government Provincial Growth Fund, Accelerate25 provided an effective mechanism during the triennium to direct funding and increase alignment across priority areas. The region has received Provincial Growth Fund support towards a broad range of initiatives within its boundaries, including a Regional Freight Hub in Palmerston North, improved digital connectivity for the region, an Advanced Aviation Hub and port redevelopment in Whanganui, and further investment in tourism in Ruapehu.

Report No.	19-195
Information Only - No Decision Required	

DRINKING WATER

1. PURPOSE

- 1.1. To provide Council with a progress report on drinking-water research undertaken to date as a part of Horizons new drinking water research programme introduced through the Long-term Plan, and outline the next steps for this regional programme.

2. EXECUTIVE SUMMARY

- 2.1. The need for collaboration between agencies involved with drinking-water management was a key finding of the Havelock North Inquiry. Since 2017, following the outbreak of campylobacter in the Havelock North drinking-water supply, Horizons Regional Council has been working in collaboration with city and district councils and the region's Health Boards to improve drinking-water management in the region.
- 2.2. This report provides an update on progress to Council. It includes background information around the management of public drinking-water supplies, reports on progress to date (both regionally and nationally), and outlines the next steps and recommendations for the work programme.
- 2.3. Work completed to date has included an initial stocktake and prioritisation of drinking-water supplies, completed in 2017. An update of this report was recently completed (currently in draft undergoing review) based on work undertaken during 2017-18. A comparison between these reports shows a reduction in the number of high priority water sources where urgent action was required, and an increase in lower priority water sources. This reflects work undertaken by the Councils during the 2017-18 year to address identified issues and improve monitoring and reporting.
- 2.4. The work programme for 2018-19 was expanded through a joint funding model by the Regional, District and City councils. The programme included delineation of drinking-water source protection zones for council-operated drinking-water supplies providing water to more than 500 people and bore-head security inspections of groundwater supplies. Individual reports summarising the findings were compiled for each city/district. Each report contains a summary of recommendations to address identified risks to water source protection areas. While a summary of common recommendations has been provided in this Council report, we recommend reviewing the individual reports for full details.
- 2.5. During 2019-20 we intend to focus on implementing a number of recommended actions to address identified risks to water source areas; and delineating source protection zones for non-council operated supplies providing drinking-water to more than 500 people and any remaining council-operated supplies (i.e. those providing drinking-water to less than 500 people). Work is also underway at Totara Reserve water supply, operated by Horizons Regional Council, with staff investigating options for treatment of this water supply.
- 2.6. A number of council reports have been completed to date (including this Strategy and Policy Committee report), with an annual progress report scheduled for later in the reporting year (June 2020). Links to these reports are provided for the reader.
- 2.7. Nationally, the previous [Water Information New Zealand 'WINZ'](#) database has been replaced by the new 'Drinking-Water Online' website. Proposed upgrades to the website include the introduction of geospatial maps and integrated reporting dashboards, and improved functionality (data integration) and reporting. A new public-facing website

‘Drinking-water Aotearoa’ is also proposed to provide the public with information about drinking-water management, receive information about compliance of supplies with the **Drinking Water Standards for New Zealand (DWSNZ)** and Health Act, and allow users to find out about their drinking-water supply based on their address.

- 2.8. Government recently agreed to establish a new drinking-water regulator as an independent Crown entity, who will also contribute to fresh water outcomes by providing central oversight and guidance for the sector’s wastewater and stormwater regulatory functions. Associated legislation will be introduced to Parliament in the coming months and is expected to be passed in 2020.
- 2.9. Irrespective of the timeframes and intent of central government, our recommendation is for agencies involved in drinking-water management in our region to establish a co-operative management system to help ensure that the high levels of care and diligence necessary to protect public health are in place.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 19-195.

4. FINANCIAL IMPACT

- 4.1. There are no current financial impacts associated with this item. This report reflects previously endorsed budgets approved as part of Council’s annual planning and long term planning processes, and identified work programmes delivered as part of the Science Operational Plan.
- 4.2. It is noted that the **Territorial Authorities (TA’s)** have contributed co-funding and time in-kind to this work programme, which has increased the scale and scope of work completed to date.

5. COMMUNITY ENGAGEMENT

- 5.1. This is a public item. Information around the regional drinking-water research programme was made available to the public as part of Horizons State of Environment report, released in May 2019.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. No significant business risk has been identified.

7. BACKGROUND

Roles and Responsibilities

- 7.1. There are a number of different organisations with responsibilities for managing and monitoring potable drinking-water in New Zealand, including regional councils, district councils, and regional public health boards. The over-arching aim of the regional drinking-water work programme is to ensure these legislative requirements are met, and that the relevant organisations are working together proactively to improve drinking-water supply management in the Horizons Region.
- 7.2. Regional councils have responsibilities pertaining to water quality under both the **Resource Management Act (RMA)** and regulations set out in the **National Environmental Standard for Sources of Human Drinking Water (NES)**. With respect to

water quality under the RMA, regional councils are responsible for the use of land for the purposes of maintaining and enhancing the water quality of water in water bodies; and the discharge of contaminants into or onto land, air or water, and discharges of water into water. Drinking-water suppliers require a resource consent from the regional council to take water and as part of the determination of that consent, the regional council must have regard to the relevant provisions of the NES.

