

Notice is given that an ordinary meeting of the Environment and Planning Committee will be held on:

Date: Thursday 26 July 2018
Time: 9.30 am
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street
Richmond

Environment and Planning Committee

AGENDA

MEMBERSHIP

Chairperson	Cr T King	
Deputy Chairperson	Cr S Brown	
Members	Mayor R G Kempthorne	Cr S Bryant
	Cr P Canton	Cr M Greening
	Cr P Hawkes	Cr K Maling
	Cr D McNamara	Cr D Ogilvie
	Cr P Sangster	Cr T Tuffnell
	Cr A Turley	Cr D Wensley

(Quorum 7 members)

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AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 PUBLIC FORUM

4 DECLARATIONS OF INTEREST

5 LATE ITEMS

6 CONFIRMATION OF MINUTES

That the minutes of the Environment and Planning Committee meeting held on Thursday, 14 June 2018, be confirmed as a true and correct record of the meeting.

7 REPORTS OF COMMITTEE

Nil

8 PRESENTATIONS

Nil

9 REPORTS

9.1	2017-2018 Farm Dairy Effluent Compliance Survey.....	5
9.2	MPI Proposals for Food Safety	23
9.3	Resource Consents Manager's Annual Report	55
9.4	Annual District Wide Water Monitoring Report	67
9.5	Nelson Tasman Quarterly Monitoring Report under National Policy Statement on Urban Development Capacity	77
9.6	Environment and Planning Committee Chair's Report 26 July 2018.....	101
9.7	Environment and Planning Manager's Report 26 July 2018	103

9 REPORTS

9.1 2017-2018 FARM DAIRY EFFLUENT COMPLIANCE SURVEY

Information Only - No Decision Required

Report To:	Environment and Planning Committee
Meeting Date:	26 July 2018
Report Author:	Kat Bunting, Compliance & Investigation Officer
Report Number:	REP18-07-04

1 Summary

- 1.1 This report presents the compliance results from the 2017/2018 farm dairy survey, in particular compliance with respect to Resource Consent conditions for the discharge of treated dairy effluent to water, and the discharge of dairy effluent to land as a Permitted Activity under the Tasman Resource Management Plan (TRMP).
- 1.2 In the 2017/2018 milking season a total of 134 farm dairies had active discharges in the Tasman District. Of those, 129 farm dairies operated as Permitted Activities and the remaining five held Resource Consents to discharge treated effluent to water, although four of these periodically apply effluent to land as well.
- 1.3 Each and every year Council aims to complete a full assessment of every farm in regards to dairy effluent disposal. Unfortunately this was not able to be achieved this past season with 96 (72%) of the 134 operational farms inspected by seasons' end. This was due to the Takaka Hill Highway being severely damaged during Cyclone Gita. With approximately two-thirds of the District's dairy farms located in Golden Bay, having very limited access to them for a long period of time meant a large number of inspections could not be completed before the end of the milking season.
- 1.4 At these inspections each farm was assessed against Resource Consent conditions for the discharge of treated dairy effluent to water, or against the Permitted Activity Rule 36.1.2.3 (the discharge of animal to land). The final compliance results for the 96 farms (72% of all farms) inspected were:
 - 94% - Fully Compliant
 - 6% - Non- Compliant
 - 0% - Significantly Non-Compliant
- 1.5 All farms that hold Resource Consents fully complied with all conditions of their respective consents.

2 Draft Resolution

That the Environment and Planning Committee receives the 2017-2018 Farm Dairy Effluent Compliance Survey REP18-07-04 report.

3 Purpose of the Report

- 3.1 The purpose of this report is to present the results of compliance for the 2017/2018 dairy season with respect those farm dairies that hold Resource Consent to discharge treated dairy effluent to water and those farms that operate under the Permitted Activity Rule 36.1.2.3 of the Tasman Resource Management Plan (TRMP) - Discharge of Animal Effluent to Land.
- 3.2 The survey specifically looked at the collection, containment, and disposal of effluent from the farm dairy and general farm management practices associated with effluent. No routine sampling of waterways or soils is undertaken as part of this monitoring programme; it is only undertaken during investigation phases where offences are suspected. Therefore, the monitoring programme and report do not attempt to assess wider effects of water quality, amenity, or aquatic ecology in these catchments which are covered by other reports to Council.

4 Background**The Inspection Process**

- 4.1 The on farm inspection process was identical to that of previous seasons. It is not intended to detail that process in this report and the reader is referred to staff report EP06/05/18 where this was described in detail. For ease of reference however, the geographical location of the three “sub-regions” (Golden Bay, Central, and Murchison) referred to in this and past reports is illustrated below in Figure 1.

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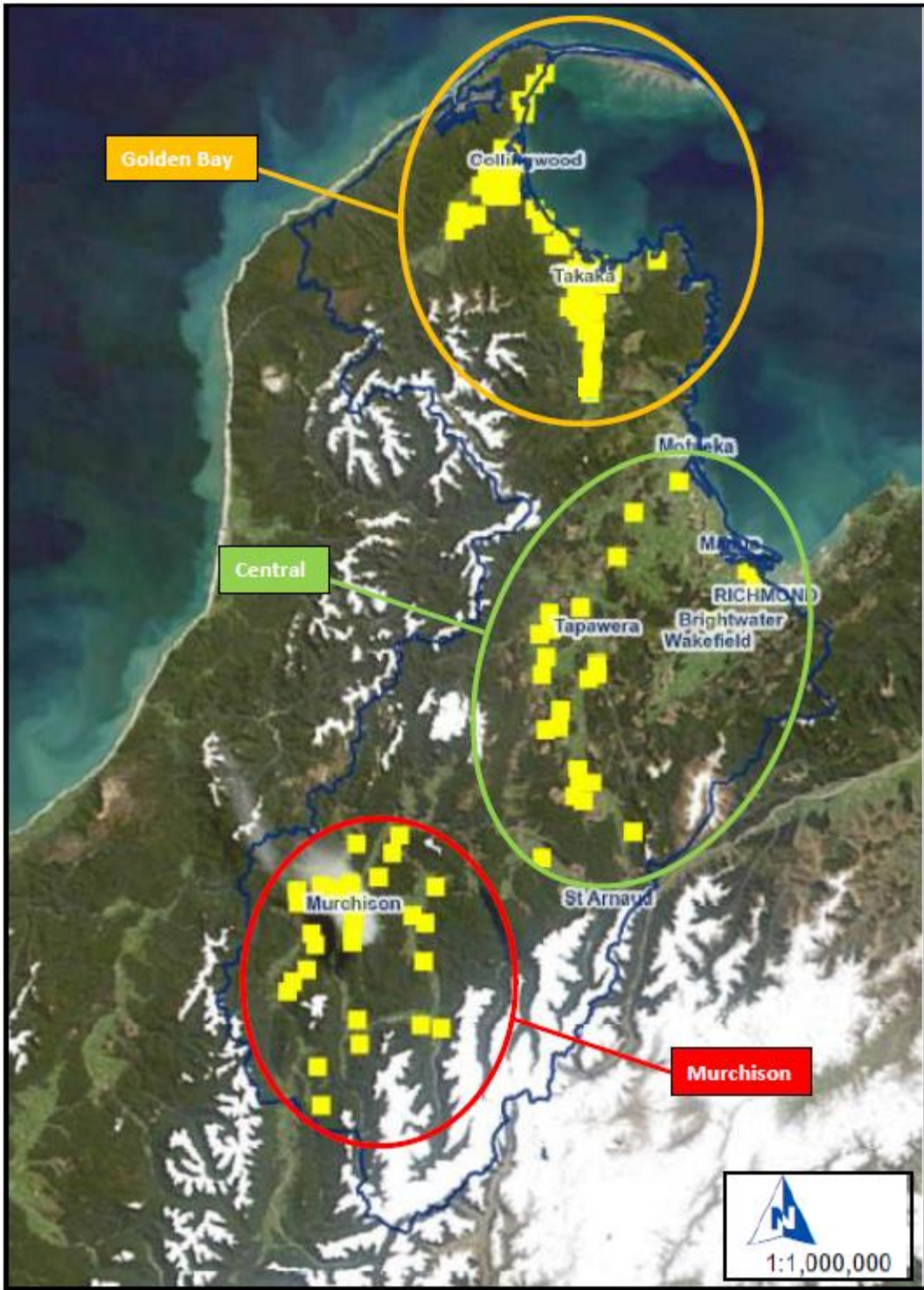


Figure 1: location of the three sub-regional of Golden Bay, Central, and Murchison.

4.2 Each yellow square in Figure 1 depicts the location of a farm dairy that was operating during the 2017/2018 milking season. It can be seen from Figure one that two thirds of Tasman’s dairy farms are concentrated in the Golden Bay area. The remaining third are evenly distributed in the Central and Murchison sub-regions. Figures 2, 3, and 4 show the special distribution of farms in sub-regional and introduces the catchments, or geographical ‘zones’ of each sub-region.

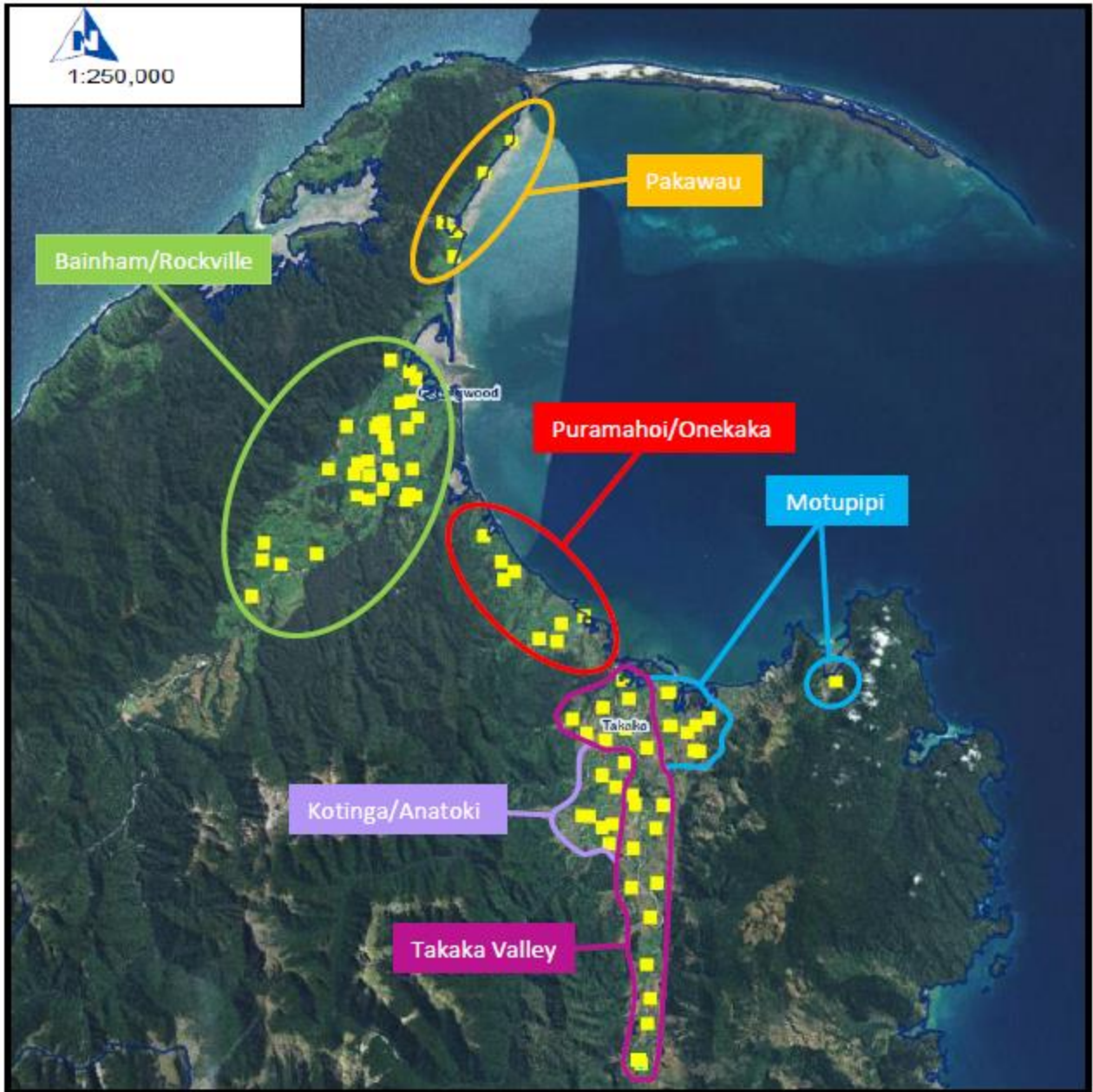


Figure 2: The spatial distribution of farm dairies in the Golden Bay sub-region

- 4.3 The dairy farms of Golden Bay can be placed into six ‘zones’ with each zone relating to either a catchment or geographical area. The majority of farms are located in the Bainham/Rockville area where the Aorere River flows and also the Takaka Valley. The remaining farms are dotted around the coastline near Pakawau, Puramahoi/Onkaka, and Motupipi, or a small inland pocket in Kotinga/Anatoki.
- 4.4 Figure 3 illustrates the spatial distribution of farms in the Central sub-region. Here there are three distinct zones. Most of the farms are located in and around the Upper catchment of the Motueka River, the remaining farms are located in the Waimea Plains and Moutere.

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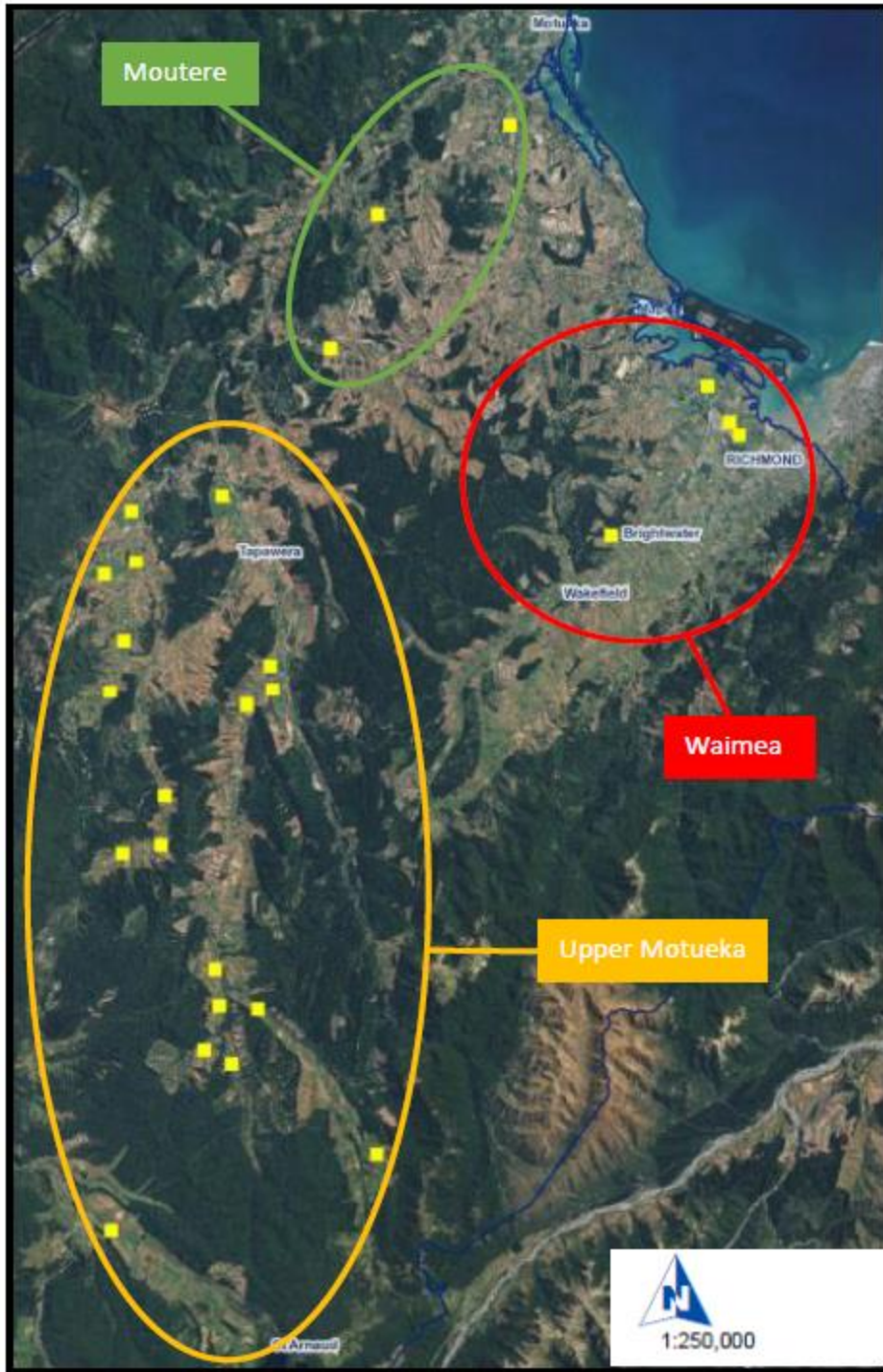


Figure 3: The spatial distribution of farm dairies in the Central sub-region

4.5 The Murchison sub-region can also be separated into zones with most farms situated on old rivers terraces in the long narrow valleys. The exception being those farms on the plains in and around the town of Murchison itself.

