

Chair
Cabinet

ENVIRONMENT CANTERBURY: GOVERNANCE ARRANGEMENTS – FURTHER INFORMATION ON OPTION THREE

- 1 Cabinet has sought further information on Option 3 (the extension of the Commissioners' term) of the attached Cabinet paper to assist further consideration.
- 2 In 2010, following an extended period of serious poor performance, the Government intervened in Environment Canterbury. Urban/rural and political divisions impaired the effectiveness of planning and decision making and organisational capability was poor. Relationships with key stakeholders were ineffective. Both Government and the local community had lost confidence in its elected representatives. Environment Canterbury's poor performance was impeding the regions' significant growth and prosperity potential.
- 3 Since 2010 the Environment Canterbury Commissioners have been extremely positive in terms of stability, leadership, governance and planning outcomes for the Canterbury region. This regional leadership has increased the level of confidence of the local territorial authorities in the model as it is able to deliver optimal outcomes.
- 4 The Commissioners' leadership has been highly effective in addressing the governance and decision making problems and improving core performance in Environment Canterbury. The Commissioners have also been very effective in developing a clear vision for the future and sustainable management of the natural resources in the Canterbury region and developing comprehensive strategies and plans to deliver innovations and reform in key areas.
- 5 They have also worked extensively to establish constructive and collaborative working relationships with councils, Ngāi Tahu and other key stakeholders – achieving a truly regional approach. The benefits from the Commissioners' work have been considerable and tangible. Their work will however not be concluded by the time their term expires.
- 6 Specifically, key reasons supporting a decision to extend Commissioner-led governance of Environment Canterbury are:
 - Canterbury's situation is unique from all other regional councils in New Zealand. The region requires a fit for purpose unique governance model that is able to deliver time critical outcomes. Progress has been made towards the delivery of these outcomes by the current Commissioners but the work is unfinished.

- The appointed governance model has removed the historical urban/rural tensions that ground the previous democratically elected regional council to a deadlocked standstill. This historical tension will remain until an electoral review is undertaken by the Local Government Commission to re-establish the electoral boundaries as a mechanism to diffuse the urban/rural tensions. This review will take time but the needs of Canterbury must still be met in the interim by a competent and effective leadership body. The Commissioners are best placed to offer this leadership.
- Rebuilding Christchurch and the wider Canterbury economy after the series of earthquakes has brought into sharper focus the need for a competent and consistent approach to planning for vital infrastructure for the future. The activities of the Commissioners in this space, particularly concerning the national policy on water, have begun but are not completed. This infrastructure redevelopment and expansion for the Canterbury region is in its fledgling stage, particularly concerning water.

This is a critical juncture for the region as the bedding down of the infrastructure planning framework is the key driver for both earthquake recovery and economic growth. This process requires stability, institutional knowledge and leadership to be effectively delivered.

- Linkages between Environment Canterbury, the Canterbury Earthquake Recovery Authority, Christchurch City Council and the Stronger Christchurch Infrastructure Rebuild Team are vital for the rebuild to be achieved in a timely and future focussed manner. Currently the inter-relationships between these planning and infrastructure delivery agencies are sound. Should this relationship be displaced or interrupted it would significantly affect the ability of the rebuild deliverables to be achieved.
- The Canterbury region has huge economic growth potential. Irrigation is predicted to significantly contribute to the growth of the New Zealand economy, with Canterbury being a key contributor. The value of production in Canterbury is predicted to increase from \$1,000 ha to \$7,000 ha with the irrigation acceleration initiatives underway. This is a significant return for the New Zealand economy that could be placed in jeopardy if the planning governance structure for Environment Canterbury is not stable, effective and efficient.

Recommendations

7 We recommend that Cabinet:

1. **note** that Environment Canterbury (ECan) is currently governed by Commissioners under the Environment Canterbury (Temporary Commissioners and Improved Water Management) Act 2012 (the Act);

2. **note** that the Act has enabled strong leadership for ECan and significant improvements in its operations;
3. **note** that under the Act, governance by Commissioners is to end when new elected members come into office following the 2013 local authority elections;
4. **note** that unique circumstances will continue to exist in Canterbury after the 2013 local authority elections that require the continuation of an innovative approach to regional governance arrangements to ensure stable and effective governance;
5. **note** that the national initiatives in water and land reform require effective, efficient and stable governance arrangements to achieve the projected outcomes of economic and environmental return;
6. **note** the existing local government structure for Canterbury comprising a regional council and ten territorial authorities within existing boundaries and the current allocation of functions between ECan and the Canterbury region's territorial authorities will be retained for the 2013 local authority elections;
7. **EITHER:**
 - 7.1 **agree** to amend the Act to provide for a mixed model governing body for ECan comprising elected and appointed members for the 2013 local authority elections until at least 2019 and to require a Ministerial review of the governance arrangement commencing 1 March 2017;

OR

 - 7.2 **agree** to amend the Act to continue governance of ECan by Commissioners and to require a Ministerial review of the governance arrangement commencing 1 March 2017;
8. **IF** recommendation 7.1 above is agreed:
 - 8.1 **agree** that ECan's governing body is to consist of no more than five appointed members and seven elected members with a chairperson elected by the governing body from its members (with provision for Ministerial appointment in the event if a tied election for chairperson);
 - 8.2 **agree** that the appointment process and criteria for appointed members will be the same as that which applied to the existing Commissioners;
 - 8.3 **agree** that the Minister of Local Government set, acting on the advice of the Local Government Commission, the number, names, and boundaries of the constituencies, and the number of representatives to be elected in each constituency to apply at the 2013 and 2016 local authority elections by notice in the *Gazette*;

8.4 **agree** that the Local Government Commission determine ECan's representation arrangements from the 2019 elections;

8.5 **agree** that the Remuneration Authority determine the remuneration for all members of the governing body to be paid from ECan funds;

9. **agree** to retain the Act's limited appeal rights to points of law only to the High Court on Resource Management Act 1991 plan and policy statement decisions, with particular regard to be given to the Canterbury Water Management Strategy vision and principles for proposed regional policy statements or plans;
10. **agree** that a bill be introduced to give effect to Cabinet decisions on recommendation 7 above (the bill) for enactment by 5 March 2013;
11. **note** that swift introduction of the bill, and enactment by 5 March 2013, is sought so that its amendments may be in place before key statutory processes for the 2013 local authority elections commence;
12. **agree** that Ministers take a paper straight to Cabinet on 3 September 2012 seeking approval to introduce the bill by 12 September 2012;
13. **agree** to a category four priority for the bill on the 2012 legislation programme;
14. **agree** that the Minister of Local Government and Minister for the Environment publicly announce any Government decisions on ECan's future governance arrangements after confirmation of Cabinet decisions of 3 September 2013; and
15. **agree** that the Department of Internal Affairs proactively release on its website the Cabinet paper *Environment Canterbury: Governance Arrangements* following the bill's introduction.

Hon David Carter
Minister of Local Government

Hon Amy Adams
Minister for the Environment

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