- 7.3. The functions of TA's (District and City Councils) are narrower than those of Horizons', however they are responsible for creating and implementing district plans, which must not be inconsistent with regional plans. TA's also have responsibilities as consent holders for water take consents and must comply with the conditions of those consents. As drinking-water suppliers, TA's are required to manage and monitor drinking-water supplies to ensure the supply complies with the **Drinking-water Standards for New Zealand (DWSNZ)**, take reasonable steps to protect both the source of this supply from contamination and the supply system from pollution, and prepare and implement a **Water Safety Plan (WSP)**.
- 7.4. Under the Health Act, **drinking-water assessors (DWA's)** have primary responsibility for monitoring and enforcing compliance of drinking-water suppliers with the Health Act, DWSNZ, and water safety plans.

8. DISCUSSION

Stocktake and prioritisation of drinking-water supplies 2017 and 2018

- 8.1. An initial stocktake of public water supplies (and their sources) in the Horizons Region, and assessment of risk was completed in December 2017 by independent consultancy **Pattle Delamore Partners (PDP)**, funded by Horizons, with in-kind support from MidCentral Health and Territorial Authorities.
- 8.2. Information was initially based on the 2016-17 compliance reports, and was recently updated to incorporate 2017-18 compliance information.
- 8.3. Water supplies and sources are ranked from high (Priority 1) to low (Priority 3) based on the following information: *E. coli* or protozoa detection or breach of any **maximum acceptable value (MAV)** set in the **Drinking-Water Standards New Zealand (DWSNZ)**; the treatment systems in place or lack of treatment; whether the source is low risk as defined by the DWSNZ (groundwater sources only); land use activities surrounding the water intake; flooding risk; and the presence of an approved Water Safety Plan (WSP).
- 8.4. The most recent report shows a significant reduction in the number of Priority 1 supplies/sources and an increase in the lower priority (Priority 2 and 3) supplies/sources between 2017-18 (Figures 1 and 2) and (Table 1). For the 2018 assessment:
- Priority 1: *Action is required as soon as practicable to improve the management of the water supply.* High priority supplies have reduced from 13 supplies (16 sources) identified in 2017 to three supplies (3 sources) including: Levin, Feilding (surface water source) and Dannevirke (see Table 1 and Table 2 for details).
 - Priority 2: *A heightened standard of vigilance and conservative management is required.* These supplies have increased from 9 supplies (20 sources) in 2017 to 15 supplies (27 sources).
 - Priority 3 sites: *Maintenance of current management practices is expected to minimise contamination risks.* These supplies increased from 7 supplies (7 sources) in 2017 to 10 supplies (10 sources).

- Three sites (four sources) are presently unknown. These sites include Taumarunui (Whanganui River for Matapuna) and National Park (Mangahua Stream) in the Ruapehu District, and the Marton supplementary supply (Calico and Tutaenui bores) which are currently offline.

