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Environment Canterbury Regional Council

Independent assessment report | August 2018*

An independent assessment report issued by the Independent Assessment Board for the CouncilMARK[™] local government excellence programme. For more information visit www.councilmark.co.nz



A measure
for better
community value.

* Period of assessment: February and July 2018

Assessment Summary

AT A GLANCE

Environment Canterbury
Kaunihera Taiao ki Waitaha



The region occupies the east coast of the South Island from the Clarence River, north of Kaikoura, and to the Waitaki River in South Canterbury. Aoraki Mount Cook National Park lies to the west and the region includes the Canterbury Plains and the major braided rivers of the South Island.



The current situation

Environment Canterbury Regional Council (ECan) is the council for a region that includes 10 territorial authorities. Its largest city, Christchurch, is recovering after major earthquakes in 2010 and 2011. Subsequently, the region suffered a significant fire in the Port Hills and a further magnitude 7.8 earthquake in North Canterbury (the Kaikoura earthquake).

ECan is in transition from government-appointed commissioners back to elected councillors. The first tranche of councillors have been elected (the other half appointed) with a full transition next election. The appointed and elected councillors are working well together to support a seamless and orderly transition including retaining some of the organisation's processes of briefing introduced by commissioners. The previous focus on implementation of the Mayoral Forum's Canterbury Water

Management Strategy is broadening out to include other regional strategic issues.

Period of assessment

The on-site assessment took place on 21 and 22 February 2018, supplemented by a further visit on 3 July 2018.



\$57,551
GROSS DOMESTIC
PRODUCT PER CAPITA¹

SERVES

562,900

PEOPLE², A MIX OF
87% EUROPEAN/PAKEHA
8% MĀORI
2.5% PASIFIKA
7% ASIAN



POPULATION TREND
GROWTH

MAKES UP

17%

OF NEW ZEALAND'S TOTAL LAND
AREA³, REPRESENTING THE
CANTERBURY REGION FROM KAIKOURA
IN THE NORTH TO SOUTHERN ALPS IN
THE WEST AND TIMARU IN THE SOUTH:
AN AREA OF

44,508 km²

RESPONSIBLE FOR

1,200 km

RIVERS AND

652 km

STOPBANKS



Key learnings

The Council is in transition from a Council led by Government appointed commissioners back to one run by elected councillors. This transition is being closely managed to maintain momentum, particularly in the environmental effects of farms as well as on issues of air quality and biodiversity.

- > ECan has retained the practice of briefing councillors for a full day once a week, as a more in-depth approach to the more usual sub-committee structure.
- > There is tension with a number of stakeholder groups who question whether ECan is staunch enough on environmental issues.
- > The Council manages its finances prudently and has a low tolerance of debt, but would benefit from identifying its costs of activities at a higher level of detail than it currently does.

¹ MBIE 2016

² Stats NZ Census 2013

³ DIA 2013

Assessment Summary

continued...

OVERVIEW

ECan is implementing a good practice example of regulatory management. The environmental effects of farms are managed through a combination of zone plans and permits. There is progress in other areas as well with the development of a regional pest management plan which should greatly increase the focus on biodiversity.

RATING



Findings

1.

THE IMPLEMENTATION OF THE CANTERBURY WATER MANAGEMENT STRATEGY IS A GOOD EXAMPLE OF A REGULATORY APPROACH TO MANAGING THE ENVIRONMENTAL EFFECTS OF FARMING. The components of this regulatory management approach extend to planning frameworks, farm environmental plan development, audits of those plans and to supporting IT infrastructure.

2.

THERE IS STRONG REPORTING ON ENVIRONMENTAL BASELINES BUT OTHER REPORTING IS ABOUT ACTIVITIES RATHER THAN EFFECTS. ECAN IS NOT WELL EQUIPED TO MEASURE EFFECTS DUE TO LAG TIMES AND MEASUREMENT DIFFICULTIES. IN FUTURE, TOOLS SUCH AS 3-D GROUND WATER MODELS WILL ASSIST. ECan acknowledges it needs to grow this data and modelling capability including underpinning data sources and staff skills.

3.

THE DEEP RELATIONSHIP WITH NGAI TAHU IS A GOOD PRACTICE EXAMPLE OF WHAT NEEDS TO BE DONE GENERALLY BY REGIONAL COUNCILS. The Commissioner-instigated relationship, now continued by councillors and the Council, stretches from the top-table, through strategy development (eg in biodiversity), to membership of Zone Committees, a marae visit programme and conscious capacity building in Iwi and in the Council.

Commonly used terms

Term	Definition
Asset Management Plan	A tactical plan for managing a council's infrastructure and other assets to deliver an agreed standard of service.
Local Government Act 2002	The legislation that provides a framework and powers for councils to decide which activities they undertake and the manner in which they will undertake them.
Long Term Plan	The document required under the Local Government Act that sets out a council's priorities in the medium to long-term.