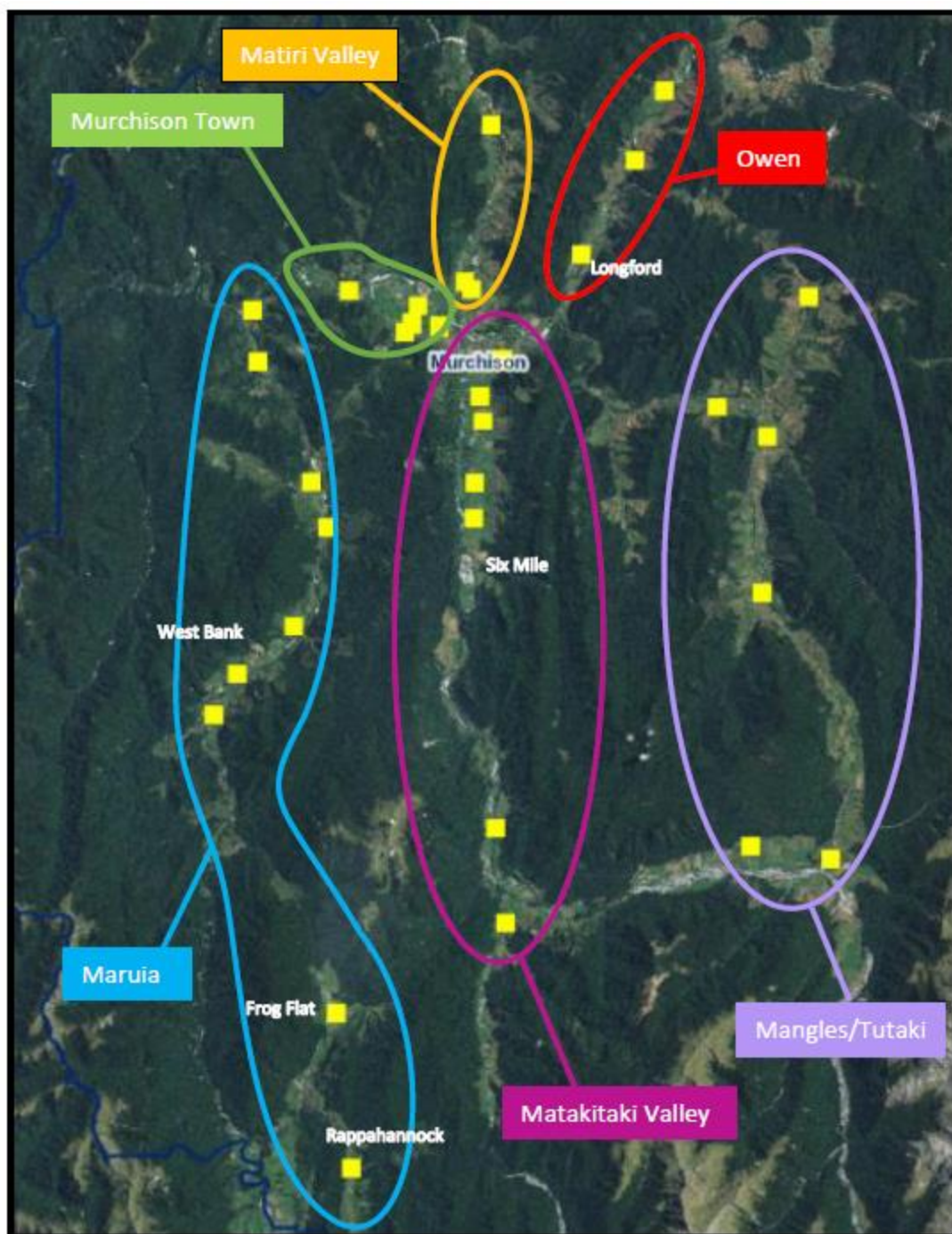


Figure 4: The spatial distribution of farm dairies in the Murchison sub-region

Compliance Grading

4.6 As with all dairy farm inspections undertaken by Council, farms once assessed were placed into one of three categories that described their level of compliance. The criteria for assigning these categories are:

- **Compliant:** No non-compliance with any Resource Consent conditions or any sections of Rule 36.1.2.3 of the TRMP were found at the time of inspection.
- **Non-compliant:** All issues that did not fit into either “compliant” or “significantly non-compliant” eg technical non-compliance with no adverse effect.

- **Significantly Non-compliant:** refer to Attachment 1 for a full list of criteria

4.7 These compliance classes are used by all regional councils to ensure national consistency when reporting on dairy compliance and will be referred to throughout the remainder of this report.

<p>5 Compliance – Present Situation</p>
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5.1 Due to the restricted access to the Golden Bay area after Cyclone Gita, Compliance staff took the opportunity to work one on one with farmers in and around the Murchison area. It has been recognized from past surveys that the Murchison region is an area that has the district’s most vulnerable effluent management systems in terms of contingency systems and storage.

5.2 The time spent on these farms proved to be very successful in gaining positive traction from some of the most reluctant farmers to embrace best farm practices. This has largely been achieved by holding frequent on-farm meetings with them and/or their consultants to provide information and education on new systems and technologies. While Golden Bay may not have had as many visits as planned it is also pleasing to note that two farmers in that region who were reluctant to upgrade have now began installing site specific effluent systems that are designed and built to industry standards.

2017/2018 Inspection Results

5.3 Compliance with respect to an individual’s consent conditions, Rule 36.1.2.3 of the TRMP and Section 15(1)(b) of the RMA 1991 as assessed from the farm inspections are presented in Figure 5.

5.4 Of the 96 inspections made during 2017/2018 season, 90 (94%) of all inspections were graded “Compliant”.

5.5 Six (6%) inspections found issues that were graded as “Non-Compliant”. Such non-compliance included:

- Minor ponding present after more than one hour had passed since effluent had been applied to land (five farms). In all five cases the ponding was intermittent over an area less than 10m² and was just deep enough to splash.
- Failing to adhere to setback rules for effluent application near waterways (one farm). In this case no effluent was at risk of directly or indirectly entering water.

5.6 No inspections found an issue that was graded as “Significantly Non-compliant”.

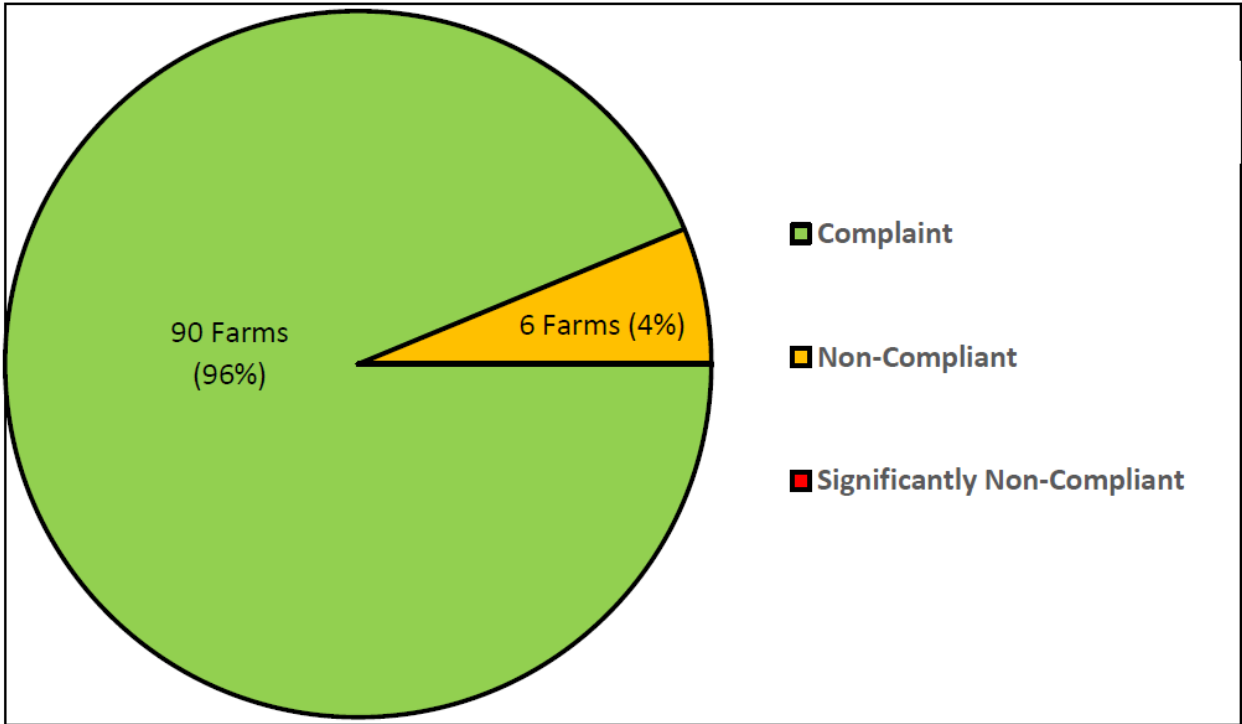


Figure 5: Compliance with respect to Rule 36.1.2.3 of the TRMP, Resource Consent conditions, and Section 15(1) of the RMA 1991 following the inspection of all farms in Tasman District.

5.7 The spatial spread of non-compliance within Tasman District during the 2017/2018 milking season is shown in Figure 5. The graph in Figure 6 shows the number of inspected farms in each Sub Region and underlying catchment along with the corresponding compliance grade assigned to each farm. The graph also depicts the particular rule breached in that non-compliance.

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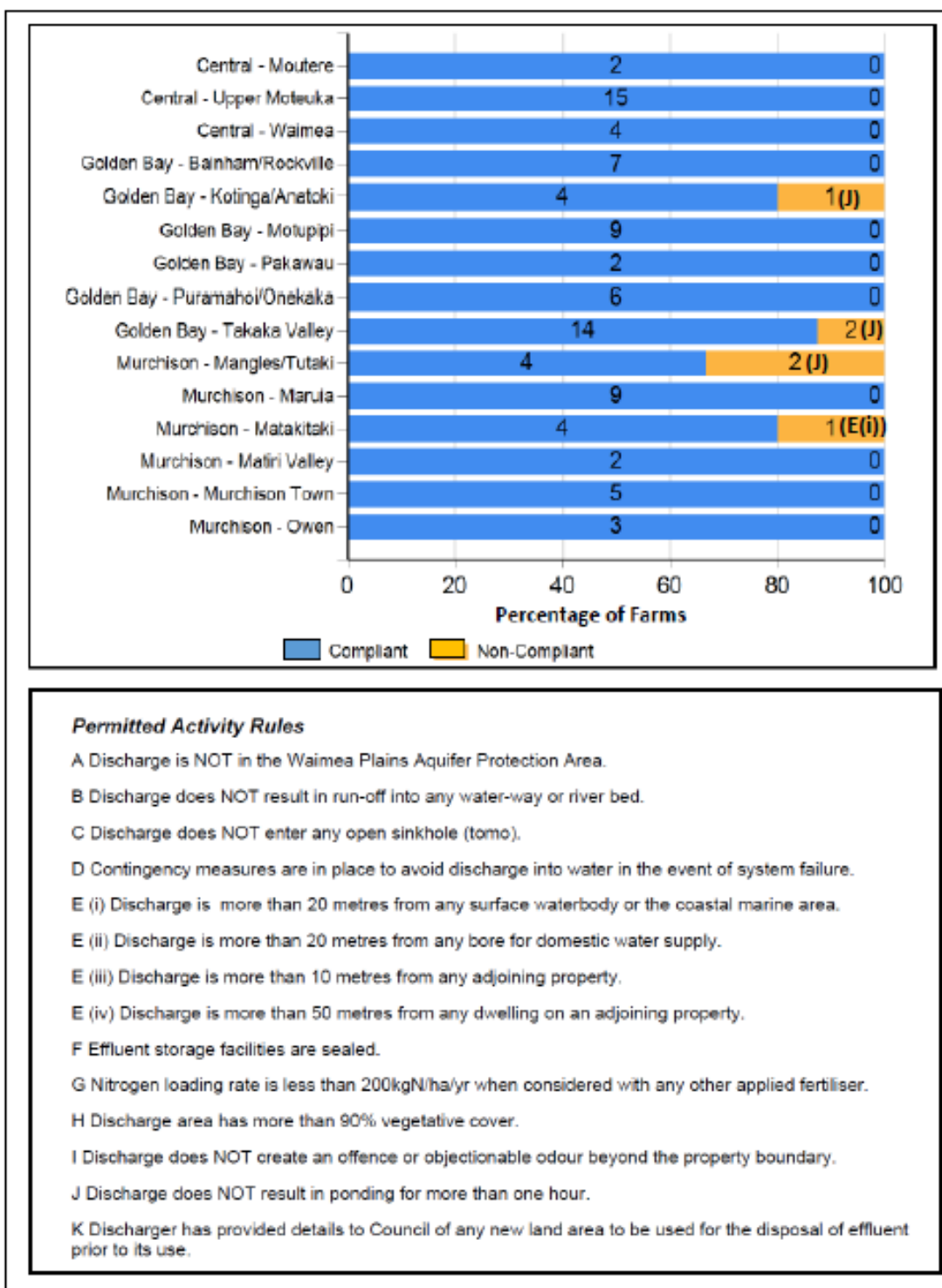


Figure 6 The spatial spread of non-compliance within Tasman District during the 2017/2018 milking season

5.8 From Figure 6 it is apparent that all but one instance of non-compliance related to ponding. These were farms located in Murchison and Golden Bay in the Takaka Valley and Mangles/Tutaki Valleys, and one in Kotinga/Anatoki. The one non-compliance relating to setback distances to water was in a farm located in the Matakītaki Valley although effluent could not physically enter water due to the slope away from the river. No examples of non-compliance were found in the Central Zone, which comprises of farms located in Moutere, the Upper Motueka Catchment, and Waimea Plains.

- 5.9 All enforcement action undertaken during the 2017/2018 season is detailed below in section 5.15 of this report.
- 5.10 A considerable amount of work has been done since 2012 by the dairy industry (Dairy NZ, Fonterra, and Westland Milk) by working one-on-one with farmers with respect to system and wet weather contingencies. This is particularly so in the Murchison area, where inspections made in past seasons identified that non-compliance associated with ponding was far more prevalent here than any other area of the District. Over the past three seasons both supply companies have repeatedly audited effluent systems that were of concern and recommendations to the respective farmers made as to how to improve them. At the end of the 2016/2017 season many of them were in the process of either designing improved systems or actively constructing improved containment facilities. It is pleasing to report this work continues with three more contingency storage facilities that have been sized to industry standards and commissioned during the 2017/2018 milking season. Another four farms are well underway to have their new system fully commissioned by the start of the 2018/2019 milking season. However, there remains a small minority who will not move forward unless pushed to do so. Such a push will likely have to come from industry as the permitted activity rules do not provide Council enough leverage and our intervention requires detection of an offence. These farms are predominantly located in the southern area around Maruia and Mangles. The owners typically cite financial constraints as prohibiting any investment in improved effluent management systems. All farms concerned were advised to consider progressing matters by working with their respective supply company and doing the necessary research to determine the most suitability sized storage facility and storage options to fit their circumstances.
- 5.11 Council and Industry are actively promoting to farmers the benefits of engaging professionals who have gained accreditation through the Farm Dairy Effluent Accreditation Scheme. Regardless of whether the farmer chooses to engage such a person, they are required to demonstrate that any new system or modification to any existing system meets Dairy NZ's Farm Dairy Effluent Design Code of Practice and Standards. These standards include among other things, adequate sizing and the sealing of effluent storage systems.
- 5.12 Much focus has been placed on ponding in past years as this was the most common issue of non-compliance found during the surveys. Many of the farms that presented ponding in past seasons have now installed storage that has been designed and constructed to industry standards. The uptake of these new systems, including having adequate storage combined with correct management regimes, has seen ponding and in particular the severity of ponding decrease as an area of noncompliance in the Tasman Region.
- 5.13 Figure 7 shows a comparison of the compliance rates from the past 14 milking seasons (2004/2005 – 2017/2018).
- 5.14 From Figure 7 it can be seen that full compliance continued to improve from season to season up until 2011-2012 when it reached a very high standard. Since this time it is pleasing to report that Tasman farmers continue to maintain this high level of compliance and that the 2017/2018 season was no exception to this positive trend. Only six inspections found non-compliance all of which were considered a minor breach of the TRMP rules that resulted in no adverse environmental effect. This continual high standard of compliance can be directly attributed to the commitment of most farm owners and their staff to employ best farm practices with respect to the disposal of farm dairy effluent.

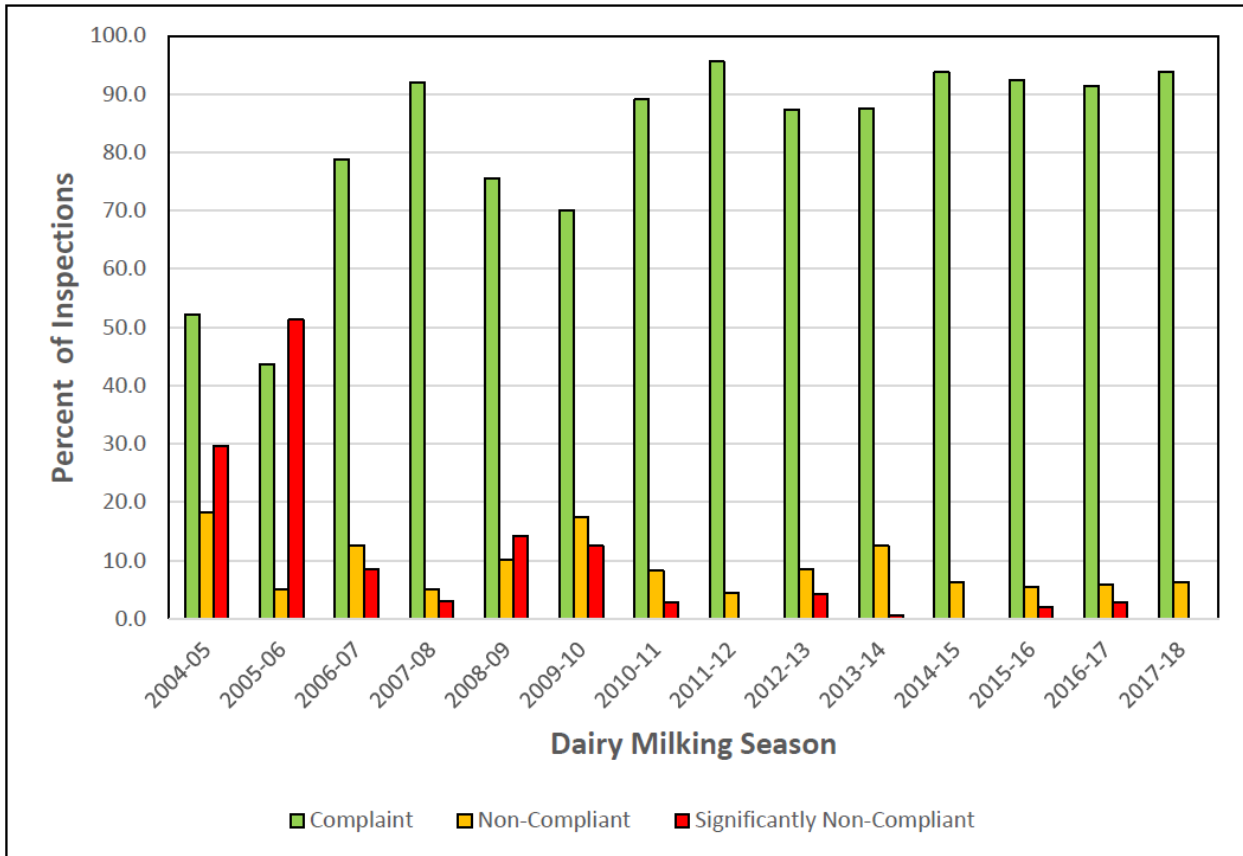


Figure 7 Historic district- wide compliance rates with respect to Rule 36.1.2.3 of the TRMP, Resource Consent conditions, and Section 15(1) of the RMA 1991 following the inspection of all farms in Tasman District.