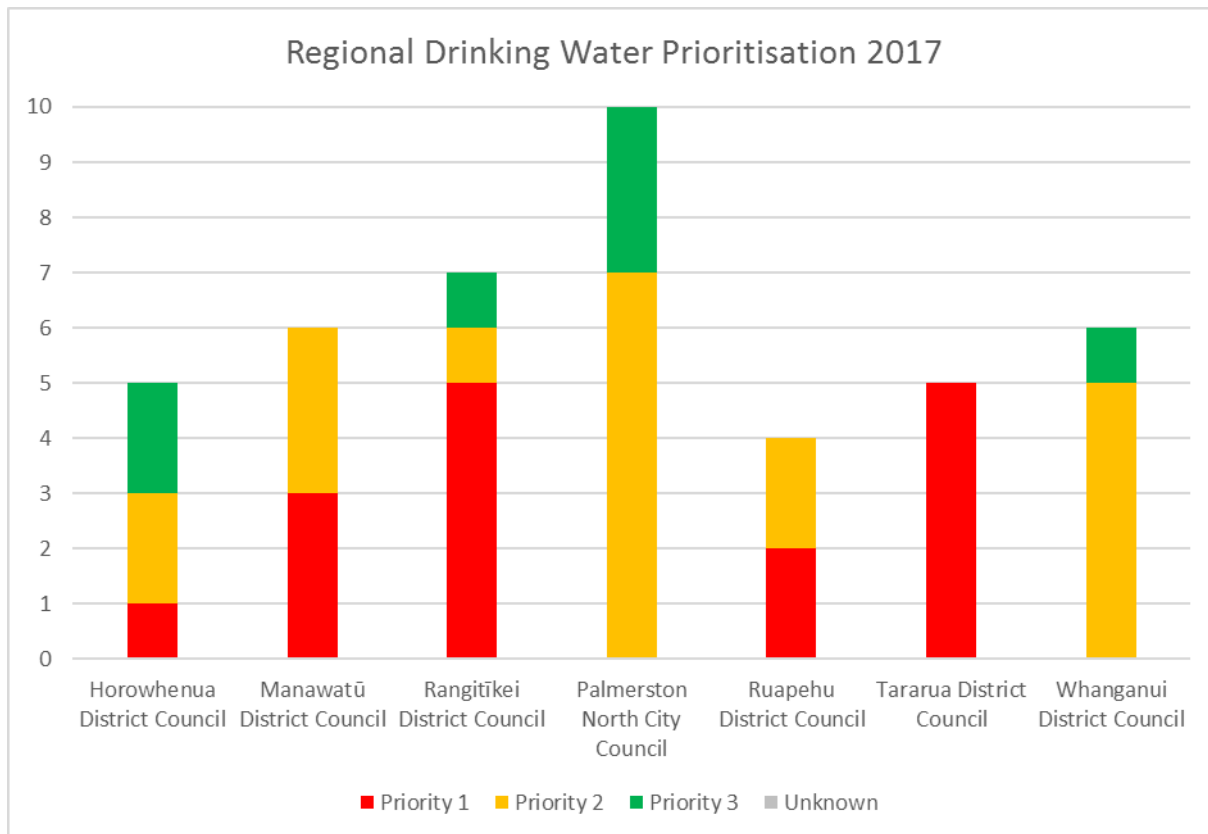


Figure 1 Regional Drinking-water Prioritisation 2017, based on risk to the water source.

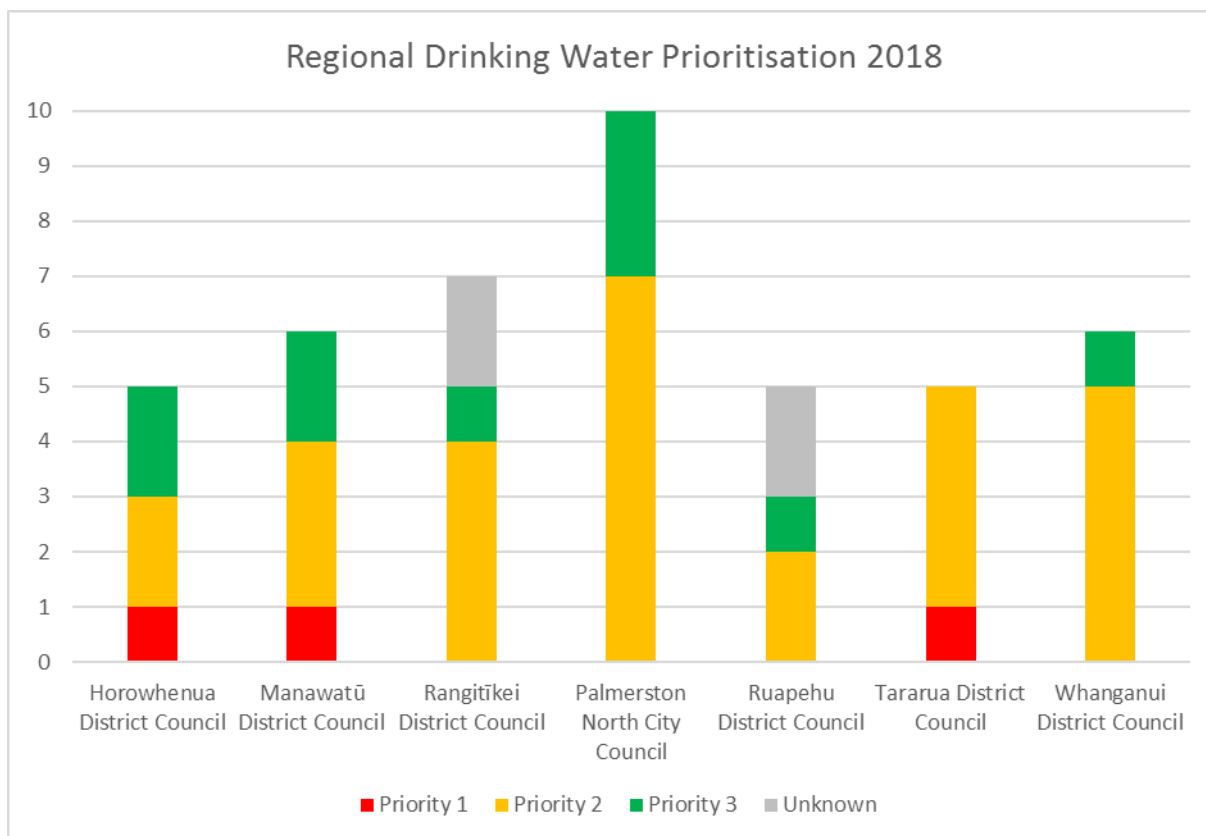


Figure 2 Regional Drinking-water Prioritisation 2018, based on risk to the water source.

Table 1 Prioritisation status of council-operated drinking-water sources in the Horizons Region by district. The 2018 prioritisation is shown with the 2017 prioritisation in brackets. Priority 1 sites (those identified as requiring action) from the most recent stocktake are also outlined in the table.