Governance, leadership and strategy	Financial decision-making and transparency	Service delivery and asset management	Communicating and engaging with the public and business
Performing well	Better than competent	Better than competent	Competent

STRENGTHS

The Canterbury Water Management Strategy is well on its way to being implemented through plan changes and the establishment of Zone Committees due to the considerable effort of ECan staff, councillors and (previously) commissioners.

The Farm Environment Plans enabled under planning regulations provide a mechanism to manage a wide range of farm environmental effects including water take, nitrate loading as well as soil containments. These plans assist the Council to manage overall environment loadings in soil and water.

Audit against the planning tool and sanctions on non-performing farmers by irrigation companies means environmental management is reviewed independently.

Pest management is improving with a new pest management plan setting two goals of protecting production and building diversity.

There has been good work in managing the air shed in Christchurch, with similar work progressing in Timaru.

AREAS OF IMPROVEMENT

ECan could tell the story of what it is doing better. Reporting to the public is variable and accountability reports are opaque.

Value for money analysis, activity-based costing, as well as business case practice and project management skills need to be enhanced.

Public transport in Greater Christchurch continues to present issues largely because of the effects of changing places of home and work due to earthquake disruption.

The Data 2020 project will streamline data sources and ensure fit for purpose data for decision making and public reporting is available.

There needs to be increased focus on compliance, monitoring, and enforcement to match the increased level of permitting.

ECan needs to improve its communications to demonstrate a balance between environmental protection and economic development.

Leading locally

Governance, leadership and strategy

ECan has made very positive steps back to a councillor-led organisation, while preserving the good governance and relationships developed over previous years by commissioners.

Priority grading

Performing well

< The appointment of commissioners in 2010 reflected a lack of confidence in both ECan’s performance and leadership. The Council has responded to that challenge with a better articulated vision for the region, improved governance and stronger relationships with stakeholders.>

Setting the direction for the community

The Council’s vision and strategy needs to be assessed in the context of the 2010 appointment of commissioners. At that time, arguably the greatest concern was the lack of progress in implementing the Natural Resources Regional Plan (NRRP) which was to be a key mechanism for managing water in the region. The commissioners were directed to “have particular regard to the vision and principles of the Canterbury Water Management Strategy (CWMS).” The CWMS has been one of several key strategic documents developed for the region and ECan has put considerable effort into making it successful.

Having been significantly focused for the past seven years on water issues, redeveloping organisational capability, re-establishing the relationship with Ngāi Tahu and managing the earthquake recovery, ECan is now developing a broader strategic focus. It has published a document called “Strategic Direction 2017-2020” which succinctly summarises its purposes, priorities,

values and activities. The document is a very effective summary of what ECan does and aspires to achieve for the region.

A number of its key strategic documents, such as the CWMS, demonstrate not only a clearer vision for the region, but also the more collaborative manner in which ECan works with territorial authorities. ECan recognises and has responded to the central role it has to play in regional leadership.

The 2018 Long Term Plan (LTP) is a less compelling presentation of the strategies and plans that have been developed. Neither the text nor the graphical information is as interesting or appealing as the stand-alone strategies, and the linkages between them and the LTP could be improved. While the Executive Management team has placed less priority on the LTP as a key communication document, they acknowledge the opportunity for improvements.

ECan has effectively addressed the strategic issues that led to the appointment of commissioners and has not only developed a plan for addressing them, but more recently has modified the plan to reflect changing priorities and circumstances. However, these plans and strategies exist in isolation to the LTP. While communication on specific strategies to targeted groups is a valid approach, it needs to be undertaken in the context of a single, over-arching plan for the work of ECan for the next 10 years, and with specific measures to assess progress.

Self-review

The review processes for elected members are informal. Elected members said their induction has developed a strong culture amongst all of them and it is this “culture” rather than strict processes and systems which keeps them cohesive and well-focused. This culture has been demonstrated in the smooth transition from the appointed commissioner model to a mixed representation model. However, it will be important to establish some formality and process for the assessment of collective and individual performance of councillors to ensure that this cohesion and focus is retained as the Council moves to a fully democratic representation model. Although a training budget exists, there is no formal training plan for councillors.

Health and safety

There is extensive Health and Safety reporting to both management and Council. Recent changes to reporting include a statistical report to councillors showing lead (eg Health and Safety training undertaken) and lag (eg incident reporting) indicators.

The governance report is concise. It reiterates the core Health and Safety aims and objectives, and lists 12 key measurements and the progress in relation to them, nine of which are fully on track. The statistical reporting is well graphed and colour coded, with risk assessments broken down into activity types, business units and locations. The incident reporting is tracked over a four year period on a monthly basis, but without any trend analysis. From a governance perspective, it is statistically informative, but the lack of commentary makes it difficult to understand what issues exist, or might exist, or the progress which is being made. The risk profiles in the Health and Safety reporting are developed by each team – good in terms of ensuring they “own” their risks, but the only moderating of these assessments is by the H&S advisor.

An external audit of processes was generally positive but highlighted a need for improved audit and review processes, and greater focus on Health and Safety management of contractors.