2017/2018 Enforcement Action

5.15 As in previous years, five modes of enforcement action were available for use to address the non-compliance that arose from these farm inspections. These being: warning letters/letters of direction, Abatement Notices, Infringement Fines, Prosecutions, and Enforcement Orders. Nine inspections resulted in Council taking enforcement action during the 2017/2018 season. The type of enforcement action taken is largely determined by the resulting adverse environmental effect arising from that non-compliance.

Formal Warning Letter/Letter of Direction

5.16 A formal warning letter or letter of direction acts as a first enforcement response for the particular level of offending and environmental effects. This is retained on file and forms part of a history. Further non-compliance that receives enforcement action will take into account that the operator had previously received a warning.

5.17 A total of six formal letters were issued this season. All six inspections that were graded non-compliant with respect to minor ponding or setback received a formal written warning with directions for improvements. This action was appropriate in each case given the circumstances, lack of any actual adverse environmental effect and each farm having a previous good compliance history. Despite this all farm owners/workers were made aware that continued, un-announced inspections would be made for the remainder of the season. It was also made clear that further formal enforcement action could result if non-compliance

was found again. It is pleasing to report that this was not necessary as return visits to all farms concerned found full and continued compliance.

Abatement Notices

5.17 An abatement notice prescribed under Section 322 of the Resource Management Act is a formal and legal directive from Council to cease an activity and/or undertake an action(s) in order to avoid, remedy, or mitigate an actual or potential adverse effect on the environment. An abatement notice is used by Council to immediately deal with an illegal activity and to instigate corrective action. Further enforcement action can follow the issuing of an abatement notice and it is an offence under the Act to fail to comply with the notice and its deadlines.

5.18 No Abatement Notices were required for offences found during the 2017/2018 season.

Infringement Fines

5.19 An infringement fine prescribed under Section 343C of the Resource Management Act is an instant fine issued by Council to a person(s)/company who has committed an offence against the Act.

5.20 No infringement fines were issued for offences found during the 2017/2018 milking season.

Prosecutions and Enforcement Orders

5.21 An enforcement order prescribed under Section 319 of the Resource Management Act is a directive from the Court to a person(s)/company to cease an activity and/or undertake an action(s) in order to avoid, remedy or mitigate an actual or potential adverse effect on the environment from their activity.

5.22 No new orders were sought during the 2017/2018 milking season.

5.23 It is encouraging to report that there is just one farm in the District that has a current Enforcement Order against them and they demonstrated full compliance with the requirements of this order, and the permitted activity rules.

5.24 No prosecutions were initiated for offences found during the 2017/2018 milking season.

5.25 There were two prosecutions still active in the reporting period one of which was concluded recently.

5.26 In early 2017 the Council laid a number of charges in the Nelson Environment Court against a Golden Bay farm, Amberglen Farm Limited, the farm owner, Hayden Pomeroy and the farm manager. The charges related to offences against section 338(1)(a) of the Resource Management Act 1991 for discharges in September of 2016. The charges related to the discharge of contaminants, namely effluent from dairy cows contained on a feed pad, which may have resulted in that effluent entering water, namely Swamp Creek, a tributary of the Kaituna River.

5.27 Both the company and owner have pleaded guilty however, the manager has pleaded not guilty and elected trial by jury. This matter is set for Jury trial on 18 July 2018. Upon completion of that trial, the sentencing matters for the company and farm owner will proceed.

5.28 In December 2017 the Council laid a charge in the Nelson Environment Court against a Golden Bay dairy farmer. The charges related to an incident in April 2017 where dairy farm effluent was discharged to land in circumstances which may have resulted in that contaminant entering water, namely an unnamed water course adjacent to the dairy farm.

- 5.29 The farmer pleaded guilty and sentencing occurred on the 29 May 2018 where a fine of \$35,000 was imposed. The effluent system has also been extensively upgraded since this prosecution.

6 Strategy and Risks

- 6.1 Although risks are not significant under the current Council monitoring strategy, there is always high public interest in dairy effluent disposal due to the known risk to the environment and the frequency of issues appearing in the national media. For that reason, there is potential for strong public comment if the programme does not maintain high levels of compliance and provide adequate performance reporting. Likewise, as part of the collective agreement of all regional councils to adhere to the “every farm, every year” monitoring strategy including audit, a failure to maintain the programme will not only put us out of sync with the rest of the country, but limit our ability to meet national reporting requirements.

7 Consideration of Financial or Budgetary Implications

- 7.1 Presently there is no robust legal means open to Council to recover the costs incurred in the monitoring of farm dairies with respect to the Permitted Activity Rules. As the majority of farms within the district operate as permitted activity the Council cannot charge for routine inspections. When non-compliance is detected the cost of enforcement processes generally falls to the Council as it does in any area of activity however penalties such as infringements and court fines do provide some monetary return if and when these mechanisms are used. However, as the majority of farms are achieving full compliance it is fair to say that the greater part of the programme costs for permitted activity monitoring in dairy are presently borne by Council via general rates.
- 7.2 For the six consented activities the costs associated with monitoring are recovered by way of annual charges.

8 Significance and Engagement

- 8.1 This is an information report so is of low significance. Engagement with farmer takes place as part of the monitoring programme and we report the results publicly and continue to work with farmers and the Tasman dairy industry.

9 Conclusion

- 9.1 A total of 134 dairy sheds had active discharges in the Tasman District during the 2017/2018 milking season. Of these, 129 farm dairies operated as Permitted Activities and the remaining five held Resource Consents authorising the discharge treated effluent to water.
- 9.2 96 farms were inspected this season. The results of this survey were:
- 94% - Compliant.
 - 6% - Non-Compliant
 - 0% - Significantly Non-Compliant

- 9.3 All farms that hold resource consents fully complied with all conditions of their respective consents.
- 9.4 Heading into the new dairy season Tasman district continues to present a good rate of compliance with respect to farm dairy effluent management; however, improvement can always be made.

10 Next Steps / Timeline

M.Bovis

- 10.1 M.Bovis is an issue that the Compliance Department must give recognition to given the nature of the monitoring programme and need for farm access. Compliance staff have attended the Ministry of Primary Industries regional presentation and have the latest practice guides from the Ministry and DairyNZ. Compliance will implement this programme along with other teams in Council. In essence this involves a 'clean on' and 'clean off' regime and any additional security measures individual farmers wish to employ.

2018/2019 Dairy Farm Effluent Survey

- 10.2 Farm Surveys for the 2017/2018 season commence in September 2018 and inspections will begin in earnest with a view to once again completing a full assessment of every farm in regards to dairy effluent disposal. Only time will tell whether the extra time needed to disinfect vehicles, footwear, and equipment against M.Bovis prior to and after each and every inspection will have an effect on the total number of farm inspections that can be completed. Notwithstanding this, those farms not inspected during the 2017/18 milking season will be prioritized, so too will those farms that remain with valuable systems.
- 10.3 As always there is a risk that some non-compliance will surface however it is expected that the ongoing commitment for best farm practices will be reflected in a continuing high standard of compliance in Tasman.
- 10.4 Next season Council staff will continue to work closely with the industry in order to build upon the positive work achieved during the past year. Such work includes the on-going promotion of on-farm best practice, particularly with respect to wet weather contingencies and also the promotion of DairyNZ's Farm Dairy Effluent Design Code of Practice and Standards, and the new Farm Dairy Effluent Design Accreditation Scheme.

11 Attachments

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| 1. | Criteria for Assigning a Grade of Significant Non Compliance | 21 |
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APPENDIX 1

Criteria for assigning a grade of significant non compliance, and examples of situations that would meet the criteria.

Criteria	Examples
Unauthorised discharges that have entered water (Ground or surface water)	<ul style="list-style-type: none"> • Overflowing ponds or sumps into surface water • Overland flow /runoff into surface water • Irrigating over surface water • Race/feedpad/standoff pad runoff into surface water • Discharges in breach of consent or plan rule conditions, and where adverse effects are visible/measurable/likely: e.g. <ul style="list-style-type: none"> • S107 considerations e.g. change in colour or clarity after mixing • Exceeding ammonia limits • Exceeding NTU/SS limits • Exceeding BOD limits • Exceeding faecal limits • Exceeding ground water nitrogen concentration limits
Unauthorised Discharges that may enter water (Ground or surface water)	<ul style="list-style-type: none"> • Significant surface ponding • Irrigating when soil conditions are too wet • Discharge without using an irrigator (e.g. pipe end discharge) • Sludge dumping • Discharges in breach of consent or plan rule conditions, and where adverse effects are visible and/or measurable and/or likely: e.g. <ul style="list-style-type: none"> • Exceeding nutrient application rates • Exceeding effluent application depths/rates
Breach of abatement notice	<ul style="list-style-type: none"> • Any breach of an abatement notice
Objectionable effects of odour	<ul style="list-style-type: none"> • Serious adverse effects of odour have occurred
System shortcomings (where required by a rule in a plan or a resource consent)	<ul style="list-style-type: none"> • Serious lack of contingency storage or backup plan.
Multiple minor non compliances on site with cumulative effects	<ul style="list-style-type: none"> • Multiple minor discharges into a sensitive environment

9.2 MPI PROPOSALS FOR FOOD SAFETY**Decision Required**

Report To:	Environment and Planning Committee
Meeting Date:	26 July 2018
Report Author:	Graham Caradus, Co-ordinator Environmental Health
Report Number:	EPC18-07-03

1 Summary

- 1.1 The Ministry for Primary Industries (MPI) has recommended that Territorial Authorities prepare to budget for additional costs associated with the provision of Food Control Plans (FCPs) verifications after 1 March 2019 if they wish to continue providing verifications. Council has previously discussed this matter in November 2015 and decided against providing a verification service for those operations under low risk National Programmes.
- 1.2 Until 1 March 2019, territorial authorities enjoy a privileged position in that they have the exclusive rights to verify template FCPs for food businesses that have registered their FCPs within the Council's district.
- 1.3 That exclusive position is to be reviewed by MPI soon after 1 March 2019, at which stage the transition of all food businesses to the new controls under the Food Act will have been completed.
- 1.4 MPI have indicated that the exclusivity clause may be retained, amended or revoked. If exclusivity is revoked Territorial Authorities will need to choose whether to provide any form of verification service in future.
- 1.5 MPI have indicated that, if territorial authorities choose to compete in the verification business after the transition period, that additional costs associated with running quality management systems are likely to be incurred.
- 1.6 This report provides some indication of the possible outcomes of the MPI review, sets out the options that may be available to this Council, and asks the EPC to again consider guidance on direction to staff. The principle at issue is whether, in the public interest, the Council wants to provide a comprehensive food safety service to Tasman businesses or whether it confines its offering to the regulatory functions assigned to it and not to compete with the private verification market.
- 1.7 MPI have also indicated that they will charge Territorial Authorities on a cost recovery basis for the provision of a public register of food businesses and register of verifications and enforcement.
- 1.8 All this comes on top of the current transition where food operators under National Programmes have to already arrange for independent verification because the Council does not compete in this area as it is not a mandatory Council function. This has led to small

operators facing increases in operational costs. The Council has indicated a desire to discuss this matter again to see if this position should be revisited.

- 1.9 Staff have no clear preference and seek Council direction.

2 Draft Resolution

That the Environment and Planning Committee

- 1. receives the MPI Proposals for Food Safety EPC18-07-03 report; and**
- 2. Either:**
 - 2.1 agrees that Council adopts a “wait and see” position, and makes no special provisions for establishing a quality management system for providing food safety verifications until the outcome of any review under section 138 of the Food Act 2014 is known;**
 - or:**
 - 2.2 agrees that Council proceeds with development of a Quality Management System in preparation to compete on the open market for the provision of audit/verification services to FCP and National Programme food businesses;**
 - or**
 - 2.3 agrees that if the compulsion to provide verification is withdrawn by MPI, Council plans to withdraw from the provision of audit/verification services to FCP businesses, but continues to meet its mandated obligations to provide registration, enforcement, advisory, and emergency response services in relation to food businesses registered by Council.**
- 3. notes that staff will report back after the Minister’s decision is known on the future direction for Council providing verification services to food businesses; and**
- 4. when additional costs associated with the Ministry of Primary Industry’s operation of a central public register of food businesses is passed to Tasman District Council, agrees that the Council recover such costs by appropriately increasing registration costs to the food businesses it is required to register.**

3 Purpose of the Report

- 3.1 To brief the Environment and Planning Committee on the possible options available for the provision of food safety services after the current transition is completed in March 2019.
- 3.2 To assist staff to have a direction so that budget setting can reflect the proposed direction for Council in provision of Food Safety services.

4 Background and Discussion

- 4.1 The Food Act 2014 (the Act) came into force in March 2016 and commenced a change in the relationship that Council has with the food businesses it registers. The model that MPI has suggested is for verification services (replacing the old inspection service Councils provided to typically smaller food retailers) to be available to all food businesses through the open market.
- 4.2 Historically, the inspection of food businesses by Council's Environmental Health Officers has met legislative demands imposed on Councils, and through that process, reduced public health risk associated with consuming food from that small sector of the food industry. In recent years Councils have not had involvement with food businesses that provide the vast majority of commercially available food to the public. More detail is provided in paragraphs 4.11 and 4.12 below. The majority of food businesses for which Council provides verification and inspection services are sellers of ready to eat food, such as restaurants, cafes, bars and takeaway food sellers.
- 4.3 Council currently undertakes five related duties and functions to meet the obligations it is compelled to fulfil under sections 19, 173 and 174 of the Act. Those five functions are:
 - 4.3.1 **Registration:** The registration and associated reporting to MPI for food businesses operating under template FCPs or a National Programme (NP). Based on current data, we will have about 420 food businesses that will require this service by the end of 2018. This component of work occupies about 0.7 full time equivalent (FTE) currently across technical and administration staff, but may drop to about 0.5FTE after the transition period.
 - 4.3.2 **Enforcement:** The provision by the Council of Food Safety Officers with investigation and enforcement capabilities to deal with complaints about the safety, quality or labelling of food produced by any food businesses registered by Council. This occupies less than 0.1FTE currently but has the potential to increase, particularly if any neighbouring Councils seek assistance on this service from Tasman District Council. Council currently has two Food Safety Officers recognised by MPI.
 - 4.3.3 **Advisory Services:** Providing advice and information on or promoting the safety and suitability of food to businesses and the public as well as liaising with MPI and other Councils to foster consistency. This component of work occupies about 0.4FTE currently across technical and administration staff, but may drop to about 0.2FTE after the transition period.
 - 4.3.4 **Emergency response:** Council is obliged to assist Ministry for Primary Industries (MPI) when necessary to respond to food recalls and emergencies. This occupies less than 0.1FTE currently but has the potential to increase.

4.3.5 **Verification:** A verification (audit) service for those food businesses operating pursuant to a template FCP. This component of work occupies about 0.8FTE currently across technical and administration staff. Businesses operating under a National Programme currently have to contract with private suppliers.

- 4.4 During the transition phase, food businesses that were previously registered and inspected by Council, are being compelled to move to a new operating system for food safety management. Additionally, some food businesses that were not previously registered by Council, will be required to be registered by Council. The entire transition process will be completed by 1 March 2019 having taken three years.
- 4.5 Importantly, during the transition phase, Council enjoys a monopoly in the provision of verification of FCP based businesses as specified in the Act as follows:

137 Recognition of territorial authorities for certain verification functions and activities

(1) *A territorial authority is recognised as the agency that is responsible for the management and carrying out of verification functions and activities in relation to a food business that is —*

- (a) *operating under a food control plan that is based on a template or model issued under section 39; and*
- (b) *operating entirely within the district of that territorial authority; and*
- (c) *selling food primarily directly to consumers.*

....

(5) *The chief executive must not recognise any person besides a territorial authority as an agency that is responsible for the management and carrying out of the verification functions and activities described in subsection (1).*

- 4.6 Whilst that exclusivity currently exists, so also does the compulsion to provide a range of services as outlined above and detailed in Attachment 1. That list of the services to be provided is copied from sections of the Food Act 2014, and covers the role, function and duty of Councils.
- 4.7 A letter from MPI (copy attached as “MPI letter 19 June 2017 Attachment 2”) has outlined three potential outcomes from the review. The letter recognises a potential end to Council’s exclusivity in providing verification services for FCPs that are registered by Councils. This is further qualified by information provided to staff by the MPI’s Specialist Adviser (Local Government Liaison) who reports that MPI is likely to seek to remove the existing exclusivity for Councils, and have Councils compete on the open market for such verification work if they wish to provide it.
- 4.8 MPI’s Specialist Adviser (Local Government Liaison) also reports that the change will not be rapid, but be phased in over a period of time. That view is supported by the provisions of the Act which states that section 137 must be reviewed as soon as possible after the expiry of the transition period, set at 1 March 2019. Within six months of commencing that review MPI must present a report to the Minister that considers if exclusivity should be retained, amended or repealed. It seems unlikely that legislative change will be achieved prior to 2020. This on-going uncertainty presents a resourcing challenge for Council.

- 4.9 A report to Council on 19 November 2015 (REP15-11-07: Attachment 3) asked the EPC to consider if Council wished to provide a verification service for businesses subject to National Programmes (NP)s. This process would have required Council to have a quality management system in place for the verification service that would be provided to NPs, and Council would have competed with other providers in the open market. Council resolved not to provide approval for that process, and with the benefit of hindsight, the Writer reports that the present staff would have struggled with that increased work demand.
- 4.10 During the transition period, food businesses that Council's Environmental Health Officers verify/audit are those on template food control plans, that is:
- 4.10.1 Those food businesses that have alcohol licenses, such as restaurants, taverns, hotels;
 - 4.10.2 Those food businesses that manufacture and sell food for immediate consumption, such as unlicensed cafes, takeaway food vendors, convenience stores preparing simple food such as sandwiches, butchers (not involved with home kill).
 - 4.10.3 The number of food businesses on template food control plans in Tasman District is currently 340.
- 4.11 Food businesses that Council registers, but does not provide verification services for are:
- 4.11.1 Any NP1 businesses, such as retailers of hot beverages and shelf stable packaged foods, honey packers, transporters or distributors of food, packers of horticultural foods, retailers of packaged ice-creams and similar.
 - 4.11.2 Any NP2 businesses, such as bread bakeries, manufacturers of jams, chips, confectionary, sauces, spreads, child care centres preparing food for children, packers of nuts or seeds, manufacturers of dried or frozen fruit or vegetables, breakfast cereals, biscuits, ice blocks, jelly deserts and retailers of chilled or frozen food such as packaged frozen meals, packaged milk or cheese.
 - 4.11.3 Any NP3 businesses, such as brewers, distillers, manufacturers of vinegar, alcoholic beverages, non-alcoholic beverages, oils, fats, food additives, vitamins, minerals, processors of grain, herbs or spices, manufacturers of dry mix products, and retailers that handle food but do not prepare or manufacture food.
 - 4.11.4 There are currently 65 businesses registered under National Programme who are receiving verifications from private providers. This is expected to be around 85 by the end of transition although our statistics have shown a reduction in the numbers of food stall operators applying for registration.
- 4.12 Food businesses that Council neither registers nor verifies are:
- 4.12.1 Food businesses registered by MPI, such as any businesses operating under a customised FCP, or businesses operating under the Animal Products Act such as freezing works, butchers processing home kill, fish processors and primary diary product processors. Any food business operating from multiple sites in more than one local authority, such as supermarket chains like Fresh choice,

Countdown, Pack 'n Save, New World: some fast food retailers like Burger King and MacDonald's and some service station chains like "Z" and "BP".