Council	Prioritisation 2018 (2017 in brackets)				Priority 1 Sources
	Priority 1	Priority 2	Priority 3	Unknown	
Horowhenua District Council	1 (1)	2 (2)	2 (2)	0 (0)	Levin
Manawatū District Council	1 (3)	3 (3)	2 (0)	0 (0)	Feilding (surface water source only)
Rangitīkei District Council	0 (5)	4 (1)	1 (1)	2 (0)	
Palmerston North City Council	0 (0)	7 (7)	3 (3)	0 (0)	
Ruapehu District Council	0 (2)	2 (2)	1 (0)	2 (0)	
Tararua District Council	1 (5)	4 (0)	0 (0)	0 (0)	Dannevirke
Whanganui District Council	0 (0)	5 (5)	1 (1)	0 (0)	
TOTAL	3 (16)	27 (20)	10 (7)	4 (0)	

Table 2 Schedule of proposed actions for Priority 1 Sites

Supply	Cause of high priority rating	Action
Horowhenua District Council - Levin	Failed protozoa compliance, turbidity not demonstrated (81% of data compliant), but improved through year as plant performance improved. Surface water source supplying more than 5,000 people.	Upgraded treatment plant (7 log treatment plant upgrade currently underway)
Manawatu District Council - Feilding	Failed for bacterial and protozoa compliance, failed for continuous monitoring at Almadale TP because compliance could not be demonstrated in monitoring data.	Improved monitoring system.
Tararua District Council - Dannevirke	Failed for bacteria and protozoa compliance. Insufficient number of samples for <i>E. Coli</i> . Additionally, 12 months of treatment plant monitoring not available for assessment.	Improved monitoring and sampling routine.

Work Programme 2018-19 findings and recommendations

8.5. The 2018-19 work programme was expanded through a co-funding model between Regional, City and District Councils. The programme sought to further understanding of risks posed to communities and provide information around the security of council-operated drinking-water supplies so that, where necessary, improvements can be made. The scope the work programme included:

- (1) the delineation of source protection zones for Council-operated water supplies serving 500 people or more;
- (2) bore-head security inspections for groundwater sources of these supplies; and
- (3) an updated risk assessment and gap analysis of these supplies to incorporate the latest information. The work programme was co-funded by Horizons and the region's TAs.

Source protection of drinking-water sources

8.6. The importance of protection of water supplies at their source was identified during the Havelock North Inquiry, and subsequently in the 'New Zealand Drinking-water Safety Plan Framework' released in December 2018. The 2018-19 work focussed on source protection for council-operated drinking-water sources supplying more than 500 people, and included delineation of three source protection zones (Zones 1 to 3) for a total of 31 water supplies, which included 44 water supply sources.

8.7. A site-specific approach was applied to delineate the zone of contribution to surface water sources and groundwater sources. The following three source protection zones are defined for the water supply takes:

- Intake Zone (SPZ1), which is the area in the immediate vicinity of the intake structure;
- Intermediate Zone (SPZ2), for surface water intakes this is a zone where contaminants can reach the supply in 8 hours; for groundwater intakes this is a zone where microbiological contaminants could reach the intake at harmful concentrations; and
- Catchment Zone (SPZ3), defines the remainder of the catchment that contributes water to the intake.

8.8. Recommended actions to improve or ensure the ongoing security of each water source have been identified for the three protection zones, and individual reports have been prepared for each council summarising the findings. A broad summary of these recommendations was provided in a [report](#) to Council's Strategy and Policy Committee on 12 June 2019.

- 8.9. Each report includes several recommendations that are common to all areas, as well as some recommendations that are specific to individual sources. These reports should be consulted for a more comprehensive understanding of source protection findings and recommendations.

Bore-head security for groundwater sources

- 8.10. Bore-head security inspections were also completed for those supplies sourced from groundwater. Validation of the desktop-based catchment risk assessments was carried out in the field at the same time as the bore-head security inspections.
- 8.11. In general, the inspections showed that bore heads for larger groundwater supplies in the region were in reasonable condition, without significant issues identified that could compromise the safety of the source. However, in some cases issues were identified including:
- Old and disused bores within close proximity to a supply source that were not properly decommissioned;
 - An absence of 'as built' plans for bore heads, making identification of some pipework and flow movements at the sources difficult and also difficulties in identifying the seal around the bore casing; and
 - Reliance on treatment of water where there were potential issues around the bore head, which provides the first barrier to potential contamination of the water source.
- 8.12. The findings of these inspections have been incorporated into the suite of source protection management reports. We note that some inspections identified actions to improve the protection of bore-head security for groundwater supplies and recommend that councils address these recommendations as a priority.

Stocktake and prioritisation update

- 8.13. Finally, an update of the initial stocktake and prioritisation report, based on the 2017-18 compliance reports was also provided, with the results reported in the previous section of this report (see section 8.0).

Work Programme 2019-20

Source protection

- 8.14. During 2019-20, further source protection delineation is planned, focussing on non-council operated supplies providing water to more than 500 people, as well as council-operated drinking-water supplies providing drinking-water to less than 500 people. The proposed water supplies are shown in Table 3 (below).
- 8.15. In 2019-20 this activity will be funded by Horizons, with in-kind support (staff time) required from Horizons, MidCentral Health and Territorial Authorities.

Table 3 Proposed water supplies for source protection delineation for the 2019-20 work programme which includes a mixture of council-operated and non-council operated supplies.