Management

ECan has recently changed from the IBM/Kenexa staff engagement survey to the Ask Your Team (AYT) survey. ECan management considers this has moved them from a ‘how you feel’ environment to a ‘what do we need to do to improve’ environment. Engagement levels prior to the survey change were approximately half that of their benchmark (21 per cent vs 39 per cent). The AYT (2018) results show material improvement in staff and management alignment on strategy, leadership and internal communications. However, the overall improvements at this stage are modest with 11 of the 13 “Success Factors” for improving organisational performance rated below 69 per cent which “...shows potential concerns and can identify where actions should be focused.”

Feedback from middle management supported the survey results. Management is very positive about the capability of ECan staff, the improvements to external relationships such as with Ngāi Tahu, the internal teamwork and the supportive environment. However, concerns remain over continued staff turnover, organisation change and restructuring and process inadequacies (particularly IT). While the Executive Management is committed to continuous improvement, with over 20 per cent of staff having been at ECan for less than a year, and 60 per cent for less than five years, challenges remain in developing a stronger and more settled culture.

Information and advice

The councillor comments on the information and presentations provided to them were very positive. However, a NZIER report commissioned to assess the quality of ECan’s council reports placed the quality of the reports at 6.6/10. This was down from 7/10 in the previous year, and places the reports as midway between the “borderline” and “adequate” standard. The NZIER report acknowledged the survey sample was small and therefore

affected the median and average scores, but highlighted a number of areas for improvement including more evidence to substantiate options being assessed, and more effective use of executive summaries.

Strengths

Comprehensive and robust strategies for key priorities, eg freshwater management and transport.

Strong endorsement of the strategies by key stakeholders (Ngāi Tahu, and the rural sector).

Moving into a more collaborative regional leadership role.

A smooth and effective transition to mixed-member governance.

Constructive and results-focused relationships amongst both elected and appointed councillors, and those councillors and staff.

A strong commitment to Health and Safety, with good reporting practices.

Areas for improvement

ECan would benefit from formal councillor evaluations to assist the transition to fully democratic governance.

Establishing a formal and on-going training framework for the newly elected councillors Should be considered.

On-going commitment by executive management to addressing staff engagement issues and developing a more cohesive culture across all sections of the organisation.

Continued improvement of the quality of council reports in line with the NZIER reviews.

Investing money well

Financial decision-making and transparency

ECan's finances are conservatively, but well-managed, with no evidence of significant risk around either capital or operational expenditure. The Financial Strategy could be improved with clearly stated strategic goals, and specific measurements for determining how successes in achieving them will be assessed.

Priority grading

Better than competent

< The Council needs to identify its costs more closely with its activities and make that information transparent to ratepayers, possibly through its on-line "bubble" tool.>

Financial strategy

The Financial Strategy within the LTP is less of a strategy and more of a statement about where money will be spent and the sources of revenue from which it will be obtained. It does not have any key financial goals stated at the outset (eg a high level of financial prudence to keep rates low, or prioritising all expenditure to deliver increased value for money expectations), but rather summarises its "strategy" as being "*delivering an operating surplus of \$30m, maintaining debt below \$47m and capping rates at 6 per cent.*" While these may be sound outcomes, there is little explanation as to how or why they have been set. Enhancements to the strategy could include:

- > Contextual background for the role ECan plays, and how good financial planning and management can influence its performance;
- > Positive and/or negative factors influencing ECan's financial situation; and
- > The financial principles on which the strategy is based (eg ensuring financial information is transparent in terms of options

and choices for the community; ensuring expenditure delivers value for money; or minimising financial risks).

The strategy does provide a good summary of the issues affecting particular portfolio spends (eg increasing public expectations around freshwater management) but it fails to clearly identify the financial implications which flow from these issues, the options which could be considered to respond to them and the costs associated with each option.

Financial data and budgeting

The Management Team takes a very prudent approach to their finances. Acknowledging that "*we're not in the business of building infrastructure,*" do not own many major assets, and do not have "a pot of gold" (i.e. income-generating businesses or assets such as a port), the Council is focused on prudent operational expenditure and low debt levels. While rates have been capped at 6 per cent for the next 10 years (with the first three years being close to this level), there is little meaningful commentary or evidence as to why that level of increase is needed, or whether opportunities to reduce existing expenditure were considered (with the exception of cutting some low performing bus services).

The operational reports provided to Management and the Performance Audit and Risk Committee (PARC) are succinct and presented in an easy-to-digest manner, with graphs and charts of key data. There is good highlighting of some key financial information such as cash reserves, debt levels (which has reduced significantly since 2013) and actual to budgeted capital expenditure. Limited commentary is provided against the charted information, and more fulsome explanations should be considered, particularly in the case of significant variances.

Risk and control function

ECan has a sound risk policy which includes risk objectives, roles for managing risk within the organisation, and quantification of how risks are assessed (both in terms of likelihood and impact). Importantly, the Council also defines their risk tolerance threshold and options for mitigation. While all risk is required to be

reviewed at least annually by the risk owner, higher rated risks are required to be updated to PARC more frequently.