- 4.12.2 Food businesses that are exempt from registration requirements such as accommodation providers: for up to 10 guests, accommodation providers: snacks or breakfasts. Any food trading: once a year; food service sector such as clubs, organisations and societies, for internal sales. Direct sellers of their own horticultural produce, or retailers of shelf stable, manufacturer packaged food. Food sold for fund raising charitable, benevolent, philanthropic or cultural purpose provided it happens no more than 20 times a year.
- 4.13 The Act sets quite specific conditions for cost recovery by Councils, the requirements of which are summarised as:
- 4.13.1 The user of the service should pay;
- 4.13.2 Maximum benefit should be delivered at minimum cost;
- 4.13.3 Only actual and reasonable costs may be charged;
- 4.13.4 Fees charged for the various functions of registration: verification: compliance and monitoring activities, must be individually accounted for and kept separated.
- 4.14 In addition to the statutory obligations for charging for such services, it is logical that registration costs, and verification costs should be recovered at 100%, as the beneficiaries of those services are the food businesses concerned. The community benefits from the regulatory functions of compliance and monitoring activities, so some level of rates funding for that function is both practical (in that there are few opportunities to charge the targets of complaint) and pragmatic in terms of equity.
- 4.15 In the absence of Councils undertaking a verification role, the public health demands to protect the community from food borne disease is expected to be met by open market verifiers approved by MPI for that purpose. Council would still be required to provide enforcement functions through Food Safety Officers.

5 Potential Legislative Options for MPI and Consequences for Council

- 5.1 After 1 March 2019 MPI will review the operation of the exclusivity provided by section 137 of the Act and consider whether any amendments to the law are necessary or desirable, in particular whether there is a need to retain, amend or repeal section 137. All registration, enforcement and advisory services relating to food safety would be unaltered. Three broad options are in the MPI letter 19 June 2017. These are outlined in bold and the consequences for Councils then discussed.
- 5.2 **Option 1: MPI retains the exclusivity that Councils currently have by virtue of Section 137 of the Act** Council would continue to provide a verification service for template Food Control Plans and that will be budgeted for at a similar level to the current year.
- 5.3 **Option 2: MPI amends Section 137 of the Act.** MPI may choose to extend or reduce Councils role in verifications by expanding or reducing the range of businesses to be exclusively verified by Councils. MPI could also amend the Act to require operation of a QMS that meets the requirements of the Act.

- 5.4 **Option 3:** MPI repeals Section 137. If section 137 is revoked Council would have two options:
- 5.4.1 (a) The Council could decide to not provide a verification service and stage a managed exit from provision of all verification services.
- 5.4.2 (b) Alternatively, Council could decide to provide verification services to Food Control Plan businesses. In order to do this a Quality Management System (QMS) approved by MPI would be required in order to compete with private enterprise on the open market for verification work. The development and auditing of a QMS system would need to be included in budget predictions. Once a QMS was in place, Council could also compete for verification of NPs as well if it wished.

6 Discussion on Effects on Council's Delivery of Food Safety Services

- 6.1 The model that MPI has suggested is for verification services to be available to the food industry through the open market. Announcements from MPI prior to the commencement of the Act suggested that market forces were expected to bring verification prices down for food businesses.
- 6.2 In reality the cost of verifications for FCP businesses verified by the Council has remained at the same general level as the previous registration and inspection fees. However it is known that full cost recovery is not yet being achieved, and that additional costs will in future be passed on from MPI.
- 6.3 The NP operators such as low risk retailers and coffee carts that were previously registered by Council are generally experiencing an increase in verification costs, with the more extreme examples costing several times more than the previous Council run registration and inspection process. Some small businesses are choosing to upgrade their registration from NP to the more complex FCP that is currently verified by Council, in order that they retain a significantly cheaper service.
- 6.4 From a philosophical perspective, Council does not generally subsidise quality management or audit costs for businesses operating within the district, but currently, food businesses operating under Food Control Plans that are verified by Council's Environmental Health Officers do benefit from our current charging basis which is not full cost recovery. There is an element of general rate contribution to food safety in the public interest.
- 6.5 The cost to Council of verification provision is increasing because of the time constraints imposed by MPI's requirements to verify businesses at certain frequencies and within six weeks of new businesses starting. Additional travel must therefore be undertaken for one-off visits. Significantly less opportunity now exists to bundle work in an area to reduce the overhead cost associated with travel.
- 6.6 If Council does decide to provide verification services, very careful consideration of the way in which its services are charged out would be essential. It is suggested that charge out

Item 9.2

models more akin to that used in conventional business models would be more appropriate. Council's current uniform district wide fees that ignores the variation in actual costs of service delivery to remote locations is not considered a commercially viable model, and would not meet the cost recovery obligations imposed by the Act (see para 4.13 in background and discussion above). It is also likely that easily accessed food businesses may be serviced by open market providers and could leave the less accessible businesses for Council to service, if our travel fees were not adequately recovered.

- 6.7 If Council wishes to assist local businesses financially, it is likely that such assistance would need to be made available in a fair and equitable manner, and providing such assistance to only a limited range of food businesses would not meet that test.
- 6.8 Generally Council does not choose to compete in the open market to provide services that are available through commercial providers. MPI has indicated that if Territorial Authorities are to compete with others it should be on a level playing field by requiring a QMS which is the same requirement for all commercial providers.
- 6.9 Territorial Authorities have a long history of registering and inspecting a range of food businesses. Generally Council is the first point of call for new food businesses setting up who need advice and assistance to understand the requirements. Good relationships are usually established with operators. The provision of verification services continues to support those businesses as they develop and grow, thus supporting local communities and economies.
- 6.10 The provision of a verification service for food businesses could contribute to a thriving local economy and support small businesses in particular who struggle with high overhead costs when starting with small output.
- 6.11 One aim of Tasman District Council is that "Our region is supported by an innovative and sustainable economy". By providing verification services the Council is supporting some of the small innovative food businesses that operate in our area, many with a sustainable and locally grown focus.
- 6.12 The cost to Council of providing a verification service will include initial set up costs, subsequent routine auditing of the QMS by IANZ or JASANZ or other agencies approved by MPI, maintenance of the QMS, ongoing assessments of the QMS and maintaining staff competencies in verification work.
- 6.13 MPI have indicated in their letter that annual assessment costs of a QMS could range from \$8,000-\$30,000 depending on the number of staff to be assessed. If this cost were recovered from the businesses, working on a cost of \$20,000 spread over 200 verifications per year the cost increase would be around \$100 per business. Verifications are currently charged out at \$150 per hour and typically range from 1-4 hours which is in line with MPI expectations. Costs to businesses for a verification could then be approximately \$250-\$700

per verification. If additional costs for travel or recovery of other TA costs such as developing and maintaining the QMS were added the cost could increase further.

7 Considerations

- 7.1 Depending on the outcome of MPI's review of Councils exclusivity in provision of verification services to FCPs, options such as establishing a shared service with neighbouring Councils may be contemplated to keep the cost of operating a quality management system to a minimum.
- 7.2 Currently, Council subsidises the cost of food safety work through rates by about 50%. Work that is not charged out, and is therefore funded entirely through rates includes advisory and enforcement work. It is not known what percentage of registration and verification work is recovered by fees charged, but it is thought to be an amount that is less than 100% and more than 50%. The current transition is also generating significantly more demands and inefficiencies than are anticipated for when the system is bedded in.
- 7.3 Businesses that do receive verification services through Council enjoy the benefits of an unknown level of subsidisation through rates. Businesses that receive verification services through private enterprise are not subsidised by Council and therefore experience higher costs.
- 7.4 The Council decided after an earlier report (REP 16-11-07 19 November 2015) not to provide a verification service for National programmes (NPs). There is no compulsion for Council's to provide such a service, and verification of NPs is provided by third party agencies on a commercial basis. Throughout New Zealand, Council's remain divided on this issue, with some (predominantly larger urban Councils) providing the service, but many are adopting a similar position to Tasman, and choosing not to offer the service.

8 Environmental Health Officers' Views

- 8.1 If MPI do chose to remove the exclusivity, Council has to verify FCPs, Environmental Health Officers are divided on whether the recommendation to Council should be to exit from providing those services, or to compete on the open market with other providers. The Writer believes that Council should not attempt to compete with private enterprise for the provision of verification services, and should make a managed withdrawal. The remainder of the team hold differing views, believing that there will be advantages to local businesses by offering verification services. For both scenarios, the ongoing mandated food safety components of business registration, enforcement, advisory, and emergency response services would be retained.

9 Additional Cost Recovery on Behalf of MPI

- 9.1 Unrelated to the foregoing, MPI also comment in the letter referred to above that it is likely to pass on some administrative costs associated with the Food Act to Councils, with the expectation that Councils will recover those costs from relevant food businesses. This will occur from 2019, although broader cost recovery discussions are understood to be planned by MPI. No exact fees or figures have been provided to date. This is yet another example of

central government charging local government to perform regulatory functions that it has to carry out and we play the role of tax collector for the Government.

10 Expected Timelines

- 10.1 March 2019: Transition of food businesses into the new regime is completed. MPI required to review Territorial Authorities exclusivity as soon as practicable and report to Minister within six months.
- 10.2 Possibly 2020? MPI or Minister signals to Territorial Authorities what the future requirements will be and establishes a phase in period.

11 Summary

Possible Outcome	Pros	Cons	Cost implications
Retention of Council exclusivity for Template Food Control Plans. Council will be required to continue to provide a verification service to template food control plans, with no QMS	FCP businesses continue to benefit from receiving verification services from Council	MPI would not achieve its stated objective of making such services cheaper by allowing market forces to prevail	Status Quo in terms of staffing and resourcing to continue to provide this service.
Amendment of exclusivity e.g. Range of businesses to be exclusively verified may expand or reduce. Requirement to operate under a Quality Management System could be introduced	If a QMS is operated by Council, we could compete for NP verifications on the open market if desired	Cost of operating a QMS could be \$15000.p.a. Cost would be split between a known customer base protected by exclusivity. Currently 340 FCP businesses but 12-18 month verification cycle. Cost would increase for verifications.	Staff demands could expand or reduce in line with number of businesses to verify. Compulsory QMS time and cost implication – Initial set-up costs, plus indicative annual costs from MPI of \$8000 - \$30,000 depending on number of staff.
Revocation of exclusivity for template Food Control Plans. Councils can choose to provide verifications but will need to have a QMS to do so.	Having QMS may allow Council to provide verifications for some National Programme businesses also, spreading cost of compliance and	Competing in the open market with third party verifiers No guarantee of retaining the verification work with contractors able to cherry pick the easily	If Council chooses not to provide verification, staff demands will reduce to registration and enforcement functions only. Reduction in staff time

Councils could also choose to not provide verification services	<p>providing cost effective service to businesses in our area</p> <p>Currently 81 NP businesses on a 24-36 month verification cycle.</p>	<p>accessed businesses, potentially leaving Council to resource the more distant businesses.</p> <p>Cost of verifications would increase to cover the QMS, estimate \$100 per business based on \$20000 / 200 FCP verifications annually</p> <p>If Council chooses not to become recognised businesses will be required to use third party verifiers, costs to the businesses may increase.</p>	for this work inevitable.
Council's remaining food safety role will be unchanged, that is, following roles in food safety retained: Registration; Enforcement; Advisory; Emergency response.	unchanged	unchanged	unchanged

12 Attachments

- | | | |
|----|--|----|
| 1. | Attachment 1 - Role Function and Duty of Council | 35 |
| 2. | Attachment 2 - MPI Letter 19 June 2017 | 39 |
| 3. | Attachment 3 - Report to EPC 19 November 2015 | 41 |

Attachment 1: Role, function and duty of Council.
Copied from Food Act 2014

19 Role of territorial authorities

- (1) *A territorial authority has the functions, duties, and powers given to it under this Act.*
- (2) *A territorial authority has a role in the food safety regime that includes, without limitation,—*
- (a) delivering services that are needed to achieve the purpose of this Act, including the provision of advice and the dissemination of information on matters relating to the safety and suitability of food; and*
 - (b) facilitating the administration and performance of functions and activities that support the role of the chief executive under this Act; and*
 - (c) contributing to the implementation and delivery of risk-based measures for the safety and suitability of food; and*
 - (d) performing the function of a registration authority; and*
 - (e) carrying out enforcement and other regulatory responsibilities under this Act in respect of its district; and*
 - (f) carrying out the role of a recognised agency; and*
 - (g) carrying out any functions that are incidental and related to, or consequential upon, the roles set out in paragraphs (a) to (f).*

173 Functions of territorial authority

- (1) *A territorial authority has the following functions:*
- (a) to perform the function of a registration authority:*
 - (b) to manage and train its staff to carry out functions and activities in relation to this Act:*
 - (c) to manage verification functions (including acting as a recognised agency) in relation to certain food control plans and national programmes, and as otherwise provided for under this Act:*
 - (d) to investigate non-compliance and complaints regarding the safety and suitability of food in relation to food control plans or, as the case may be, food businesses subject to national programmes registered by the territorial authority, or to investigate any other matters:*
 - (e) to instigate appropriate corrective and preventative actions for matters described in paragraph (d):*
 - (f) to enable its food safety officers to enforce the applicable requirements of this Act:*
 - (g) to respond to recalls and to respond in an emergency situation:*

- (h) to disseminate information and provide advice promoting the safety and suitability of food to food businesses and the public:
 - (i) to perform administrative functions relating to this Act, including—
 - (i) gathering information:
 - (ii) receiving applications for registration of food control plans and of food businesses subject to national programmes:
 - (iii) transferring information to the Ministry:
 - (iv) if requested under section [184\(1\)\(b\)](#), reporting to the chief executive:
 - (j) in relation to its district, to carry out monitoring and information-gathering activities for the purpose of ascertaining compliance with the applicable requirements of this Act:
 - (k) to perform any other function relevant to its role.
- (2) A territorial authority may, by written agreement, combine with 1 or more other territorial authorities for the purpose of performing the function of a registration authority referred to in subsection [\(1\)\(a\)](#) in the combined district of the territorial authorities that are parties to the agreement.
 - (3) If 2 or more territorial authorities have combined under subsection [\(2\)](#), they may designate any of them as the territorial authority responsible for performing the function of a registration authority for the combined district.
 - (4) A territorial authority may not contract out any of the following functions, except to another territorial authority:
 - (a) the function of a recognised agency; and
 - (b) any of the functions referred to in subsection [\(1\)\(a\)](#) and [\(d\)](#) to [\(h\)](#).
 - (5) A territorial authority may not contract out the function referred to in subsection [\(1\)\(c\)](#) to a person who is not recognised to carry out that function under this Act.
 - (6) If a territorial authority contracts out 1 or more of its functions, it continues to have responsibility for that function.

174 Duties of territorial authority

- (1) A territorial authority must—
 - (a) take all reasonable steps to ensure it has adequate resources and capability to carry out its role, functions, and duties and to exercise its powers under this Act:
 - (b) take all reasonable steps to ensure its functions, duties, and powers under this Act are managed, performed, and exercised in accordance with any relevant national outcomes issued under section [175](#):
 - (c) take all reasonable steps to ensure that relevant persons who are employed or engaged by the territorial authority are able to carry out their functions and

activities under this Act, including verification, investigation, and enforcement activities:

(d) take all reasonable steps to ensure that relevant persons who are employed or engaged by the territorial authority for the purposes of this Act maintain their competencies:

(e) take all reasonable steps to ensure that any person who is employed, engaged, or used by the territorial authority is not placed in a situation that compromises his or her impartiality or independence in relation to the performance of his or her functions or activities under this Act:

(f) monitor its performance of its functions and duties and its exercise of its powers under this Act and provide written reports on these matters to the chief executive annually or at intervals specified in a notice [referred to in subsection (2)]:

(g) provide capability to respond as required in an emergency situation:

(h) if it is being reviewed under section 185, facilitate the conduct of the review and provide any information required under section 189 by the person conducting the review:

(i) carry out any other function, duty, or direction imposed or given by or under this Act.

[(2) The chief executive may, by notice under section 405, specify the intervals at which the reports required by subsection (1)(f) must be provided and any details to be included in the reports.]

Ministry for Primary Industries
Manatū Ahu Matua



19 June 2017

Lindsay McKenzie
Tasman District Council
Private Bag 4,
Nelson, 7050



Dear Lindsay McKenzie,

Planning Considerations - Food Act 2014

I've recently been reminded by some councils I've visited that the planning lead time for council activities can be quite long, so I thought it would be timely to update you on Food Act implementation activities that may need to be factored into your budget planning and operating models in the coming two years.

Review of the territorial authority (council) verification function

Under section 137 of the Food Act territorial authorities (councils) are recognised, and required, to carry out verification for food businesses operating entirely within their district, under template Food Control Plans issued by MPI and selling food primarily directly to consumers. The chief executive is not permitted to recognise any other agency (including MPI) to carry out this function. However, the Act also requires this arrangement to be reviewed as soon as possible after 1 March 2019.

MPI recommends you consider the possible outcomes of the review in your long term planning processes.

Possible outcomes of the review of section 137 are retention, amendment or revocation of this section. If the review outcomes recommend amendment or revocation of section 137 council budgets and/or operating models are likely to be affected.

Potential amendments to section 137 could impact on operating models or budgets in a variety of ways, for example:

- the range of businesses to be exclusively verified by councils could expand or reduce (impacting on staffing and/or training requirements),
- a requirement to operate under a quality management system assessed as meeting the requirements of the Act could be included. The annual costs for assessment currently range from \$8 000 - \$30 000 depending on the number of staff to be assessed.

If section 137 is revoked councils will have the opportunity to choose whether to become recognised to continue to undertake verification. In order to be recognised, councils will need to have a quality management system in place, and have this, and staff undertaking verifications, assessed as meeting the requirements of the Food Act 2014 (incurring annual assessment costs as outlined above).