District	No. of Supplies	No. of Sources	Supplies
Palmerston North City	6	12	Brandlines Limited, Goodman Fielder Meat Division (Mainland Meats), Longburn Adventist College, Massey University, Ministry of Defence (Linton), Fonterra (Longburn)
Whanganui District	4	4	Whanganui District Council (Fordell, Maxwell and Mowhanau) and Dept of Corrections (Kaitoke)
Horowhenua District	3	4	Horowhenua DC (Himatangi Estate), Tatum Park Holiday Conference Centre, Te Moana Enterprises Ltd
Manawatu District	8	8	Manawatu District Council (Kiwitea, Halcombe/Stnway, Waituna West, Raumai Reserve, Rongotea), Horizons Regional Council (Totara Reserve), Ministry of Defence (Ohakea), Oroua No.1 Water Scheme
Ruapehu District	8	13	Ruapehu District Council (Ohura and Owango), Ministry of Defence (Waiouru), Ruapehu Alpine Lifts (Turoa and Whakapapa Skifields), Piriaka Community Group Ltd., Kakahi Water Supply, Raurimu Residents and Ratepayers
Rangitikei District	3	3	Rangitikei District Council (Hunterville and Mangaweka), Kaupeka Ki Runga Trust (Moawhango)
Tararua District	6	6	Tararua District Council (Akitio, Eketāhuna, Noreswood, Pongoroa), Fonterra (Pahiatua), Pleckville Rural Water Supply Committee

Addressing identified actions to improve drinking-water security

- 8.16. Work to address recommendations outlined in the district source protection zone (SPZ) reports completed in 2018-19 is also planned. This includes initial contact with landowners to inform them that they are located within a SPZ (applies to those located in SPZs 1 and 2). This will be co-ordinated by Horizons on behalf of all councils however, this should not deter water supply managers from engaging directly with land owners where necessary, particularly where existing relationships are already in place.
- 8.17. Horizons will also initiate a groundwater bore survey programme to identify and address any non-council owned bore-head security issues within SPZs 1 and 2. It is noted that the scope of this activity in relation to the size of the task is yet to be scoped. An appropriate process will also be initiated by Horizons to ensure city and district councils are informed of any applications for bore drilling consents within SPZs 1 and 2, and any known land use change in all zones.
- 8.18. Further actions will be prioritised and actioned where possible within existing budgets, for example prioritising riparian planting and stock fencing within SPZ1, water quality sampling, and reviewing farm management plans.
- 8.19. We also recommend that Councils review their individual source protection report to determine any other recommended actions that need to be implemented. For example, where identified bore-head security issues should be addressed, and additional water quality sampling carried out.

Totara Reserve Water Supply

- 8.20. Horizons' Regional Park and only managed public water supply. The supply currently has a 'boil water' notice as water is sourced from a shallow, riparian bore and is untreated. Council is currently assessing options for treatment and expects to advance this work inside this financial year. This activity is funded via Horizons.

Sharing of drinking-water data and information

Council reporting

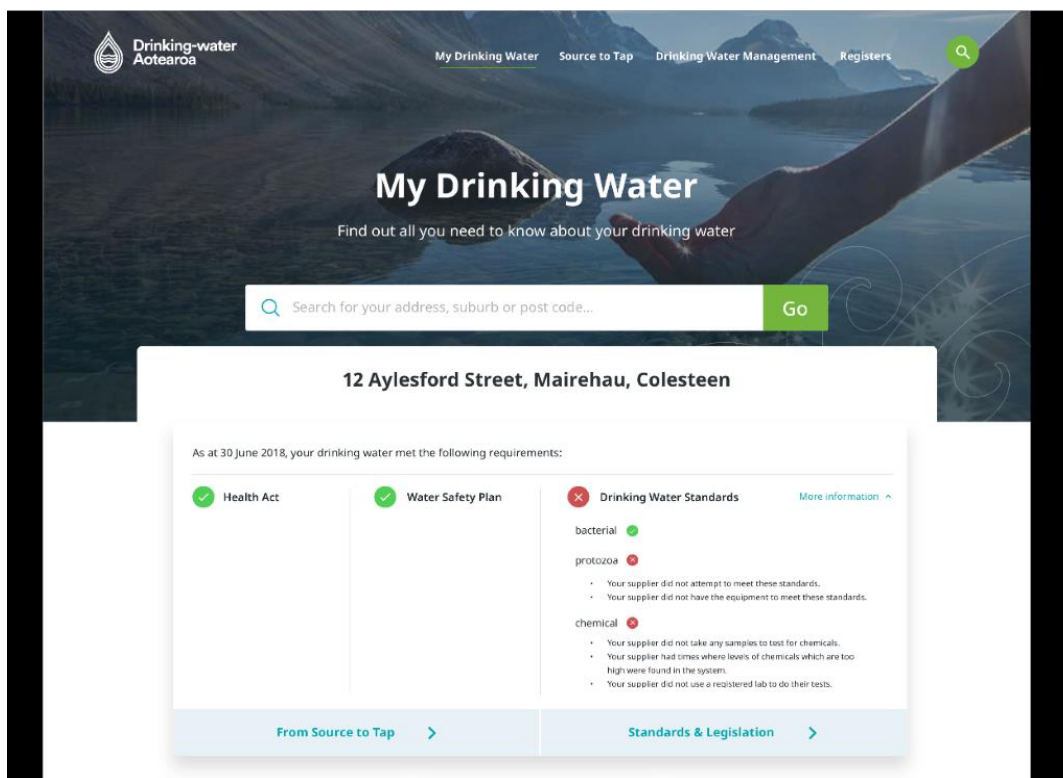
- 8.21. Progress around the regional drinking-water programme is regularly reported to Horizons Regional Council. Council reporting activities rely on in-kind support (staff time) from Horizons, Manawatū District Council (as project sponsor) and other Territorial Authorities, and MidCentral Public Health Service.
- 8.22. Reports have been provided to:
- [Regional Council](#), 28 November 2017
 - [Environment Committee](#), regular progress reports from 2017 to 2019.
 - [Strategy and Policy Committee](#), 12 June 2019.
 - Strategy and Policy Committee, 10 Dec 2019.
 - A further annual progress report is also scheduled for June 2020.