The format of the risk reported to PARC is not, however, as complete as it could be. While risk owners and trends are identified, the report does not contain details of mitigation action (or reasons for no mitigation) or where risks individually and collectively have ended as a result of mitigation action for the previous review period.

The latest risk register (December 2017) indicates that ECan has only two “high” risks – public transport patronage and monitoring the health and safety of ECan contractors. This seems to be a very modest risk profile given that ECan has gone through a significant period of change. The Management Team noted some significant strategic risks such as maintaining confidence of the community, and ensuring strategic priorities were adhered to. An independent peer review of the risk framework gives ECan confidence in its risk assessment. However, given the breadth and depth of issues being managed, this is an area for on-going vigilance.

Financial Position

The council is in a very sound financial position. It has very low debt, a strong balance sheet, and is managing spends well relative to forecast funding. ECan is comfortably within all the relevant benchmarks; i.e. rates income affordability; rates increase affordability; maintaining a balanced budget; and ensuring capex exceeds depreciation. The most recent audit report was very good with no urgent issues to address, and two relatively minor matters required to be addressed. Issues from the previous audit were also addressed.

Transparency

The financial information that is publicly presented in annual reports and plans is satisfactory insofar as it meets the statutory requirements of the LGA. However, it does not give the reader any strong sense of how cost-efficiently the Council is working or whether expenditure levels represent good value for money. The internal reports are succinct and well presented, but lack detailed commentary in some areas. The integrity of the financial reporting could be strengthened by expressly demonstrating there is rigorous scrutiny of budgets with options to reduce costs and measures to provide accountability on issues of value for money.

ECan provides a desktop rates tool (rates.ecan.govt.nz) on its website which enables ratepayers to see how its work is funded in general terms (project view) and also geographically (map view). It is an effective information tool in terms of what ECan does. The tool would be further strengthened if it also provided explanations about why the budgets have been set at the levels they are.

Management acknowledges that the biggest determinant of value for money is public and political feedback on the acceptability of rate increases. However, they also acknowledge that with close to \$2b budgeted to be spent in the coming Long Term Plan period,

there was a need to consider additional value for money measures, such as the increase in regional GDP or growth in property value from the expenditure undertaken. It is commendable that thought is being given to such issues. While challenges exist in determining suitable performance measures, those measures will help ECan bring a sharper focus on financial accountability.

Strengths

Operational costs are well-managed relative to forecast budgets.

Debt is conservatively managed and remains well within all relevant benchmarks.

Operational risk reporting including Health and Safety is clearly and fully reported.

Areas for improvement

A more strategically-focused Financial Strategy, which clearly identifies financial goals for ECan, complemented with clear evidence to justify those goals.

Demonstrating greater accountability for operational expenditure by establishing and reporting against cost-efficiency and value for money performance measures.

Providing a succinct and more transparent summary financial report to the public within statutory documents which draws on some of the better features of the internal financial reporting.

Greater transparency in rating levels and means of allocation, particularly between general and targeted rates.

A summary version of annual finances that is more accountable and readily-understandable by residents.

Independent peer review to consider the completeness and quantification of significant strategic risks.

Delivering what's important

Service delivery and asset management

ECan has put a great deal of effort into permitting farm activity across its ten geographic zones. There is good reporting on activities and reporting on effects will emerge over time. Progress has been made in introducing water meters, stock exclusion work and improving air quality.

Priority grading

Better than competent

<The Council's responsibilities span a challenging range of environmental issues which will likely become even more critical. In undertaking this role, ECan needs to be able to tell its story better.>

Planning and evaluating service goals

Levels of service are less clear than they could be. For instance, with river protection, the relevant documents are not clear about the degree to which the measures offer protection. Rating is clear for river protection as targeted, but the rationale for rating allocation, costs and goals are less clear for water management Zones. Environmental goals and associated measures are good when looking at base lines, but not so good in setting goals and expectations.

There is a metro survey for transport but there is no survey of ratepayers. A survey will be undertaken when the Council reverts to governance by elected councillors

Environmental monitoring and reporting

There is extensive and interesting data base available on water quality online which is accessed frequently by the public. As an example the Land Air Water Aotearoa (LAWA) website was

accessed consistently throughout summer by swimmers. Likewise, there is useful reporting mail-outs of local air quality information.

Information about the combined effect of permitted farming activities and effects on future environmental issues such as nitrate loads, ground water effects and appropriate water use is harder to find. There are reports which set out activities against a well organised strategy, but that is not enough. Partly this is because nitrate levels, for instance, might get worse before they get better. However, setting expectations and goals clearly would be of great assistance. It is difficult to understand how many farms have Farm Environment Plans (FEPs), or how many audits of those plans have been completed.

It is possible to identify where fines have been imposed for compliance breaches, and the reputational damage of fines are more significant than the relatively small fines themselves. Likewise, litigation (successes, failures or actions against the Council) is not easy to find.