Development of a Quality Management System

Growing and Protecting New Zealand

Regulation & Assurance
Plants, Food & Environment
Pastoral House, 25 The Terrace, PO Box 2526
Wellington 6140, New Zealand
Telephone: 0800 00 83 33, Facsimile: +64-4-894 0300
www.mpi.govt.nz

As mentioned above councils are not currently required to have a quality management system to carry out verification functions under section 137 of the Food Act 2014. The Act requires all other verification activities to be carried out by recognised agencies and persons under a quality management system. Recently a number of councils have requested recognition to be able to carry out verification of other businesses, but have signalled their annual and long term plans have not provided for development and assessment of a quality management system.

MPI has developed a "fast-track recognition process" that defers full assessment of the Agency's quality management system, and staff undertaking verifications until 1 March 2019. Councils taking the opportunity of this process are encouraged to provide for costs of assessment in annual budgets at the earliest available opportunity.

Public Register User Licencing Costs

MPI is currently covering the costs of licencing for council users of the central public register of food businesses required under the Food Act 2014. However, the number of council users will soon mean that our budget for these costs will be exceeded. In order to manage the associated costs within budget MPI will need to either limit the number of user licences to be issued to each council or begin passing on user licencing costs to councils. We propose, in the short-term and taking into account that council budgets are likely to not have provided for these costs, to limit user licences issued to each council.

MPI's budget for these costs extends only until 2019, therefore councils are requested to include provision for licencing costs in future annual and long term plans.

MPI also signals that broader cost recovery discussions will be initiated over the next 12 months.

Addressing differences in fees charged

One of the matters being regularly discussed is the cost of compliance for food businesses. MPI has information that the range of fees charged for the same function or service varies greatly between councils (e.g. registration of a template FCP ranges from \$95 - \$950).

One of the purposes of the Act is to achieve greater consistency across the country, both in services provided and fees charged. You are asked to consider how greater consistency in fees charged for services provided under the Food Act 2014 could be achieved and advise what role, if any, you would like MPI to take in facilitating development of a consistent fee structure for services provided under the Food Act 2014.

If you have any feedback on any of the above items, or if you have any concerns or questions about the implementation of the Food Act, please contact me by email (peter.thomson@mpi.govt.nz) or phone (04 894 0353).

Yours sincerely



Peter Thomson
Director Plants, Food & Environment

9.4 FOOD ACT 2014**Decision Required****Item 9.4**

Report To: Environment and Planning Committee

Meeting Date: 19 November 2015

Report Author: Zoe Moulam, Environmental Health Officer

Report Number: REP15-11-07

1 Summary

- 1.1 The Food Act 2014 comes into force on 1 March 2016 and changes the requirements for food businesses and for Territorial Authorities (TAs).
- 1.2 Food businesses will be categorised into different risks depending on the type of operation. Higher risk businesses such as restaurants will need to register under a Food Control Plan. Lower risk businesses will need to register a National Programme. Some small clubs or very low risk businesses may be exempt from registering.
- 1.3 Territorial Authorities are required to be the registration authority for businesses in their area that operate under template Food Control Plans or National Programmes, but some businesses will be able to choose to register with Ministry of Primary Industries (MPI).
- 1.4 Council is obliged to set fees for the services it will provide under the Food Act 2014, including registration fees and verification fees. The fees will need to go through the special consultative process, which will be undertaken as part of the setting of fees in the 2016-2017 Annual Plan process. If this process cannot be finished for by 1 March we can either run a separate process or cover the cost that may arise from businesses not covered by the transition.
- 1.5 Territorial Authorities are required to provide a verification service for businesses on template Food Control Plans, but it is optional whether they provide a verification service for businesses on National Programmes. The alternative is to leave National Programme verification work for the private sector. If Territorial Authorities do wish to provide a verification service for National Programmes, they need to develop a written quality management system and apply for approval from Ministry for Primary Industries.
- 1.6 If Territorial Authorities do not provide a verification service for National Programmes, businesses will be required to employ private sector auditors to verify their business. Because of the service provided to local businesses, staff consider Tasman should opt to provide the service for National Programmes within the district.

Item 9.4

2 Draft Resolution

That the Environment and Planning Committee

- 1. receives the Food Act 2014 report REP14-11-07; and**
- 2. notes that a special consultative process for the “Proposed schedule of fees for services under the Food Act 2014” is required and changes will be incorporated into the next review of fees and charges as part of the annual planning round; and**
- 3. agrees that the Council should provide a verification service for food businesses operating under National Programmes within Tasman District.**

3 Purpose of the Report

- 3.1 The Council is asked to decide whether to provide a verification service for food businesses operating under National Programmes under the new Food Act 2014 (the Act). This report provides information on the options and associated requirements and costs.
- 3.2 Council is obliged to provide services under the Act, and can set fees to recover the costs of providing registration and verification functions. The process defined for setting of fees requires a special consultative process (SCP) to be undertaken. Council is asked to approve the commencement of the SCP for the proposed schedule of fees attached, which could be undertaken either separately or as part of the annual plan process.

Item 9.4

4 Background and Discussion

- 4.1 The Act comes into force on 1 March 2016 and will replace the existing Food Act 1981 and Food Hygiene Regulations 1974 over a three year transition period.
- 4.2 Under the provisions of the Act, food businesses will be placed into different risk categories and be required to operate under different risk based controls. This could be a template Food Control Plan for higher risk businesses like cafés and restaurants, or a National Programme for lower risk businesses like retailers with pie warmers or coffee machines. Some very low risk businesses will be exempt from registration.
- 4.3 The following table shows the type of businesses falling under Food Control Plans and National Programmes, and the estimated number we have in the District that would require verification:

Businesses subject to Food Control Plans that Territorial Authorities must verify	Estimated number in Tasman District	Businesses subject to National Programmes	Estimated number in Tasman District
Food Service General eg. café, bar, burger van, caterer,	266	Retailers that handle food eg. service stations, shops heating pies	30
Food Service Care eg. residential care facilities, rest homes, hospices	Unknown	Retailers of hot beverages & shelf stable packaged foods eg. coffee stands	14
Food Retail eg. bakeries, fishmongers, deli's, butchers	16	Manufacturers of alcoholic and non-alcoholic beverages	10
		Processors of nuts & seeds eg. walnuts, coffee roasting	5
		Retailers of chilled & frozen food	8
		Manufacturers of oil & fats	6
All businesses subject to Food Control Programmes	282	All businesses subject to National Programmes	Approx 100

- 4.4 The new Act will split the registration function from the verification (audit or inspection) function. Only the Ministry for Primary Industries (MPI) and territorial authorities (TAs) will be able to register businesses. But verifications could be provided by TAs or by approved private sector auditing companies such as AsureQuality or SGS.

Item 9.4

- 4.5 The TAs will have to be a registration authority for some businesses, but businesses that operate over several TA areas can choose to register with MPI. MPI will also register some of the high risk businesses such as dairy manufacturers.
- 4.6 In addition to being registered, businesses operating Food Control Plans will also require regular verifications. The Regulations will specify the frequency of inspections, with the expectation that it may vary between three months and 24 months depending on a business' compliance history. We currently have around 40 premises under a voluntary Food Control Plan.

Verification of National Programmes

- 4.7 The Act provides TAs with deemed recognition to verify Food Control Plans and they are required by the Act to provide this service to businesses operating Food Control Plans until the end of the transition period in 2019. TAs will not have deemed recognition to verify National Programmes. In order to be able to verify National Programmes, a TA will need to apply for approval from MPI and meet their requirements for recognition. Third party (private sector) auditors will also be able to offer a verification service to businesses on National Programmes.
- 4.8 If a TA wishes to provide a verification service for businesses operating on National Programmes, it will have to meet some criteria:
- Have a documented Quality Management System
 - Apply to MPI for approval
- 4.9 Expected costs for applying for approval from MPI are:
- Application for assessment of and recognition of an agency \$193.75 plus \$155 per hour after the first 1 hour 15 minutes.
 - Application for renewal of recognition of an agency is \$77.50 plus \$155 per hour after the first 30 minutes.
- The total cost of gaining approval is unknown, as we are not sure how long applications will take to process, or how frequently or how long it may take for MPI to audit us.
- 4.10 The requirement to have a documented Quality Management System (QMS) will involve staff time in developing a system and documenting procedures. A template QMS has been provided, but adapting this will still involve a significant staff effort. A positive aspect is that full ISO accreditation is not required by TAs for a QMS at this stage.
- 4.11 When the transition period of the Act ends in June 2019, it is possible that verification services for Food Control Plans and National Programmes will be opened to the market, so that private auditing companies can offer their services to any type of business. If that occurs and TAs wish to continue to offer verification services, they may be required to also achieve ISO recognition. By developing a documented QMS now, Council will be in a better position to transition into any new requirements in the future if they choose to do so.
- 4.12 It is estimated that approximately 100 businesses out of 450 businesses currently registered with Council will need to register under a National Programme and need a verification service. These businesses are currently being inspected by Council on an annual basis.
- 4.13 If the TA does not offer a verification service, businesses would need to be verified by a private auditing company. There is one Nelson based company who may offer a verification

service (Assured Audits NZ Ltd), and several national companies that may provide a service in the District (eg. SGS, Asure Quality and Telarc). These private companies may charge businesses more than the proposed Council verification fees, as they commonly charge for travel costs, travel time, accommodation if needing to stay in the region etc.

- 4.14 If the TA does not offer a verification service, another option for some National Programme businesses will be to opt to register under the higher Food Control Plan requirements, so they will be able to receive a verification from the TA. This could be an option for approximately half the National Programme businesses. While they may face a higher level of regulatory burden, the local businesses can access what may be a cheaper verification service.

Fees

- 4.15 Council is required to set fees for the services it will provide under the Act. The services will include registration of Food Control Plans, registration of National Programmes, renewals of registration, verification of Food Control Plans, some compliance work and possibly National Programmes. The proposed schedule of fees is attached (see Attachment 1).
- 4.16 Section 205 of the Act sets out the process of setting fees, and requires that TAs follow the principles of cost recovery specified in the Act. These principles are equity, efficiency, justifiability and transparency.
- 4.17 The main difficulty in setting fees is that there are a large number of unknowns with this new system. The regulations that will provide the detail have not been published yet. Council has been registering and auditing some businesses on Food Control Plans during the voluntary implementation programme, which has given us some idea of the time and difficulty involved.
- 4.18 MPI has published the fees that they will charge for comparable services to businesses that are registering or receiving verification directly from MPI. These are included in the proposed fees table for information and comparison.
- 4.19 Our proposed fees are based on a combination of the experience of Environmental Health Officers in dealing with registration and verification of food control plans under the voluntary implementation programme, and cross referenced with the MPI fees for similar services. Our proposed fees are similar to Marlborough District Council's proposed fees, but we are not proposing to charge travel costs apart from disbursements for boat travel if incurred.
- 4.20 Our proposed fees under the new Act will vary for first registration and renewals, because it takes significantly more effort and time to assist a business in their first registration of a Food Control Plan than for a renewal. National Programmes are an unknown requirement at present as there have been no draft templates or examples and we are unsure of their complexity and how much time they will take to register or verify, or how often verification will be required.
- 4.21 The proposed fees include some fixed charges and some hourly rates. This is to ensure equity in that non-compliant businesses that take more time to register or to verify will pay more than the compliant businesses that take less time. Businesses will be invoiced with separate charges identified for registration and verification to provide transparency in the recovery of costs.
- 4.22 Council has still to decide how the 2016-2017 Annual Plan will be handled but there will still be a requirement to consult on fees which require the use of the SCP process. We will incorporate the Food Act fees in this process. It is not known at this stage whether the fees

Item 9.4

Attachment 3

will be in effect by 1 March 2016 but the number of new businesses not covered by the transition provisions may be small in number so a delay until 1 July 2016 may not cause a major issue.

Item 9.4

5 Options

- 5.1 There are no options for TAs in the provision of a registration service for both Food Control Plans or National Programme food businesses. It is a mandatory requirement of the Act. It is also a mandatory requirement for TAs to provide a verification/audit service to Food Control Plan businesses. If TAs default in the provision of that service, MPI is empowered to find alternative providers and to charge such defaulting TAs for the provision of those services.
- 5.2 There are two options available to Council in terms of the provision of verification services for National Programmes:
- Council provides a verification service for businesses operating under National Programmes
 - Council does not provide a verification service to businesses operating under National Programmes

Option (a) Provide a Verification Service

- 5.3 The benefits of the Council offering a verification service are that local food businesses can continue their established relationship with the Council and continue to deal with one organisation without needing to use a third party. TAs are required to be the registration authority for these businesses, and it would avoid duplication and confusion for businesses if they can deal with one organisation for both services (registration and verification). Council verification fees may be cheaper for businesses than private companies as we currently do not have variable charges for travel time or mileage. Council would also be able to provide the service to remote businesses that private companies may decline to service or charge higher verification fees due to their location (eg Golden Bay). This facilitates and enables businesses in the district to comply with the legislation at what may be a more reasonable cost. In the longer term Council will be better prepared to transition to ISO accreditation if required or if it chooses to do so in the future.
- 5.4 The main disadvantage is that gaining approval to provide the service will incur staff time and some costs to develop a documented quality management system in time for the start of the new Act on 1 March 2016. This work comes at a time when the Environmental Health team are already facing increased pressure from the changes to alcohol legislation and the other aspects of the Act. If a verification service is provided, there are approximately 100 businesses that may want a verification service from Council, representing a sizeable future workload. Another disadvantage of Council not providing a verification service is that businesses in more remote locations will likely face higher costs.
- 5.5 If Council chooses to provide a verification service we would be competing with private companies for potential customers, and potentially providing a cheaper service which may appear an unfair playing field in the marketplace. Private auditing companies have to achieve ISO accreditation whilst TAs do not, so private enterprise compliance costs are higher and they could be expected to charge more to recover these costs and to make a profit.

Option (b) Not provide a Verification Service

- 5.6 The benefits of Council not providing a verification service are not having to allocate staff time developing a quality management system and gaining MPI approval. There would also be a saving in future workload by not undertaking the verifications for approximately 100 businesses in the district, but still having to provide the other services.
- 5.7 A disadvantage of Council not providing a verification service is the impact on local businesses in that it may be more costly and more complicated to obtain a verification and continue trading. There may be insufficient private auditors available to undertake the work in the Tasman District and they may charge a significantly higher cost for the service. This could be a barrier to new and existing small businesses. Another disadvantage is that Council is not positioning itself to continue providing verification services for other sectors in the future. It is foreseeable that MPI will require some type of quality management system when it opens up all verifications to the marketplace at the end of the three year transition period of the Act. Developing a quality management system now will put us in a better position for the anticipated changes.

Item 9.4

6 Strategy and Risks

- 6.1 The major risk is that if Council declines to offer a verification service, approximately 100 small food businesses in the district may incur greater compliance costs by having to engage private enterprise to verify their business. This may make it financially unviable for them to continue trading. There could be negative feedback from these businesses who would perceive that Council is in effect withdrawing the service it currently provides these businesses and not supporting economic growth in the district. Conversely, there is a risk of criticism if Council competes with private enterprise for auditing of National Programmes.
- 6.2 If Council does not undertake the setting of fees prior to the Act coming into force on 1 March 2016, there is a small chance that some new businesses may not be charged the full amount as could be expected.

7 Policy / Legal Requirements / Plan

- 7.1 The Act comes into force on 1 March 2016. MPI advises that Regulations and Notices are expected to be released at the end of this year specifying more detail around what is required of food businesses under a National Programme or Food Control Plan, verification frequencies, and the process of verification.
- 7.2 There will be a legal requirement for food businesses to obtain a verification of their Food Control Plans or National Programmes. TAs have deemed recognition and an obligation to provide verification services to businesses on Food Control Plans. There is no legal compulsion for TAs to provide a verification service for businesses under National Programmes.
- 7.3 The provision of a verification service does not impact on any bylaws, policies or TRMP requirements.
- 7.4 The setting of fees will require the Special Consultative Process to be undertaken in accordance with the Local Government Act.

Item 9.4

8 Consideration of Financial or Budgetary Implications

- 8.1 There will be a cost in staff time to prepare a documented QMS and associated policies if Council decides to undertake verification of National Programmes. The detail of what is required to achieve approval is likely to be contained within Regulations expected at the end of the year. However in order to be approved by the start of the new Act in 1 March 2016, work would need to start soon to begin developing the QMS.
- 8.2 The cost of applying for approval from MPI is set in the Fee regulations as \$193.75 plus \$155 per hour. Auditing costs are charged at an hourly rate. It is not known how often MPI will wish to audit TAs but it has been muted that it could be every three years. It is also not known how long an audit may take.
- 8.3 If a verification service was not provided there would be less demand on staff time and therefore cost. Some additional businesses that Council does not currently register will come under Food Control Plans and will need to be registered and verified. The number of these is not known at present but registrations costs are recoverable.

9 Significance and Engagement

- 9.1 The decision to offer a verification service for National Programmes is of low to moderate significance. There are approximately 100 businesses what would be affected by a decision to provide a verification service for National Programmes, and 450 businesses affected by the proposed new fees.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	High for food business operators affected. Low for general public.	There would be a high level of interest from those businesses directly affected by a decision to not provide the service for National Programmes, but probably not a high level of interest from the general public. Fees will affect all food businesses.
Is there a significant impact arising from duration of the effects from the decision?		The impact of not providing a service for National Programmes may be felt in the short term, if the cost of obtaining a third party auditor prevents small businesses from opening. Existing businesses that transition to National Programmes may feel the impact over the transition period of three years when they are obliged to get a third party auditor to continue trading. If the decision is later changed it could take approx six months to develop the systems and obtain approval.

Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	No
Does the decision create a substantial change in the level of service provided by Council?	High for any food businesses affected	Yes, if approval is not sought to verify National Programme businesses we will cease providing a service to approx 100 businesses that we currently inspect.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	No
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	Low	No
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	Low	No. Food businesses would have to obtain the service from a private auditor directly or opt for the more rigorous Food Control Plan registration .
Does the proposal or decision involve Council exiting from or entering into a group of activities?	High for those we currently provide a service to.	Yes. Not providing a verification service to National Programme businesses would mean us exiting from some food inspection activities that we are currently involved in. Providing a verification service for those businesses would involve us entering into a service which competes with third party private auditors.

9.2 Staff have worked with food premises owners to inform them of the new law and MPI has also run sessions for industry representatives. Any new fees will go through the SCP process.

10 Conclusion

10.1 The main advantage of providing a verification service to food businesses on National Programmes is the provision of a cost effective service that assists and enables small local businesses in complying with the new legislation, thereby supporting the local economy. It is a logical extension to the statutory obligations we have to register and audit food premises within the district.