Drinking-water Online

- 8.23. The new Drinking-Water Online website was launched in late 2017, replacing the previous WINZ database. Access is via a login and information on supplies, sources, plants, zones and water carriers is available, along with information about water quality testing and compliance information. A number of the Councils including Manawatū, Rangitikei, Whanganui and Palmerston North have granted Horizons permission to access this information directly from the website rather than having to request information from council staff. This encourages open and transparent sharing of information about the region's water supplies.
- 8.24. Further upgrades to the Drinking-water Online website are proposed, including: geospatial maps of sources, plants and zones; integrated reporting dashboards; and the ability for Drinking-water Assessors to update supply structures directly.
- 8.25. Additional functionality is proposed and includes rolling compliance reviews throughout the year, which can be aggregated for the annual survey to reduce the effort required during the reporting period; and better integration to import data directly from other systems.

Drinking-Water Aotearoa Website

- 8.26. At a national level, work is also currently underway to create a new public-facing website "Drinking-Water Aotearoa", to share the results of the annual report on drinking-water quality.
- 8.27. It is proposed that the website will provide the public with information about drinking-water management, receive information about compliance of supplies with the DWSNZ and Health Act, and allow users to find out about their drinking-water supply based on their address.



Regional data holdings and information sharing

8.28. As a part of the initial work programme in 2017, it was identified that a shared information portal or data sharing workspace was necessary for Councils, and the Health Board to share information however, the proposed changes may negate the need for this. In the meantime, information sharing between our agencies should continue. A key dataset for Councils is the GIS-based source protection zones which Horizons currently holds and is available to the Councils on request.

Drinking-Water Authority

8.29. On 30 September, the Government agreed to establish a new drinking-water regulator as an independent Crown entity, who will also contribute to fresh water outcomes by providing central oversight and guidance for the sector's wastewater and stormwater regulatory functions.

8.30. An Establishment Unit is being created within the Department of Internal Affairs, with support from the Ministry of Health and the Ministry for the Environment, to design and operationalise the new regulator. This work includes a range of planning and pre-establishment tasks to get the regulator up and running. Associated legislation will be introduced to Parliament in the coming months and is expected to be passed in 2020.

8.31. According to the Government, the new regulator will:

- deliver a strengthened approach to drinking-water regulation and have a clear focus on drinking-water safety;
- have an organisational structure that prioritises drinking-water regulation;
- help build and maintain public confidence in drinking-water safety;
- build capability among drinking-water suppliers by promoting education and training;
- ensure that tikanga Māori, kaitiakitanga and Te Mana o te Wai with regard to drinking-water will be enabled and supported; and

- contribute to improved environmental outcomes for fresh water by providing central oversight and guidance for the sector's wastewater and stormwater regulatory functions.

8.32. Irrespective of the timeframes and intent of central government, our recommendation is to establish a structured working arrangement between our Councils, where roles and responsibilities are agreed and a clear, prioritised work programme is outlined.

Structured Working Arrangement

- 8.33. The aim is to establish an ongoing co-operative management system across Horizons, the Territorial Authorities and the Drinking-Water Assessors to ensure that the high levels of care and diligence necessary to protect public health are in place for the future.
- 8.34. Developing a Memorandum of Understanding and/or Terms of Reference to clarify roles and responsibilities and clarify the ongoing structure and function of this cross-organisation work programme will be an initial first step. In addition to building capability by providing technical support to staff across our agencies, it is envisaged that the group will work together to provide a more cohesive approach to drinking-water management in our region.
- 8.35. If this progresses, this activity will need to be funded by support from Horizons, MidCentral Health and Territorial Authorities.

9. CONSULTATION

- 9.1. No community consultation has been carried out as part of this report. However, staff did meet with regional Chief Executives on 3 December 2019 to provide an update on the regional programme, overview progress to date, and discuss the next steps outlined in this Council report.
- 9.2. Staff continue to meet and collaborate with council asset managers and MidCentral Health drinking-water assessors around regional drinking-water management.

10. TIMELINE / NEXT STEPS

- 10.1. Key focus areas for the programme in over the next 12 months includes:
- addressing the recommended actions identified in each city/district source protection report, as summarised above;
 - delineation of source protection zones for smaller council-operated supplies (those serving less than 500 people) and non-council operated supplies serving 500 people or more;
 - improved security of Totara Reserve water supply; and
 - further work to progress data and information sharing around drinking-water supply management through the establishment of an on-going co-operative management system.