A recent compliance audit found that *"the Council undertakes an appropriate range of compliance activities which are well targeted to consents of the highest risk"*. The report went on to recommend, inter alia:

- > Develop appropriate performance indicators
- > Publishing a compliance and enforcement policy
- > Create a standalone document that defines the Council's enforcement priorities
- > Consider introducing a broader suite of outcome or quality based performance measure for Zone Teams
- > Implement reporting systems to track where compliance monitoring time and effort is being spent
- > Complete the creation of Zone Delivery Lead roles to provide senior specialised compliance supervision.

The report concludes *"Compliance monitoring at ECan is in transition but is moving in the right direction."*

Assessing service quality

Service levels are less explicit than expected other than in public transport, which undertakes industry standard passenger surveys. However, it is difficult to assess the approach to service levels. For example flood protection levels are determined at a very local level and expressed as a rate of water flow measurement. However, it is not clear from a regional perspective what level of protection is best provided, particularly given the changing pattern of floods. Different local areas accept different levels of protection, and it would be useful to test whether this level of protection had appropriate variation.

Service delivery models

A series of 17A reviews have been completed, but without the thoroughness required. ECan's preferred approach is continuous improvement through productivity and efficiency reviews. The efficiency reviews resulted in laboratory savings and development of the Council's data strategy.

Service delivery capacity and capability

ECan generally has good capability but there is concern with the science capacity and capability, particularly in light of future needs. ECan employs 99 scientists. They work with a number of science partners such as Manaaki Whenua/Landcare Research for soil science, Plant & Food for plant nutrient understanding, ESR for microbial risk assessment, NIWA and GNS for water modelling and Hills Laboratory for testing.

The strength of ECan's science capability is in collecting data and understanding what has happened. The Chief Scientist recognises there is a high reliance on the experience of an ageing cohort of staff scientists, particularly the surface water team, and that more of this experience and knowledge needs to be written down before it is lost to the Council. There are skill gaps in modelling and in data management. In particular, management of the catchments needs a 3D modelling tool being developed by NIWA. However, there is a question of whether the tool will be closely held and contracted out, or whether it will be available for regional councils and other scientists to use. Many of these skills and capabilities are important for adaptive management of permitted activities.

The ability to collect data is growing with new technology allowing real-time monitoring with solar powered sensors.

Service delivery quality

Environmental effects of farms

There has been extensive effort in developing and implementing the Canterbury Water Management Strategy. Ten zones reflecting the 10 catchment areas have been established. The Zones are established to progress land use planning tools which have been progressively introduced over the past five years.

Plans dictate what consents are needed for which activities and farm types.

As a result of this effort, ECan provides a best practice example of introduction of farm water and nutrient management by regulatory intervention. The approach is in-depth, has the support of farmers and is innovative in the use of audited Farm Environmental Plans (FEPs).

The FEP is audited by an independent, credentialed farm auditor. The management areas covered in the FEP are nutrients, irrigation, cultivation and soil structure, animal effluent and solid animal waste, management of wetlands, point sources such as offtake pits and other water use. The farmer-commissioned auditor grades the FEP as A through D (D being no confidence of attaining the necessary standard). Farmers can access data and file plans through a portal (500 farmers are registered on the portal). Other large networks of farms such as those supplying to Synlait or an irrigation scheme have similar plans and these large organisations may have quality programmes meeting the needs of the FEP audit.

Taken together this package of interventions underpins the Canterbury Water Management Strategy. This package represents a persuasive implementation of a regulatory approach to permitted farm use which, over time, will provide the regulatory framework to manage effects. It may also provide the framework for adaptive management as knowledge builds around regulatory interventions, effects and lags in response to those interventions.

Irrigation companies are developing the capability and competency to manage their permits and any farmers rated a D are under a great deal of pressure to improve or may have their water supply terminated. In short, the FEP is proving an effective instrument largely self-managed by farmers with advisors and auditors. In summary:

- > There are 8,800 farms in Canterbury.
- > 1,500 are managed by an irrigation scheme and each of these farms establishes a FEP as part of the collective, and has to report against that plan. 582 of these farms have been audited and 77 have an unacceptable C or D grade.
- > 2,300 farms may need a land-use consent to farm and a further 5,000 will likely need to register their farm activities. Of this large group of individual farms, 34 farms have been audited. 1,300 requiring a consent have an FEP in place.
- > ECan expects all required FEPs and audits to be in place by 2025.

ECan indicates nutrient levels are set as part of a collaborative process with committees. There are several interpretations of what happens and the setting of levels is an evolving process. Limits will need to be defined by science and a balancing of effects, costs of adjustment and benefits of land use at some point in time, supported by high quality monitoring.