10.2 The main disadvantage in providing a verification service is the additional workload of documenting a Quality Management System and gaining approval from MPI, and the subsequent work of verifying those businesses. This comes at a time when the workload

Tasman District Council Environment and Planning Committee Agenda – 19 November 2015

from changes in the food and alcohol legislation have already increased pressure on the Environmental Health team.

Item 9.4

11 Next Steps / Timeline

- 11.1 The SCP to set the new fees will occur as part of the 2016-2017 annual plan process.
- 11.2 If the decision is taken to provide a verification service for National programmes, approval from MPI will be sought prior to 1 March 2016 so that new businesses will have the service available to them from the start of the new Act.

12 Attachments

- 1. Attachment 1: Proposed Fees for Services under Food Act 2014 55

Proposed Fees under the new Food Act 2014**for Tasman District Council Services**

Item 9.4

Attachment 1

Attachment 3

Service	MPI's fee (inc GST) for comparable service	TDC current fee	Proposed new TDC fee
Application for New Registration of food control plan	\$222.81 per appln + \$178.25 per hr processing application after 75 min	\$81 for FCP, \$364 for old Food Hygiene Regs	\$222 + \$148 per hr over 60 min
Application for Renewal of food control plan	\$89.13 per appln + \$178.25 per hr processing application after 30 min	\$81	\$89 + \$148 per hr over 30 min
Application for New assessment of and registration of a business subject to National Programme	\$133.69 per appln + \$178.25 per hr processing application after 45 min	No fee currently set,	\$133 + \$148 per hr over 60 min
Application for Renewal of registration of a business subject to a national programme	\$89.13 per appln + \$178.25 per hr processing application after 30 min	No fee currently set	\$89 + \$148 per hr over 30 min
Amendment of Food Control Plan or National Programme registration	\$178.25 per notification for FCP or \$89.13 for National Programme + \$178.25 per hour after 30 mins	No fee currently set, charge \$86 to transfer registration to new owners	\$89 + \$148 per hr over 30 min
Verification, inspection and audit	\$178.25 per hour	\$145 per hour	\$148 per hour (Council set fee) + disbursements for boat travel
Compliance – development & issue of Improvement Notice	\$178.25 + \$178.25 per hr development and issuing after first hour	No fee currently set	\$155 per Notice + \$148 per hr after first hour. Additional visits to check compliance \$148 per hour
Compliance – application for review of issue of improvement notice	\$155.00 per application plus \$155 per hour after the first hour	No fee currently set	\$155.00 per Notice plus \$148 per hour after the first hour

Item 9.4

Examples of new fees:

Cafe with good compliance

For an average cafe/ restaurant on a Food Control Plan that is operating well this could mean:

First year: registration \$222 + audit \$148 = \$370
Subsequent years: renewal \$89 + audit \$148 = \$237

Cafe with poor compliance

For a poorly run cafe requiring a longer audit and a revisit this could mean:

First year: registration \$222 + audit \$222 + revisit \$111 = \$555
Subsequent year: renewal \$89 + audit \$222 + revisit \$111 = \$422

Attachment 1

This compares to a current set fee of either \$364, \$423, \$460 or \$588 depending on size of the premises.

Service Station

For a business like a service station on a low risk National Programme this could mean:

First year: registration \$133 + audit 30min = \$207
Subsequent years: renewal \$89 + audit 30min = \$163

This compares to a current fee of \$364 for those doing food preparation or \$171 for pre-packaged foods.

Summary of new fees for food businesses under Food Act 2014

(applies from 1 July 2016)

Service	Proposed new TA fee
New template Food Control Plan registration	\$222 + \$148 per hr over 60 min
Renewal of template Food Control Plan registration	\$89 + \$148 per hr over 30 min
New National Programme registration	\$133 + \$148 per hr over 60 min
Renewal of National Programme registration	\$89 + \$148 per hr over 30 min
Amendment of Food Control Plan or National Programme registration	\$89 + \$148 per hr over 30 min
Verification (audit) including site visit, correspondence, report, following up corrective actions	\$148 per hour + disbursements for boat travel
Compliance – development & issue of Improvement Notice	\$155 per Notice + \$148 per hr over 60 min. Additional visits to check compliance charged at \$148 per hour
Compliance – application for review of improvement notice	\$155.00 per Notice + \$148 per hour over 30 min

Item 9.4

Attachment 1

Attachment 3

9.3 RESOURCE CONSENTS MANAGER'S ANNUAL REPORT**Decision Required**

Report To:	Environment and Planning Committee
Meeting Date:	26 July 2018
Report Author:	Phil Doole, Resource Consents Manager
Report Number:	REP18-07-01

1 Summary

- 1.1 This report presents a summary of the performance of the Resource Consent Section regarding compliance with statutory timeframes for the full 12 months of the 2017-2018 financial year.
- 1.2 For the processing of 1003 resource consent applications including variations to existing consents completed in the 12-month period, 89% compliance with statutory timeframes was achieved. The 11% completed out of time resulted in 54 discounts being applied to processing fees.
- 1.3 Two appeals to the Environment Court have been resolved by Consent Orders. There are currently two live appeals, a decision of the Court is pending for one of those, and the other is scheduled to go to Court mediation in August.
- 1.4 This report also outlines current workloads and issues, and notable jobs that have been, or are being dealt with since my last report in February 2018.
- 1.5 Consents staff are implementing the consent requirements, and providing advice for the new National Environmental Standard for Plantation Forestry that took effect from 1 May 2018.
- 1.6 The first consents have also been issued for two of the Special Housing Areas in Richmond.

2 Draft Resolution

That the Environment and Planning Committee receives the Resource Consents Manager's Annual Report REP18-07-01.

3 Purpose of the Report

- 3.1 This report presents a summary of the performance of the Resource Consent Section regarding compliance with statutory timeframes for the full 12 months of the 2017-2018 financial year. It also summarises the current workload and notable jobs that have been dealt with since my last report in February 2018, and provides a status update for appeals to the Environment Court on decisions made by hearing panels.

4 Summary of Resource Consent Processing for the 2017-2018 Financial Year

- 4.1 Table 1 below presents a summary of the various types of resource consent applications including changes to existing consents, and other applications that were lodged during the 2017-2018 year, compared with previous years.

Table 1: Applications Lodged During 2017-2018 Year

Category	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Coastal	55	36	17	27	22	33
Discharge	152	171	231	184	197	183
Water	173	189	349	258	336	140
Land Use District	474	438	480	540	601	637
Consent Notice Variation					30	19
Land Use Regional	35	36	39	26	35	23
Subdivision	120	130	131	126	133	170
Certificate of Compliance	4	7	3	4	3	3
Designation	2	0	5	1	0	0
Outline Plan	6	8	15	16	12	10
Right of Way	6	12	12	15	23	23
Boundary Exemption						24
Totals	1027	1027	1319	1197	1392	1241

Notes to Table 1:

The numbers of applications listed include variations to existing resource consents. Consent notice variations are now listed separately from Land Use consents.

To date over 70 of the applications lodged during the 2017-2018 year have been withdrawn, cancelled, or replaced (similar numbers to previous years).

Fifty-seven applications had to be returned because they were incomplete (64 returns in the previous year). Most of the returned applications are eventually re-lodged and completed.

Fifteen applications for Special Housing Areas are not included in these figures, to conform to the National Monitoring System parameters.

- 4.2 There was a further 10% increase in District Land Use applications during the 12 month period, to make 33% increase over the past three year period. The major driver is the current surge in residential growth around the district, with many applications for

dispensations for dwellings in new subdivisions, as well as more applications for second dwellings and other in-fill developments on existing residential properties.

- 4.3 There was also a significant increase in subdivision applications (30%) over the past 12 months, also reflecting the current growth surge for residential development but also more boundary adjustments and other subdivision proposed for rural properties.
- 4.4 Fewer water permit applications were received, with the Mid Motueka Water Management Zones being the only zones due for renewal.
- 4.5 Other work related to resource consents includes the two subsequent approval steps for subdivisions, known as section 223 and section 224 approvals. During the 2017-2018 year, 124 title plans were approved; and 113 certificates were issued for completed subdivisions. These figures are significantly higher than previous years – 53%, and 30% higher, respectively. They reflect the demand for new allotments, and the faster pace of development, including several large residential developments involving stages, confirming the continuing surge in subdivision development around the District.
- 4.6 Several applications to extend the lapse date for existing consents have also been received - the usual default lapse period is five years. All of these applications have been granted.
- 4.7 Amendments to the Resource Management Act 1991 (RMA) that took effect from 18 October 2017 introduced a new category of application for boundary exemption notices.
- 4.8 Tables 2 and 3 present summaries of the various types of consent applications for which processing was completed (ie decisions made) during the 2017-2018 year. They show average and median processing days and degree of compliance with statutory timeframes. The previous year's results are also shown.

Table 2: Timeliness of Non-notified Applications

Non-Notified	1 July 2016 – 30 June 2017				1 July 2017 – 30 June 2018			
	Total	% On Time	Avg Days	Median Days	Total	% On Time	Avg Days	Median Days
District Land Use	487	97.5%	18	16	537	95%	21	18
Consent Notice Var'n	27	100%	12	11	20	100%	16	16
Subdivision	104	79%	37	30	134	72%	41	30
Coastal	13	100%	22	23	25	100%	77	32
Discharge	106	94.5%	28	24	136	77%	34	23
Regional Land	28	93%	30	20	27	93%	22	19
Water Permits	61	98.5%	32.5	19	65	92.5%	20*	19
Summary Consents	826	95%	23	19	944	89%	26.5	19
NOR/OP/EUC/CofC	13	-	-	-	10	-	-	-
Boundary Exemptions					20	90%	8	5

Notes to Table 2:

The numbers of applications shown include variations to existing consents which comprise 14% of the total (11.5% in the previous year).

Five completed applications for Special Housing Areas are excluded from these figures, to conform to the National Monitoring System parameters.

Right of way applications under the Local Government Act 1974 are also excluded from this list – 17 were completed in 2017-2018 (compared to 16 in the previous year).

Days shown are working days excluding all clock stops when processing is put on hold.

Forty percent of non-notified applications had time extensions applied in the 2017-2018 year (compared with 35% last year and 43% in 2015-2016).

** Time extensions are included in the count of working days shown in Table 2, **except** that eight applications that were held over from 2015 have been excluded from the average and median times shown for water and regional land permits completed in 2017-18.*

Table 3: Timeliness of Public and Limited Notified Applications

Notified	1 July 2016 - 30 June 2017			1 July 2017 - 30 June 2018		
Consent Type	Total	% On Time	Avg Days	Total	% On Time	Avg Days
District Land Use	15	100%	238	21	86%	126
Subdivision	6	100%	170	6	83%	126
Coastal	0	-	-	1	100%	427
Discharge	23	100%	232	21	95%	176
Regional Land	1	100%	287	5	100%	183
Water Permits	3	100%	287	5	100%	146
Designations	0	-	-	0	-	-
	48	100%	207	59	91.5%	156

Notes to Table 3:

Days shown are working days excluding all clock stops when processing is on hold.

Eighty-six percent of the notified applications completed during 2017-2018 had time extensions applied, compared with 94% last year, and 86% in 2015-2016. All time extensions are included in the count of working days.

- 4.9 Forty-five percent (453) of all resource consent applications completed had time extensions applied, 32% of those at the request of, or with agreement from the applicants.
- 4.10 Thirty-two percent of all applications required a further information request (similar percentage to the previous year).
- 4.11 Twenty-five percent of Land Use consents were completed in 10 working days or less. The 2017 Amendments to the RMA also introduced a 10 day “fast track” timeline for consent applications that involve district land use controlled activities only. Fourteen qualifying applications have been processed since 19 October 2017. The median and average working days were both eight days for processing these Fast track applications. Two of the first of these applications went over time (both 19 days) because their Fast Track status was missed at the time of lodgment.
- 4.12 A new performance measure relating to the total time taken to complete consent applications has been added to the Long Term Plan for the 2018-19 year. Total elapsed time (TET) counts all working days including when applications are on RMA “clock stops” waiting for deposit fees to be paid, further information to be provided, written approvals to be obtained, or when the process is suspended by the applicant. Over the past 12 months, for the 944 applications completed on the non-notified pathway, 38% were completed within 20 working days TET, and 67% were completed within 40 working days TET.

- 4.13 Including the SHA applications and boundary exemption notices, there has been a 17% increase in consents completed, compared to the previous year. The overall increase in working days taken for most types of consent is attributable to this increased workload.
- 4.14 Table 4 presents a summary of decisions made on the 1003 resource consent applications completed in 2017-2018 (as listed in Tables 2 and 3). Nine hearings were required in total, although only one during the last six months. Of the 59 publicly or limited notified applications, 20 were able to be granted without a hearing because all issues were resolved.

Table 4: Summary of Decisions

Decision makers	Number
Granted by Councillor Panel	3
Granted by Independent Commissioners	36
Granted by Council staff under Delegated Authority	964

5 Discount Regulations

- 5.1 The discount regulations that apply to Council's charges for processing resource consent applications require a "sliding scale percentage discount" of 1% for each day that processing goes over time, rising to a maximum 50% discount.
- 5.2 For the 2017-2018 year, there were 54 applications involving 111 consents that were completed out of time, resulting in 54 fee discounts ranging from 2% to 50%. These discounts totalled **\$51,000** excluding GST, compared with \$10,000 in the previous year.
- 5.3 The majority of these discounts involved subdivision consents (and associated land use and discharge consents) lodged in the 2017 calendar year. As mentioned in Section 4 above, those delays were mainly caused by unexpected staff gaps in the subdivision consents team during 2017 which could not be fully covered by engaging contractors to do the work.

6 Marginal or Temporary Consent Exemptions

- 6.1 Since the last amendments made to the Resource Management Act 1991 took effect in October 2017, consent exemption notices can be issued for **marginal or temporary breaches** of plan rules. These are referred to as MOTCEs (pronounced "MOT-SEES").
- 6.2 Forty-one MOTCE Notices have been issued to date, for a variety of activity types including minor building infringements, minor or temporary earthworks, and temporary bridges.

7 National Monitoring System

- 7.1 Details of our resource consent processing are now required to be sent annually to the Ministry for the Environment (MfE) as part of the National Monitoring System. The data is verified by MfE. The 2014-2015 year and 2015-16 year results are publicly available on the MfE website. The 2016-2017 information is still being audited by MfE and is not yet available. Our results for the 2017-18 year (as above) are due to MfE by the end of July.

8 Objections to Decisions Made Under Delegation

- 8.1 There are five live Objections to consents granted by staff under delegated authority.
- 8.2 An Objection lodged in February 2017 regarding the construction standards for a proposed private way (right of way) at Ligar Bay, is still being further considered by the consent holder. This objection may be superseded by a proposed subdivision of the land which is crossed by the access way.
- 8.3 An Objection lodged in April 2017 regarding a 130 lot subdivision consent in the Richmond West Development Area, raised issues relating to roading standards and the requirement to install pressurized wastewater systems (as required by the Deed of Agreement for uplifting the deferred residential zoning). This objection is “on hold” and may be resolved via the Special Housing Area consenting for that locality.
- 8.4 An Objection was lodged in February 2018 against the conditions imposed on water permits for taking water to storage in the Mt Heslington area (deemed Reservoir Zone). An extensive response has been made to the matters of Objection and it appears that a hearing will likely be required. Consents staff are endeavouring to maintain consistency with other Reservoir Zone consents that may be affected by the Waimea Dam proposal.
- 8.5 An Objection was lodged in February regarding a 48 lot subdivision consent in the Richmond South Development Area, raising issues relating to infrastructure requirements, and the cost share associated with the upgrade of Bateup Road to residential standards. Those matters were resolved by negotiation.
- 8.6 An Objection was lodged in May 2018 regarding conditions of consent imposed for the Supermarket proposed at the Salisbury Road/Champion Road intersection in Richmond. The issues raised relate to upgrade of the road frontages and traffic roundabout. The Objection has been “on hold” pending adoption of Council's Long Term Plan and negotiations with Council's Engineering Services Department.

9 Appeals to Environment Court

- 9.1 One appeal to the Environment Court is continuing from the last financial year. Two appeals have been resolved since my last report in February; and one other appeal has been waiting for mediation. Refer to Table 4 below for further details.

Table 4: Appeals

Appellant	Matter	Status
Lee Valley Limestone Ltd <i>Other parties:</i> Alt Hug Moore Murray NZ Transport Agency Price Van Megan	Consents declined for a new hard rock quarry in Takaka valley.	Environment Court mediation occurred in September and December 2017. Draft Consent Notice not accepted by other parties. Court Hearing in April 2018. Awaiting Court decision.

Appellant	Matter	Status
Richmond Church of Christ Other parties: Noonan & Murphy	Consent granted to the Ministry of Education to using a temporary access to the Te Kura Kaupapa School in Richmond.	Agreement reached among the parties. Appeal was resolved by a correction to the consent.
Talley's Group Limited	Consents granted for discharges to coastal water and air at Port Motueka for 3 year terms.	Appeal lodged 19 January 2018. Mediation scheduled for August 2018.
T Vincent	Consents granted to Wilson Family Trust for tourist accommodation activities at Marahau.	Appeal lodged 18 January 2018. Appeal resolved by Consent Order.

10 Other Court Proceedings

- 10.1 Regarding the water permit for a proposed water bottling venture in Golden Bay Mohua, as I reported in February, after the High Court overturned my decision, a second decision was made to grant an extension of the lapse period to 31 May 2018 (one year before the consent expiry date). That decision was also challenged by Ngati Tama ki te Waipounamu Trust. Preparations have been made for another High Court hearing on the matter in August, despite the consent having lapsed on 31 May 2018. Council has applied to strike out the proceedings.
- 10.2 An application for a Declaration was made to the Environment Court in March 2018 regarding the deemed resource consent held by the Nelson Speedway Association Inc. for their raceway site at Landsdowne Road, Richmond. That consent was granted by Waimea County Council in 1968, fifty years ago. Neighbouring landowners were seeking confirmation of the consented activities. A hearing was held in May, resulting in the Judge ruling that events during the speedway season are restricted to one day per fortnight. That determination has been appealed to the High Court by the Speedway.

11 Waimea Water Zone Permit Renewals

- 11.1 As I reported in February, work had been completed on the bona fide reviews required for the approximately 300 applications for replacement water permits for the seven water zones across the Waimea Plains: the Lower Confined Aquifer (LCA) Zone, Upper Confined Zone, Hope and Eastern Hills (HEH) Zone, Delta Zone, Golden Hills Zone, Waimea West Zone, and Reservoir Zone.
- 11.2 Because the rule framework for the Waimea water takes is yet to be determined by decisions regarding the proposed Waimea Community Dam, further work on these applications has been deferred until there is a clear pathway.