11. SIGNIFICANCE

- 11.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Abby Matthews
SCIENCE AND INNOVATION MANAGER

Jon Roygard
GROUP MANAGER NATURAL RESOURCES & PARTNERSHIPS

ANNEXES

There are no attachments for this report.

Report No.	19-196
Information Only - No Decision Required	

RIVER MANAGEMENT ENVIRONMENTAL GRANT PROCESS (OFS 06 02)

1. PURPOSE

- 1.1. This item provides an overview of the **Environmental Grants for River Works (EGWs)** process.

2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 19-196 and Annex.

3. FINANCIAL IMPACT

- 3.1. There is no financial impact associated with this report.

4. BACKGROUND

- 4.1. Environmental Grants for River Works outside of scheme areas (or within a scheme area but not within the mandate of that scheme) are likely to date back to local government reorganisation and the removal of central government subsidies for such works that took place in the late 1980's / early 1990's.
- 4.2. Catchment boards commonly administered what were known as 'local share' arrangements for non-scheme works. The cost of those works were typically shared equally between the affected landowners with the board administering the subsidy money received from the **National Water and Soil Conservation Authority (NWASCA)**. Most newly created regional councils adopted some form of grant scheme to replace the local share arrangement.
- 4.3. A portion of the River and Drainage Engineering – General Advice and Work budget (refer Revenue and Financing Policy 13 – page 285 of the **Long-term Plan (LTP)**) is allocated annually to EGWs. The amount currently allocated is \$60,000 for physical works and consents/ approvals where they are required (where no existing resource consent covers the activity or where the permitted activity rules/ provisions of the River Management Code of Practise are not sufficient). Staff time associated with responding to enquiries, undertaking site visits, investigating and designing solutions, procurement and construction supervision are fully funded by Council and are additional to the \$60,000 budget.
- 4.4. The existence of the fund is not promoted per se – applications in general are a result of landowners approaching Council with a particular river management issue. Staff will prepare an application on behalf of the landowner and conduct an initial screening process using a set of criteria/ principles. The grant rate typically applied is 30% of the cost of the work.
- 4.5. Councils' delegations manual (page 64) limits delegations for allocating grant money to the Chief Executive and Group Manager River Management. The financial limit for that delegation is \$50,000 – sums larger than that amount require Council approval. Given the size of the budget relative to the financial delegation limit that request is normally accompanied by a request to transfer additional funds from reserves to the EGWs budget.

- 4.6. An example of such a request was the work at Ashhurst Domain; a tripartite funding arrangement between Horizons, the Palmerston North City Council and the New Zealand Transport Agency with a portion of the Horizons contribution funded from the EGWs budget.
- 4.7. Eligibility criteria applied to applications is in accordance with the broad criteria outlined in the LTP (page 61), notwithstanding the relatively high level of subjectivity applied. Those criteria are that the work proposed is related to preventing or mitigating flooding or erosion, it provides benefit wider than the property boundary, the work is outside of or not within the mandate of an existing scheme and that the work is owned and maintained by the landowner. Consideration is given to both new work and existing work damaged by floods.

5. ISSUES / CONSIDERATIONS

- 5.1. There are a range of issues that arise from time-to-time with EGWs. One is the suggestion that it would be more cost-effective and convenient for the landowner to supervise and/ or undertake the work. On the face of it there is also a potential risk to Council in undertaking the work and then recovering the 70% landowner share.
- 5.2. There are however a range of advantages to Council arranging and supervising the work, including ensuring the works are constructed correctly/ robustly and that the scope of work remains as agreed. Aside from the obvious efficiencies associated with using the correct materials, experienced contractors and appropriate construction techniques/ methodologies, some liability inevitably exists for Council with river works such as the potential for poorly constructed works to fail and to create or exacerbate issues downstream.
- 5.3. The current EGWs arrangement also ensures that Council adequately meets its statutory obligations not only from a Health and Safety perspective but also from a Resource Management Act perspective. In reality financial risks to Council also don't exist - a check of the last six years of grants identifies that none of the landowners that have received grants have defaulted on paying their share.
- 5.4. In regard to budget, this is still considered adequate. As demonstrated with the June 2015 flood event, \$60,000 is unlikely to be adequate in a 'bad' year but where over expenditure looks likely, the request can be made to Council to either meet the demand or decline applications. In a 'good' year the unspent portion drops into reserves.
- 5.5. The approach to considering application is in part 'first come, first served' but can involve delaying a decision on some applications, particular those submitted early in the financial year that don't strongly meet eligibility criteria. A few applications have been declined - one application received in 2018 could not be granted for some time due to large portion of the EGWs budget needing to be retained to meet commitments relating to the Ashhurst Domain project. The applicant was advised that funding was potentially available in the following financial year but they did not want to delay the work.
- 5.6. In that particular case I felt that the application did not strongly meet the criteria work and therefore did not warrant a specific request to Council for the budget to be extended, so the application was declined. A request was made around deferred funding but I've endeavoured to avoid such arrangements because of the precedent and the complexities involved with doing so.
- 5.7. More recently an application was declined on the basis that it appeared to be work (retaining wall construction) that had little river management merit and was more focussed on maximising the area of the section.
- 5.8. Demand may reduce with more district-wide / catchment-wide river management schemes as a relatively large number of the grants made have related to willow-clearing; conversely with the dissolution of the Taringamotu Scheme in 2018 staff are anticipating more EGWs

requests over time from that part of the region (over and above what the district-wide scheme will provide in regard to levels of service).