This is a great start and there are identified areas to improve:

- > Reporting on progress is narrative and about activities rather than about effects.
- > There are costs at farm level to meet the plan requirements which are greater for individual farmers than collectives (eg as part of an irrigation scheme or some other collective).
- > Farmers have difficulty understanding the technical language and requirements of the audits and need specialist advice to instruct changes.
- > There are variations across zones some of which are valid (eg nitrate carrying capacity varies) and farmers are not sure whether all of these variations are appropriate and necessary.
- > Reporting through to Zone committees (advisory committees each with one councillor and industry and community and environmental stakeholders, including Iwi) is reportedly patchy.
- > Costs for Zone management are accounted for in aggregate and are not captured easily at the Zone level other.

There have been additional requirements on dry land farmers in the Hurunui district that were not anticipated and that are more difficult for them to adapt to. The difficulty related to an allowed percentage increase in limits which favoured dairy, but not other farming. ECan is talking with stakeholders and is likely to put through a plan change.

ECan oversees the largest number of water meters (6,000 irrigation takes). ECan indicated three quarters of these meters provide automated data feeds.

Air quality management

There are seven air-sheds within which ECan counts and reports the number of high pollution days. For instance, there were five high pollution days in Christchurch last year and three so far this year.

The Council considers it is on top of the issue in Christchurch which is quite a different position from five years ago. *“Air was never a strategic priority, and we have broken the back of it, and can see the light at the end of the tunnel.”* The approaches have been:

- > Reducing domestic emissions from home heating;
- > Engagement with industry to develop low emission technology;
- > Collaboration with communities and stakeholders on the annual home heating work programme;
- > Financial assistance to those who require help to upgrade domestic burners; and
- > Regulatory tools to manage non-domestic emissions.

As part of its work in Christchurch, ECan has facilitated regulations permitting the use of Ultra Low Emission Burners, thus allowing ratepayers a choice of a burner whilst meeting environmental standards.

Timaru breaches its air shed pollution limits on a regular basis (17 last year and six so far this year) and so there is a focus on more activity including social marketing and active measurement of the air-shed.

Flood protection and drainage

Flood protection is organised through 31 river committees. There are approximately \$500 million of assets on the Council’s asset register for these activities, but only around \$11 million of on-going capital spend. These works are paid for by targeted rates. Levels of protection depend on the assets being protected, and protection for Christchurch City is being enhanced to a 1 in 800 year flood event. It is difficult to understand the level of protection offered by other schemes but in many instances the result will be flooded fields, which is much less of an issue than a flooded city. Infrastructure asset management is an issue in the management of rivers. As noted before, there is local variation in protection levels as the decision-making is local and some regional oversight could be useful.

Pest management and biodiversity

The two closely aligned areas of biodiversity and biosecurity sit under one portfolio now. Biodiversity is one of two priorities for ECan and a new pest management plan has been developed to implement responsibilities under the Biosecurity Act. The plan was developed by the Strategy and Planning Group and is being handed to the Operations Group for implementation. The strategy has been consulted on extensively and is as much about protecting biodiversity as reducing pests on farms. This is an appropriate change in direction from the last strategy. The new Pest Liaison Committees will be geographically based and will need to consider both the needs of production pests and biodiversity (as opposed to the historic committees which focused primarily on specific pests).

There are rating variations in different areas but the Council has moved to a general/ rural rate which it believes will make prioritisation of activities easier. The challenges are considerable including Chilean needle grass, wilding pines, Nassella Tussock, wallabies as well as a considerable rabbit problem. The Council expects a “step-change” in biodiversity efforts, in part enabled by the new pest management plan.

Harbour management

ECan provides harbour management for Timaru and Lyttelton harbours and also covers all lakes and rivers. The activity is ISO accredited. The service is well run and there has never been a corrective action required. There is discussion of a shared service model from the South Island CEO group which could work well with coastal management.

Public transport

Transport was greatly affected by the Christchurch earthquake and still has not recovered. The earthquake presented particular difficulties as well as the opportunities of a rebuild. *“The model has had to evolve to provide for a changing city and surrounds, matching residential growth patterns, behaviours and work hubs.”* The LTP notes there are three strongly inter-related programmes of activity being regional transport, urban development and public transport.

In public transport, ECan manages the contracting of bus routes. Planning is in partnership with territorial authorities and NZTA. The expression of this joint planning is a Public Transport Plan. People want the city to be more walkable and accessible with fewer buses and a hub and spoke network was evolved. Cycling is seen as a 'last mile' option, and the joint transport committee is implementing bike sharing for that final part of the journey.

Now that bus routes are consolidated on centralised corridors there are fewer routes and fewer buses in the central city. However, people have adopted new journey patterns as residences and places of work have changed. Christchurch now has the highest motor vehicle ownership rate in New Zealand, and 85 per cent of vehicles on the road are single person vehicles. Pre earthquake, 28 per cent of employment was in the CBD and there were 17 million bus trips per annum. Fifteen per cent now work in the CBD and the rest are distributed across the city. ECan reports it is very challenging to provide a regular bus service to a widespread workforce.