- 11.3 Until applicants are formally notified of a decision on their (replacement) application, they can continue operating under their expired consent's conditions including (unchanged) rates of water take. Processing the applications can resume when the decision on the Waimea Community Dam is made.

12 Middle Motueka Water Zone Permit Renewals

- 12.1 Most of the Middle Motueka Water Management Zone consents expired on 31 May 2018. Fifty-one applications were received for replacement consents. Of those, 45 new water permits were granted on 12 July (so they are not included in the numbers for the 2017-18 year in Table 2 above). There are another eight applications for this zone that are still in progress.

13 Progress with Aquaculture Management Areas

- 13.1 As reported in February, on 19 January 2018 the Ministry for Primary Industries published a notice in the Gazette that describes and defines the Tasman Interim Aquaculture Management Areas as aquaculture areas (AMAs). That enabled consents staff to commence processing of coastal permit applications for mussel farming that were lodged in 2005. There are five applications that staff have begun to process covering 1,950ha in Golden Bay and 150ha in Tasman Bay.
- 13.2 Applications have also been processed to amend the existing coastal permits for mussel farming in AMA 2 Subzones (p) and (q) and AMA 3 Subzones (i), (j) and (k) to enable the development of the farms from Stage 2 to Stage 3. The combined areas of the subzones are 328ha in Golden Bay and 747ha in Tasman Bay. Refer TRMP Planning Maps 181 & 182. The processing of these applications involved staff and an Ecological Advisory Group reviewing the monitoring results from Stage 1 and 2 and updating the Environmental Monitoring Programme for Stage 3 to ensure it is fit for purpose. Stage 3 is the final stage of development of these subzones and enables the full occupation of the sites with longlines at densities anticipated by the permits that were issued in 2005. The consents expire in 2033.

14 Seasonal Worker Accommodation

- 14.1 There are over 30 Recognised Seasonal Employers (RSEs) in the District, with several operating multiple properties. Central government changed the rules for the RSEs from 1 January 2018, requiring each RSE to show that their accommodation meets Council requirements - for resource consents and building consents, when applying to central government for the ability to employ seasonal workers.
- 14.2 Consents staff attended a meeting with the RSEs in December. Unfortunately there are numbers of workers accommodation units that are old and for which records are sketchy, so demonstrating compliance with the relevant provisions of the Tasman Resource Management Plan and Building Act is challenging in many instances. Several resource consent applications have been processed for workers accommodation, for land use and disposal of treated wastewater.

15 Special Housing Areas Consenting

- 15.1 Consent applications have been formally lodged for two of the eight Special Housing Areas (SHAs) that were approved for Tasman District last year. These applications are processed in accordance with the provisions of the Housing Accords and Special Housing Areas Act 2013, which adopts much of the RMA consenting process but differs with regard to infrastructure and notification requirements.
- 15.2 Consents for SHA T1-01 at 323 Hill Street in Richmond (known as Pioneer Heights) were granted in February for a 26 lot subdivision and associate consents. Earthworks are currently underway for that development.
- 15.3 SHA T1-02 The Meadows in the Richmond West Development Area north of Berryfield Drive, has been split into several stages. Applications have been lodged for a 70 lot residential subdivision, and for a lifestyle village comprising up to 267 residential units, community and recreational facilities and a commercial precinct. Both of these stages are on the Richmond side of Borck Creek greenway.
- 15.4 Pre-application or structure planning is also continuing with regard to the remainder of SHA T1-02 The Meadows (on the west side of Borck Creek), and for the other six SHAs.

16 Urban Design Panel

- 16.1 A meeting of the Urban Design Panel (UDP) was held in June. This was the first meeting for the UDP to consider Tasman proposals since October 2016. Two SHA subdivision design proposals were considered, one being the 70 lot proposal for T1-02 The Meadows (as above), the other for T1-07 Angelus Avenue.
- 16.2 The UDP was constituted in 2009 and is due for a review. As it is a shared Panel with Nelson City Council, staff from both Councils have been reviewing the UDP's terms of reference, in consultation with the Panel Chairperson and other panel members. The findings of this review will be reported in due course.

17 National Environment Standards Plantation Forestry

- 17.1 Consents staff have worked with Council's Compliance and Policy staff to prepare for the implementation of the new National Environmental Standard for Plantation Forestry (NES-PF) that took effect from 1 May 2018. This has involved liaison with Ministry of Primary Industries, forest managers and forestry contractors, to confirm and explain the regulations in the NES-PF.
- 17.2 One set of consents has been issued under the new NES regulations to date, for forestry harvest activities in a "red zone" in the Wairoa River valley.

18 Other Notable Application Work since February 2018

- 18.1 Notable applications and proposals dealt with over the past six months are:
- **Bell Island Waste Water Treatment Plant:** the Nelson Regional Sewerage Business Unit has applied for replacement consents for the Bell Island Wastewater Treatment Plant, including discharge permits for disposing of treated wastewater to sea. This

application was publicly notified in March 2018 and attracted 15 submissions. The application process is currently suspended while the applicant obtains further information and seeks to hold pre-hearing meetings with submitters.

- **Proposed Pakawau Seawall:** the Pakawau Community Residents Association has applied to erect a 350 metre long rock wall for coastal protection purposes on esplanade reserve along the shoreline at Pakawau. This application was publicly notified in May 2018 and attracted 402 submissions, nine are opposing, and overall 10 submitters want to be heard. The applicant is consulting with submitters, and some further information has been requested before arrangements for a hearing can be confirmed. This application is being processed by an independent consultant given Council's role with the reserve and its involvement with the proposal.
- **Free-range Poultry Farm at Spring Grove:** this proposal largely complies with permitted activity standards in the Rural 1 zone. Some adjoining neighbours to the site have been deemed affected persons because of specific aspects of the overall proposal.
- **Rural-Residential Subdivisions:** several subdivision applications have been received for rural-residential zones, and in the Rural 3 zone, seeking to increase the density of residential allotments. With the combination of the 2017 RMA amendments restricting public notification, and the Plan Change 60 additions to the TRMP policies encouraging further subdivision, these applications can be supported subject to consideration of adverse effects on their neighbours within the zone.

19 Current Staffing and Workloads

- 19.1 The Subdivision Consents team was short staffed again from early February following the departure of Alastair Sharp. Ella Mowat joined us in mid-May from Whangarei District Council to take up this vacancy.
- 19.2 As mentioned in Section 4 above, the circumstances over the past 21 months have caused delays in processing many subdivision applications (and related consents). We have attempted to fill the staff gaps, had further assistance from Pauline Webby, and have engaged an additional consultant planner to process subdivision applications.
- 19.3 We will continue to use the three contractors' services for the current 30% increase in subdivision applications including the Special Housing Area consenting, and the similar flow-on surge of s223 and s224 actions. We have given priority to s223 and s224 approvals to avoid delaying the issue of titles for completed developments.
- 19.4 I acknowledge the extra workloads that Annie Reed, Wayne Horner and Erin Hawke in the subdivision consents team have continued to deal with, as well as staff in the Natural Resources team who deal with the associated discharge and earthworks consents, and the administration team.
- 19.5 The overall workload for the Consents section also continues to be influenced by increases in demands on the time of duty planners and other enquiries, as well as with pre-application work generally. The number of LIMs and PIMs has also steadily increased, with more pressure expected to come on the PIM check service.
- 19.6 Despite creating a new position for the Land Use team, which was filled by Simone Williams in January, we have not had full staffing in that team over the past six months. Team Leader

Ro Cudby moved to the Environmental Policy Section in February. That position was taken up by Katrina Lee in late May. Simone Williams is leaving at the end of July, and the recruitment process for a replacement is underway.

- 19.7 There are also two contractors assisting us with land use consent applications. Bob Askew is continuing to assist us part-time with the duty planner roster based at the Motueka office; Edna Brownlee is assisting with Lim checks; and Jill Wallace has continued to assist the administration team until a new Team Leader position is established.
- 19.8 Contractors have been involved in processing 14% of the consents completed over the past 12 months. Those jobs require staff input for peer reviews, decision-making and administrative report. Engaging contractors has incurred more costs and indicates that additional staff resources would be more cost effective if the Section's increased workload is to continue.
- 19.9 The Section review identified several other aspects where we could enhance our service provision, and we will continue to work on those over coming months with new team leaders and Principal Planner in place.
- 19.10 The past six months have been challenging, following on from a similar situation with workloads and staff changes during most of 2017. In that context, the much improved responses to the customer survey just received are encouraging, with a return to the higher level of customer satisfaction we had three years ago. I thank the Consents staff and other Council staff who regularly assist us in our work for their efforts in dealing with the high workload and many complex applications, despite the staffing shortages.

20 Attachments

Nil

9.4 ANNUAL DISTRICT WIDE WATER MONITORING REPORT**Information Only - No Decision Required**

Report To:	Environment and Planning Committee
Meeting Date:	26 July 2018
Report Author:	Jim Trembath, Compliance & Investigations Officer
Report Number:	REP18-07-07

1 Summary

- 1.1 Tasman District Council runs a dedicated programme designed to record and report on the consumption of ground and surface water across the regions water zones, measure compliance with consent conditions, aid in the implementation of water restrictions and oversee the implementation and compliance of the Reporting of Water Takes Regulations 2010.
- 1.2 Key findings from this season were:
- The Dry Weather Taskforce convened on seven occasions to impose or continue restrictions under Section 329 of the Resource Management Act 1991. Stage 2 rationing for the Waimea's commenced Monday 18 December and remained until 9 January where it was reduced to stage 1. On 15 January all rationing was removed due to wet weather.
 - Consents administered under the water metering project in the 2017-2018 season remain consistent at around 1,464.
 - There are 831 active consented water takes. Of those 7% still supply weekly water meter readings via New Zealand Post, 70% are now supplying weekly water meter readings via the web page service provided by Council, 9.8% are supplying weekly water meter readings via email, and 4.5% are filing weekly water meter returns via telemetry. 8.5% supply weekly water meter readings via mobile phone, 0.2% via fax.
 - Construction of a new purpose built water metering database was complete and live for the 2017/2018 summer irrigation period. This went smoothly with any minor alterations successfully undertaken as the season progressed. However significant liaison with water users was required assisting in navigating the new interface.
 - 1153 meter audits were undertaken during the 1 November 2017 to 1 May 2018 period.
 - It is believed dairy shed wash down during the milking season exceeds permitted activity regulations however to date this water use has not been assessed. It is envisaged there will be an impact on the industry with dairy shed water use required to

be authorised through Resource Consent. This is a project that will need to be undertaken at some point when resources allow.

- A third party telemetry provider has ceased trading affecting 16 consent holders who contracted their telemetry service to this provider. This means that they are required to set up a new telemetry system with a new telemetry provider at their cost. Staff believe a case could be made to bring aspects of the telemetry data management 'in house' to maintain data quality and provide a robust service. This development in relation to the Waimea dam is discussed further in the report, but if there was appetite, a separate report could be provided. There would be development costs and any recovery process would have to be discussed with permit holders.

- 1.3 Overall compliance this water year continues to be good but still requires significant contact between Council staff and consent holders. During the season there were approximately 41 instances where water abstracted exceeded allocation limits.
- 1.4 Implementation of the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010 continues. There are now a further 219 consented takes under 5 l/s required to install a complying water meter by November 2018 and to be verified as accurate by June 2019. It has been five years since the regulations required all water meters recording water takes over 20 litres per second to be verified as accurate. This legislation imposes the requirement to verify water meter accuracy every five years and therefore all water meters recording water takes over 20 litres per second must now be re-verified with proof of accuracy to be supplied to Council compliance staff.
- 1.5 It is envisaged that monitoring demands will increase considerably with the development of the Waimea Dam project and with the implementation of stricter water rationing triggers throughout the Waimea water use zones. End of water year summaries are in the process of being sent to all consent holders together with graphical representation of their individual water use record and the relevant water management zone. This reporting method was used for the majority of consent holders and appears well received.
- 1.6 The Administration requirements of the water metering programme continues to increase due to the ongoing implementation of the Regulations and plan changes associated with the Waimea Dam project.

2 Draft Resolution

That the Environment and Planning Committee receives the Annual District Wide Water Monitoring Report REP18-07-07 report

3 Purpose of the Report

- 3.1 Tasman District Council runs a dedicated programme designed to monitor and report on ground and surface water consumption across the regions water zones, measure compliance with consent conditions and aid in the implementation of water restrictions. In recent years the programme has expanded to oversee the implementation and compliance of the provisions of the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010.
- 3.2 At the end of each water metering season the Compliance Department presents a summary of performance against the various activities managed under the programme and the purpose of this report is to present a summary for the 2017-2018 water year.

4 Water Take Compliance

- 4.1 Consents administered under the water metering project in the 2017-2018 season remain consistent at around 1,464.
- This number of meters comprises the following:
- 1,464 Consented meter takes
 - 112 Moutere domestic (permitted activity) metered takes.
- 4.2 Of the consented metered takes the following applies:
- 831 were deemed active and required to file weekly water meter readings. These were the consent holders irrigating that season.
 - 119 were deemed non-active and not required to file weekly returns. These were consent holders not irrigating that season
 - 162 are on future implementation. These are authorised through consent but have not yet been exercised.
 - 219 are under 5 litres per second and now require meters to be installed
 - 21 Are non-consumptive takes.
- 4.3 Of the Moutere domestic takes the following applies:
- 101 are deemed active and filing six monthly returns.
 - 11 are not being used.

Return Method

- 4.4 There are 831 active consented water takes. Of those 7% still supply weekly water meter readings via New Zealand Post, 70% are now supplying weekly water meter readings via the web page service provided by Council, 9.8% are supplying weekly water meter readings via email, and 4.5% are filing weekly water meter returns via telemetry. 8.5% supply weekly water meter readings via mobile phone, 0.2% via fax.
- 4.5 Of the electronic methods this season, webpage returns make up 75% of all returns coming in. Email returns have dropped to 11%, telemetry data has increased to 5% and Council's mobile app makes up 9% of returns.

- 4.6 7.2% of weekly returns are still made using the pre-paid card posted through the mail or via fax.

Telemetry (Presented by Council Water Resources Officer Brenda Clapp)

- 4.7 In the last year, the number of telemetered water meters has increased to 43. Four of the telemetered sites also provide additional data for consent requirements, i.e. water level, conductivity.
- 4.8 The aligning of the telemetered water meter data with other hydrological data collected by the Environmental Monitoring section continues. With preseason and postseason checks provided by the consent holder, and mid-season meter audits, the data is being archived and quality coded to the National Environmental Monitoring Standards (NEMS), and comments are logged when issues have occurred.
- 4.9 As we have seen in previous years, there have been several issues with bad telemetered data. This has occurred from actual water meter malfunctions sending erroneous data, to power issues causing data to be lost. Occasionally the telemetered data appears okay, but the audits can highlight missing or erratic data. These issues are not uncommon in the world of electronic data collection, but for water metering in Tasman, it is made worse by the occasional poor installation causing the fault, or the long response time of the service providers solving the issues, which increases the poor quality or missing data.
- 4.10 There have been five telemetry service providers in the last year (these service providers are different to those that install and verify the meters, and install the telemetry equipment). At the beginning of June, one of these companies gave a months' notice that they were shutting their service down for good. In the Tasman region, this affected 16 users. Of these users, one has consent conditions requiring telemetry, while the others use the telemetry for convenience of supplying council with weekly readings and/or farm management. We are currently working with the service providers that installed the equipment and the consent holder for the best alternative options.
- 4.11 The implementation of the 'Waimea Dam' or 'no dam' rules will likely increase the requirement of telemetering water meters in the Waimea plains due to tighter water restrictions. With the ongoing problems of erroneous and missing data, combined with the sudden closure of a telemetry service provider and the increase in telemetered water meters, we need to review the process of telemetering water meters to improve the quality of the data. Having more control over the collection of the data will provide the improved quality. Possible solutions could mean that we either tender the telemetering out to one service provider under a tight contract or bring the telemetry management in house.

Compliance Summary

- 4.12 At present 43 water management zones in this district have either a full or partial metering requirement on abstractive takes imposed through the TRMP. For the actively metered zones consent holders are required to furnish weekly usage readings over the water metering period (now 1 July to 30 June). This forms the basis of the compliance monitoring programme and has three primary objectives:
- Ensuring compliance with the obligations imposed in consent conditions and responding to non-compliance accordingly. This is a statutory requirement and underpins all monitoring programmes.

- Ensuring comprehensive usage data is available for the purpose of sound water resource management and policy setting.
- Ensuring ability to provide accurate usage data to central government agencies in meeting national reporting objectives.

4.13 With the introduction of the Reporting of Water Takes Regulations 2010 the duties imposed through this have also been built into the programme as a dedicated project interlocking with the current framework. The monitoring, enforcement and ability to report are integral to the success of implementation in this district and it has equal status to the normal consent monitoring.

Missing Readings

- 4.14 Overall performance in respect to returns for active meters was relatively good.
- 4.15 Weather patterns this season resulted in early restrictions which did not ease until Mid-January with the arrival of the first of two significant cyclones. During that dry period the Waimea zones spent a number of weeks on stage two rationing and movement to stage 3 rationing was considered by the Dry Weather Task Force. Water restrictions were significant to the extent Council was approached by a number of water users looking to secure more water and seeking short term informal (unconsented) short term agreements for allocation sharing.
- 4.16 Staged rationing meant levels of compliance with meter returns was correspondingly good. However, as restrictions eased it was noted there was a marked increase in the occurrence of missing weekly readings across the district. As a result and in recognition from Council comments at last year's annual report presentation, specific audits were undertaken and water users invoiced for those audits. Currently staff are still reviewing missing reading audits and invoicing where the audit was due to a failure to supply weekly water meter readings. This approach acts as a form of punitive response. Also formal letters of warning have been issued in preparation for the use of Infringement fines and Abatement Notices as appropriate next season.
- 4.17 Missing readings continue to be an issue which take staff time. Part of this problem is the staged inclusion of newly metered users who are slow coming to grips with the new obligations. Another aspect is the perceived importance (or lack thereof) of weekly water meter reading supply once rain starts and there are no water restrictions or there is intermittent use due to weather. However missing readings also create problems as once readings are supplied they are entered against a single week and result in the total abstracted volume being registered as an overtake for that week. These may therefore not be genuine overtakes if averaged over the missing period or they may actually be genuine overtakes.

Excessive Water Use

- 4.18 109 instances were recorded where the weekly water limit was breached by about 100 different water users. Of those 109 instances, 37 are not true excess water takes due to circumstances such as allocation sharing or missing weekly water returns distorting calculations. A further 31 excess water takes were within the 5% meter margin of error range of their authorised limit. The remaining 41 were confirmed as illegal excess water takes from 23 different water users. Enforcement staff have made contact with each of those water users and investigated the reason for the non-compliance.