6. POLICY

- 6.1. Any works that are carried out with EGWs funding will be done so by Horizons and the landowner will be invoiced for their 70% share of the total cost of the works.
- 6.2. The reasons for following this process relate to both the procurement of the work as well as Health and Safety considerations.
- 6.3. With Horizons providing funding towards the works, it is important that the engagement of any contractors is done within the procurement policy to ensure that the best value for Council's money is achieved.
- 6.4. Horizons's EGWs Policy - Horizons:
 - manages the procurement process and engages the contractor;
 - is contract Principal;
 - supervises the works; and
 - pays the contractor and invoices the landowner(s) for their share.
- 6.5. Approval of EGWs continues to be contingent on the grant criteria being met and confirmation that the landowner accepts ownership and maintenance responsibilities.

7. SIGNIFICANCE

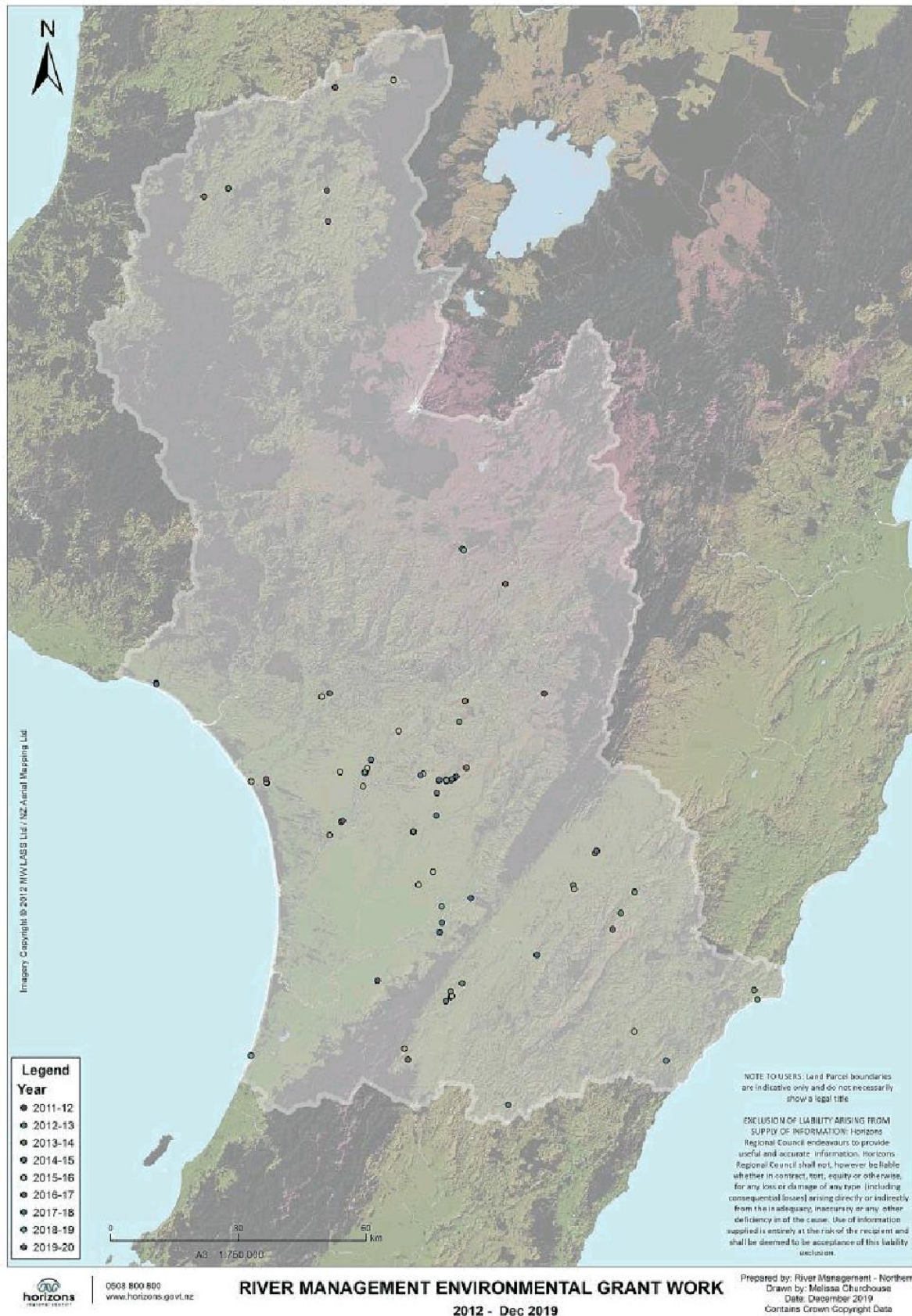
- 7.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Ramon Strong

GROUP MANAGER RIVER MANAGEMENT

ANNEXES

A Geographical Location of Environmental Grant Works 2012-2019



Item 11

Annex A