Network sustainability is an issue. Some bus routes that carry only three to four passengers are being terminated. The 40 per cent fare box recovery target has been supported with an additional 10 per cent shared between ECan reserves and NZTA supplementary grants. These reserves are now gone and the ECan contribution will be funded from an increase in rates. The NZTA index growth of 2.5 per cent per year compounds the issue and there will be a fare increase in line with a grant increase. Community consultation has found solutions to the need to condense some routes as a savings initiative.

In the future, ECan highlights two possibilities to resolve the issues between transport and urban development. One is technology disruption with automated vehicles working to algorithms identifying where people need to be transported to and from, and the other is increased intensification of living spaces.

Regulation

ECan has recently implemented one large operations group including its resource consent services for infrastructure companies in particular. These companies say the relationship between ECan and themselves is generally good, but note a number of areas where the relationship could be improved and, in their eyes, made more user friendly. Several examples are:

- > ECan could look for opportunities to standardise, for example global permits, so that land removal and other activities that happen repetitively can be dealt with in the same way.
- > Adjust risk practice to something more practical. For instance, if a pipe is laid through contaminated ground, then the test is to return the soil to what it was rather than to remove the soil.
- > Provide relationship managers for large users so that any on-going issues can be managed.

Capital investment decisions and project management

There is very little investment in capital assets but there is considerable investment in regulation. This investment in regulation is not looked at explicitly within an investment framework. The Council could look at allocating regulatory costs to zones over time rather than gathering revenue through the general rate.

The Better Business Case framework has not been implemented and such a framework, or a variant of it, could be useful in guiding decision-making, particularly on issues related to flood protection and river management.

There is a project management office but it is focussed on IT projects. There is a management desire to increase the project management capacity of the organisation as a whole and this is a work in progress. Thus, for instance, implementation of the CWMS is managed in the operations team and activity is monitored there, but it does not follow a formal project planning process although one is now being introduced.

The Council does not have an extensive asset base and therefore there is less emphasis on management of assets. As discussed above, the main assets are flood protection and river management assets, and these do not depreciate so much as need to be maintained. Damage is likely due to adverse weather events rather than wear and tear except for minor on going costs of mowing banks and replacing culverts.

Strengths

Water and nutrient management through permitting with ten catchment areas called Zones.

Implementation of the FEPs and buy in to those plans from the farming community.

Establishing a credentialed pool of independent auditors and audit of FEPs.

Knowledge of the state of waterways, harbour management and air quality management in Christchurch.

Areas for improvement

An explanation of the environmental effects of water management rather than just activities should be reported annually as well as quarterly to Zone Committees.

Improve permitting activities by building a stronger relationship with major infrastructure companies to improve opportunities to reduce permitting costs and variances.

Improve the assessment of the cost and benefit decisions behind river management and flood protection taking a regional versus local perspective.

ECan should ensure its public transport system is sustainable and meets the needs of the region's evolving residential and work patterns.

ECan needs to strengthen its capability to monitor environmental effects.

Biodiversity is improved with a revised pest management plan, and the Council expects a step-change in effort in biodiversity management.

Listening and responding

Communicating and engaging with the public and businesses

The commissioners devoted considerable effort to face-to-face communication across the region to support the Council's major strategies, particularly its water management strategy, and the council and staff have carried on this work. Other accountability reports such as Annual Reports could better set out what is being achieved.

Priority grading

Competent

< A priority for commissioners was to establish sound relationships particularly to support implementation of the Canterbury Water Management Strategy.>

Commissioners committed considerable time to building relationships across Zones with a diverse set of stakeholders particularly the farming community and with Ngāi Tahu. The council and staff have carried on this interaction, which stakeholders rate highly. Stakeholders are, however, concerned elected councillors may not be able to keep up this effort. Other communications activity has largely been in social marketing activities including social media and website development.

Planning effective engagement

There is a new communications and brand strategy that documents, in summary form, audiences, channels, messaging and branding. There is for instance, one page on media principles such as being proactive, always responding and making knowledgeable people available. The strategy is backed up by "touch point" training. The focus is on "those who can take action."

Stakeholders feel that the branding strategy they were aware of is not authentic. They note that environmental management may need to show images of problems as well as attractive landscapes. A new branding strategy was presented which was very much based on the old.

Some good examples of targeted and appropriate communications were identified. They were well integrated into social marketing, such as management of the Christchurch and Timaru air-sheds. These communications are clear, delivered personally and are sustained over time.

Core policy documents such as the Annual Report, the LTP and the two-year report on the Canterbury Water Management Strategy do not speak well to the public. Core policy issues are not easy to identify in these documents acknowledging it is difficult to present progress on environmental goals. The additional steps identified in a recent compliance audit will help build up the picture of activity which overall is impressive but not well set out. This point is illustrated in the June 2018 Stakeholder report: "*The perception is that a lot of the public don't know enough about Environment Canterbury do*" and "*it is amazing what they (Environment Canterbury) have achieved.*"

Engaging digitally

There are good examples of social media and websites. One is the LAWA site and the social marketing to support it. All councils use the site as a collective resource but ECan promotes local use effectively. Another example is a portal that farmers use to file their FEPs and view their performance.

Different tools and techniques will be needed for pest management which require strong community and NGO involvement as well as farmer support with a particular emphasis on volunteering, to support and promote awareness.

Some of the issues relating to digital engagement and environmental issues need to be dealt with by regional councils at a national level rather than locally. For instance, regional councils working with the Ministry for the Environment will need to set out meta-data standards and will need to work with conformance agencies to ensure those measurement standards are met.

The Council has a Reporting 2020 project running alongside its Data 2020 project. Reporting 2020 will deliver a dashboard of metrics.

There is a Facebook audience of 10,000 from a catchment of 600,000.

Building good relationships

There has been a biennial survey (last completed in June 2018) of Stakeholder Engagement and Perceptions. The survey is interesting and most respondents rated their relationship with ECan as good or very good. There were, however, some “pockets of less satisfied stakeholders” due to functional relationships, less engagement and lack of trust. Only 13 stakeholders took part in the survey so it is difficult to segment the results and ECan is acting to invest more time and effort into understanding its reputation.

Engagement with iwi

Councillors and staff put considerable effort into the Ngāi Tahu relationship. The effort is summarised as follows.

- > The Tuia relationship ensures all areas of ECan activity have accountability to work with the 10 rūnanga. There are two appointed Ngāi Tahu representatives on the Council.
- > Council offers to meet with each papatipu rūnanga on an annual basis.
- > In between times, councillors meet with the rūnanga chairs every quarter and regularly engage on Zones and specific issues.
- > Rūnanga capacity is being developed. Rūnanga have invested in three environmental units and ECan purchases services from them. Applicants seek advice from these units.
- > ECan puts money into ‘on the ground’ projects. There are three advisors at farm level skilled to teach Ngāi Tahu land management practice.
- > ECan capability is a focus and has internal staff measures including staff and councillor understanding of tikanga and confidence to engage.

The next stage is to take the same processes down to zone level which will mean developing the capability of iwi delegates to the Zone Committees.

There is co-governance of Te Waihora (Lake Ellesmere) which has led to a very different vision and management approach to the coastal lake. There is a regular audit of Tuia identifying some issues to improve on such as information to Zone Committees.

Engagement with the general public

A 2016 Community Engagement and Perceptions survey showed most residents could identify the role and purpose of ECan but 35 per cent recorded negative associations. Community benchmarking will happen again later this year using a new engagement tool.

Communicating through the media

There are regular meetings and briefings with stakeholders rather than the media. The media is not seen as a primary channel of communication. ECan provided some clarification: *“The media is not the primary channel for communications but for every piece of work there will be a media element, from a media advisory to a full media briefing. From 3-20 media enquiries are received on any given day. Media training is provided alongside communications training and we currently have over 50 trained spokespeople. Paid media is used for zone snap shots for local projects and updates, zone committee chair columns are provided to local media and advertising space is used to share key reports, eg end of year compliance reports or swimming water quality statistics.”*

Civil defence and crisis communications

The Christchurch councils have had a great deal of opportunity to practice crisis management and ECan contributes well to this joined up emergency response capability. For instance, ECan supported emergency response to the Port Hills fire event.

The 2017 Civil Defence biennial monitoring report identified falling awareness for emergency preparedness in Canterbury:

“... perceived importance does not always translate to action and, furthermore, the proportion considering it very important has continually declined across all Cantabrians since 2011 (76 per cent).”

ECan has taken the lead to bring territorial and other stakeholder communications staff together on a regular basis to align activity, ensure relationships and connectivity are in place and to share ideas.

Engagement with business and key stakeholders

Relationships with infrastructure companies are highly dependent on the individual council officer or on the Chief Executive with little between.

The June 2018 stakeholder engagement report identifies a need to clarify strategic direction. The report quotes: *“choose a few things [priorities] and do them really well, involving the relevant people and agencies”*. The stakeholder survey and interviews indicate environmental groups want the Council to “be more staunch” on environmental issues. The survey quotes *“Live up to your name, it is Environment Canterbury not Economic Canterbury.”* ECan acknowledges it does not see eye-to-eye with its stakeholders all of the time, but considers stakeholders are aware that ECan values its relationship with them.

Strengths

The Council has a strong approach to integrating communications with regulatory interventions (social marketing).

Pre-2016 there was considerable commitment from commissioners for face-to-face local meetings across the region and this effort is continued by current councillors and staff.

The partnership with Ngāi Tahu is extensive and well integrated.

There is electronic infrastructure supporting FEPs.

Areas for improvement

Continue to develop the Reporting 2020 project to provide stronger overview reporting of regulatory activity so the full extent of activity and its aims can be understood.

ECan needs to address stakeholder concerns about issues in the balance of environmental reporting.

Potentially, use Zone reporting as a vehicle to meet the needs of both the Canterbury Water Management Strategy and of environmental interests on a broad range of environmental issues.

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