4.19 All excessive water use situations were investigated and responded to in accordance with Council’s enforcement policies. For minor overtakes or if appropriate for the first instance of non-compliance; warnings were used as a means of addressing the non-compliance and gaining future compliance. Past warnings (should they exist) are considered in determining enforcement options for non-compliance.

4.20 Telemetered water use data over takes were either due to, or obscured by, system errors or failures.

Water Meter Audit

4.21 The ‘anytime, anywhere’ water meter audit continued throughout this water year. Council performed 1153 audits across 750 water meters over the 2017-2018 irrigation season. 65% of all active meters were audited. 503 audits were second audits due to issues with the consent holder. These included targeted missing reading audits and a particular emphasis was placed on the Waimea zones this season with meters audited twice to ensure water use data was accurate. Meter audits continue to include a reading of the meter dial, ensure integrity of the seal and obtain an updated (digital) photographic record of the meter.

Fictitious Meter Readings

4.22 Some reading discrepancies were identified through audit and all were followed up. All of these were the result of human error or laziness and could be amended. None have been confirmed as being manipulated or were a result of fraudulent intent.

Moutere Domestic Metering

4.23 The TRMP also requires Moutere domestic (permitted activity) takes to install meters and provide a single reading in April and then in November.

4.24 As at 30 June 2018 a total of 112 Moutere domestic bores have been identified and registered on the database. While that is the total registered, 11 are not being used.

4.25 In respect to these domestic meters the water use data readings are required April and November each year.

5 Water Rationing and the Dry Weather Task Force

5.1 Due to the prevailing dry weather patterns occurring in the district over the summer the Dry Weather Taskforce was required to convene on seven occasions to consider and impose restrictions under Section 329 of the Resource Management Act 1991.

5.2 The following is a timeline of the meetings and rationing stages as they were imposed over this period.

DWTF Meet Date	Effective Date	S329 type	Rationing step	Zones affected
05/12/2017	11/12/2017	Declaration	Step 1	Upper Catchments, Reservoir, Waimea West, Golden Hills, Delta, Upper Confined Aquifer,
12/12/2017	18/12/2017	Declaration	Step 2	Upper Catchments, Reservoir, Waimea West, Golden Hills, Delta, Upper Confined Aquifer,
			Step 1	Hope Minor Aquifers, Lower Confined Aquifer,
19/12/2017	25/12/2017	Direction	Step 2 continues	Upper Catchments, Reservoir, Waimea West, Golden Hills, Delta, Upper Confined Aquifer,
			Step 1	Hope Minor Aquifers, Lower Confined Aquifer, Wai-iti & Wai-iti Dam Service Zone.
27/12/2017	01/01/2018	Declaration	Step 2 continues	Upper Catchments, Reservoir, Waimea West, Golden Hills, Delta, Upper Confined Aquifer,
			Step 1 continues	Hope Minor Aquifers, Lower Confined Aquifer, Wai-iti Dam Service Zone.
	9/01/2018		Step 2 continues	Upper Catchments, Reservoir, Waimea West, Golden Hills, Delta, Upper Confined Aquifer,
			Step 1 Continues	Hope Minor Aquifers, Lower Confined Aquifer, Wai-iti & Wai-iti Dam Service Zone
03/01/2018		Declaration	Domestic water use Restriction	Moutere Eastern, Moutere Coastal, Moutere Surface, Moutere Southern and Moutere Western.
09/01/2018	15/01/2018		Step 1	Upper Catchments, Reservoir, Waimea West, Golden Hills, Delta, Upper Confined Aquifer,
			Step 1 Continues	Hope Minor Aquifers, Lower Confined Aquifer, Wai-iti & Wai-iti Dam Service Zone
		Direction	Domestic water use Restriction	Moutere Eastern, Moutere Coastal, Moutere Surface, Moutere Southern and Moutere Western.
15/01/2018	15/01/2018	Direction	Removed All	Restrictions removed

6 Other Administrative Requirements

6.1 In addition to the ongoing collection, monitoring and reporting of water use data during the season other critical water monitoring administrative tasks placing high demand on staff time and resources include:

- Pre-summer season set up. Considerable staff time is dedicated to preparation for the upcoming summer. This is typically reviewing and uploading new consents and renewals, database and data integrity audits, alerts to water users of the pending start and contacting those not using water for confirmation that the non-use situation remains.
- End of water year reporting. This is an important feedback mechanism to water users and forms an integral part of the overall reporting process. While this occupies a considerable amount of staff time and receives occasional complaint from particular users, it is considered to be well worth the effort and is typically well received by the users. The reporting consists of a summary letter, graph of the individual and wider zone

usage, commentary on consent condition performance together with any identified deficiencies. This water year the graphs were generated in the new WCM database and altered to enhance clarity.

- Electronic records. There are 43 consents now supplying readings via telemetry. The supply of electronic data in this format is likely to increase as a result of the Regulations. Council process managing this form of data continues to develop to meet this change. (Refer to telemetry comments for further comment). It is important to note there is still a requirement for active staff involvement with telemetered sites to maintain the integrity of information received.
- NCS database changes. The rapid changes occurring in the management and reporting of water use has meant the demand for increased database functionality. The implementation of the Regulations and their reporting requirements has certainly compounded this. Council has constructed a new water monitoring database. Efficiency with reporting and mail out merging for multiple consent information to single holders is a priority to reduce staff time on certain aspects of the water metering programme. The new database reporting function has highlighted other areas of information storage that require development.

6.2 Water Zone graphs are available on request.

7 Resource Management (Measurements & Reporting of Water Takes) Regulations 2010

- 7.1 Overall administration requirements of the water metering programme continue to increase due to the ongoing implementation of the National Regulations. As the staged implementation of the regulations progress greater numbers of affected water users are required to have meters installed, verified as accurate and supply Council with weekly water meter readings. Re-verification of meters recording water takes of 20 litres per second or greater is required
- 7.2 The current stage of implementation for the regulations is >5 litres/second and applies to 219 water takes. These water takes are to have a water meter installed by 10 November 2018 with the water meters verified as accurate by June 2019.
- 7.3 Consented water takes of 20 litres per second or above are now required to have the existing water meter re-verified as accurate.

8 Policy / Legal Requirements / Plan

- 8.1 One of the main objectives of the water metering programme is to provide Council, resource users and the community, data on the consumptive use of water in the individual management zones and the compliance behaviour of the users. This data provides information on the volumes, pattern of use, return rates and the stages and effects of rationing in the individual zone. Presentation of this information in an annual summary report is an essential part in Council meeting this requirement. Graphical representation of each water management zone and the report is also provided on the Council's website www.tasman.govt.nz for public viewing.

- 8.2 Council also has an obligation to report to the Ministry for the Environment (MfE) on the district's performance with respect to implementation of the Resource Management (Measurement & Reporting of Water Takes) Regulations 2010. This occurs annually as and when it receives the request. At present this is done through spreadsheets as there is no data share mechanism.

9 Consideration of Financial or Budgetary Implications

- 9.1 A summary of the Compliance Monitoring Water income/costs for the 12 month period ending 30 June 2018 is as follows.
- 9.2 Budgeted expenditure for the 2017/18 year was \$244,170. Total actual expenditure for the period was \$223,484 with total income for the period of \$231,853. This gave a reported year end surplus of \$8,370.
- 9.3 The programme was 64% water user funded this year. The target remains for this activity to be 100% user funded.
- 9.4 It is envisaged that compliance demands will increase considerably with the implementation of rules associated with the Waimea Community Dam plan change.

10 Conclusion

- 10.1 Water user compliance requires a significant Council administrative and field effort. Significant interaction between consent holders and Council staff is required to achieve consistent compliance every season.
- 10.2 Non-compliance with meter returns continues. This was the first season where targeted audits were undertaken and invoices for staff time were issued. As always compliance staff assess each case of non-compliance and where possible place emphasis on education and encouragement to achieve compliance.
- 10.3 Overtakes were encountered this season with staff taking a firmer more formal response which include formal written warnings, Infringement Fines and Abatement Notices. The new database has improved record keeping and as a result greater water user accountability. Invariably the majority were errors in meter readings or inconsistent returns. Council staff exercise discretion in these cases and worked with the consent holder.
- 10.4 Use of the mobile phone application is growing and the application appears to be working well. There are a number of consent holders who, for various reasons, lack the ability to utilise electronic technology to provide returns. As a result, the old paper system still remains, however every effort will be made to move users to electronic reporting when that option becomes available to them. This will save some cost to Council in time and resources.
- 10.5 Maintaining this momentum for future seasons as ongoing success relies on sufficient staff resources due to the high degree of customer contact. The new Water Metering & Resources Environmental Monitoring Officer position fills an important technical role alleviating some technical data management pressures with the Regulations.
- 10.6 The expanding water programme and regulations had a significant impact on Council database requirements. The new database was implemented smoothly as the season developed the database functionality was fine-tuned and this is ongoing as the season

Item 9.4

transitioned from receiving and processing information to analysing and reporting on that information.

- 10.7 The Waimea Community Dam and plan change proposals remain prominent with its potential impacts on the water metering programme whichever course of action finally results. The Compliance Department continues to work on its strategies for the future implementation of this proposal.
- 10.8 Telemetry (especially considered as a monitoring tool for the Waimea catchment) is a growing monitoring method, however, as it stands does not provide a “silver bullet” to monitoring water use. Issues with technology and third party providers continue.
- 10.9 The Tasman District Council appears to be positioned well against MFE recommendations as a result of a Council monitoring review in comparison to other councils with regard to monitoring water consumption throughout the District together with the implementation of the Central Government Measurement and Reporting of Water Take Regulations.

11 Attachments

Nil

9.5 NELSON TASMAN QUARTERLY MONITORING REPORT UNDER NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT CAPACITY

Information Only - No Decision Required

Report To: Environment and Planning Committee

Meeting Date: 26 July 2018

Report Author: Jacqui Deans, Policy Planner

Report Number: REP18.07.02

1 Summary

- 1.1 The National Policy Statement on Urban Development Capacity (NPS-UDC) requires local authorities with medium or high-growth urban areas to monitor and report on a range of indicators on a quarterly basis. The purpose is to ensure that local authorities (including Tasman and Nelson) are well-informed about the property market and urban development activity.
- 1.2 Tasman District Council and Nelson City Council staff have jointly produced the fourth monitoring report on housing and business market activity covering the period January to March 2018.
- 1.3 The main findings in the report are:
 - 1.3.1 Increased house prices and rents combined with poorer housing affordability continues to be a theme for both Nelson and Tasman.
 - 1.3.2 The number of applicants waiting on the Social Housing Register has increased from 43 to 58 in the Tasman District and 53 to 100 in Nelson City for the year to March 2018.
 - 1.3.3 There was a marked increase in the number of building consents issued in Tasman after the release of a significant number of new lots in the December 2017 and March 2018 quarters.
 - 1.3.4 Price efficiency indicators have been included for the first time under the NPS-UDC. The latest price-cost ratio indicates land costs are just above the acceptable level, as a proportion of the cost of new houses. This means land supply is not quite keeping up with demand.
- 1.4 The Full Council meeting on 27 July 2017 resolved that the quarterly monitoring reports should continue to be produced jointly with Nelson City Council and the reports are made publicly available, in accordance with Government advice.

2 Draft Resolution

That the Environment and Planning Committee receives the Nelson Tasman Quarterly Monitoring Report under National Policy Statement on Urban Development Capacity REP18.07.02 report.

3 Purpose of the Report

- 3.1 To consider the fourth joint Nelson-Tasman quarterly monitoring report, as required under the National Policy Statement on Urban Development Capacity.

4 Background and Discussion

- 4.1 The National Policy Statement on Urban Development Capacity (NPS-UDC) came into effect in late 2016. The aim of the NPS-UDC is to ensure that planning decisions enable an adequate supply of housing and business land to meet current and future demand.
- 4.2 There are comprehensive quarterly monitoring requirements under the NPS-UDC. Policy PB6 of the NPS-UDC states that the range of indicators shall include:
- a) Prices and rents for housing, residential land and business land by location and type; and changes in these prices and rents over time;
 - b) The number of resource consents and building consents granted for urban development relative to the growth in population; and
 - c) Indicators of housing affordability.
- 4.3 Policy PB7 of the NPS-UDC requires local authorities to use information provided by indicators of price efficiency in their land and development markets, such as price differentials between zones, to understand how well the market is functioning. This information can in turn be used to assess how planning decisions may affect this, and when additional development capacity might be needed.
- 4.4 The Ministry for the Environment (MfE) and the Ministry for Business Innovation and Employment (MBIE) have produced an on-line urban development capacity dashboard that provides charts, maps and underlying data on local housing markets. This can be viewed at <https://mbienz.shinyapps.io/urban-development-capacity/>. The tool includes housing data for all Tasman wards. Corresponding data has not yet been provided on business markets. Much of the data contained in the quarterly report comes from the MfE/MBIE dashboard.
- 4.5 This is the fourth monitoring report required by the NPS-UDC (Attachment 1) and covers the period January to March 2018. The main findings are summarized below.
- 4.6 The monitoring report is also being considered by Nelson City Council on Thursday 23 August 2018 at their Planning and Regulatory Committee meeting.

Main Findings

- 4.7 Dwelling sale prices across the combined Nelson-Tasman area increased by 8.5 percent during the year ended March 2018. The median sale price for the year ended March 2018 was \$550,875 in Tasman and \$495,000 in Nelson.
- 4.8 Two measures of home affordability used by MBIE indicate that:

- 84.5% of first home buyer households in Tasman could not comfortably afford a typical ‘first-home’ priced house, defined as the lower quartile price point for housing in the district; and
- 65.1% of renting households in Tasman are considered to have below-average income after housing costs have been factored.

- 4.9 It should be noted that there has been a slight rise in the Housing Affordability Measures (HAM Buy) measure since the last reporting period, in the number of households that could not comfortably afford a typical ‘first-home’ priced house. However, the result is very similar to other regions.
- 4.10 Nationally construction costs are increasing and Quotable Values (QV’s) “costbuilder” reports that in the first quarter of 2018 the average cost of building a new home in New Zealand’s four largest cities (Auckland, Wellington, Christchurch and Dunedin) has risen on average by 3.2% in the year to April 2018 and a total of 29.9% since the previous peak of 2007.
- 4.11 The number of applicants waiting on the Social Housing Register has increased in both regions in the year to March 2018. Nelson has increased from 53 to 100 and Tasman 43 to 58. Seven new dwellings providing a total of ten additional bedrooms are planned for construction in 2018 by Housing New Zealand (Nelson only).
- 4.12 The number of new dwellings granted building consent increased, with 132 new dwellings in the Main Urban Area and 179 across both districts in the March quarter. In Tasman, there was a significant increase in the number of building consents issued after the release of a large number of new lots in the Hart Rise and Lower Queen Street subdivisions in the December 2017 quarter.
- 4.13 Price efficiency indicators were monitored for the first time in December 2017 as required under Policy PB7 of the National Policy Statement on Urban Development Capacity (NPS-UDC). The latest price-cost ratio indicator places the Nelson-Tasman region just above the ‘acceptable’ threshold for supply of land being responsive to demand i.e. supply of land is not sufficiently responsive to demand and insufficient development opportunities exist.
- 4.14 Local Authorities are encouraged to publish the results of their monitoring. The monitoring was required to commence by June 2017.

Further Monitoring Requirements

- 4.15 Under the NPS-UDC, local authorities must, by the end of 2018, complete an assessment to determine whether sufficient development capacity exists. The assessment must estimate the demand for dwellings, including the demand for different types of dwellings, locations and price points, and the supply of development capacity to meet that demand. The assessment must cover the short, medium and long-terms. Tasman District Council is well placed to meet this requirement as it already has its own Growth Demand and Supply Model which was first implemented in 2005. It is reviewed at least every three years and feeds into the Council’s Long Term Plan process.
- 4.16 The NPS-UDC requires Tasman District Council to work with Nelson City Council to provide sufficient housing and business capacity for the “Nelson-Tasman Main Urban Area”, extending to the Waimea River as shown in Figure 1 of the report.

5 Options

- 5.1 The production of this report is required by the NPS-UDC. The NPS-UDC also guides its content.
- 5.2 The Full Council on 27 July 2017 approved similar monitoring reports to continue to be produced jointly with Nelson City and to be made publicly available, in accordance with Government advice.

6 Strategy and Risks

- 6.1 The current strategy is to apply the policies of the NPS-UDC to the boundaries of the Nelson-Tasman Main Urban Area. Tasman District Council can in future look to other settlements in the District to help meet demand, if needed. It is considered at this stage that Richmond can meet its own demand, without needing to look to other settlements to offset demand, but this remains an option under the NPS-UDC.
- 6.2 The NPS-UDC *requires* councils with high growth areas to prepare a future development strategy (FDS) and it *encourages* councils with medium growth areas to do the same. The Nelson/Tasman Main Urban Area is classified as a medium growth urban area, falling just below the ten percent threshold (9.95%) that defines a high growth urban area.
- 6.3 Tasman District Council and Nelson City Council will soon consider whether to progress a joint Future Development Strategy to address how the two councils could jointly manage and provide for growth over the next 30 to 50 years. This is an opportunity for both councils to not only ensure enough development capacity exists and is efficiently rolled out across both councils, but also to create a long term vision for how the wider region could grow in the future. The strategy could then inform:
 - planning and zoning decisions under the Tasman Resource Management Plan (TRMP) and Nelson Resource Management Plan (RMP);
 - Long Term Plans; and
 - infrastructure investment decisions and the infrastructure strategy.

7 Policy / Legal Requirements / Plan

- 7.1 The Council is required by the Resource Management Amendment Act 2017 to ensure there is sufficient development capacity in relation to housing and business land to meet the expected demands of the region/district.
- 7.2 The NPS-UDC requires the Council to provide sufficient housing and business capacity for the “Nelson-Tasman Main Urban Area” which includes Richmond and Hope.
- 7.3 The quarterly monitoring reports will assist in informing the Council about demand for housing and business development, as well as urban development activity.
- 7.4 The NPS-UDC concept of ensuring that capacity exceeds demand is being used to model future growth for development in preparing the current Long Term Plan.

8 Consideration of Financial or Budgetary Implications

- 8.1 The monitoring and reporting obligations under the NPS-UDC created additional work and budgetary implications for the Council. Additional resourcing has been provided to meet the increasing needs of the Council to plan for and manage growth in the District. This includes these quarterly monitoring reports, a full assessment of capacity and demand for both residential and business land by December 2018, and the development of a future development strategy by July 2019 (if agreed by Council).

9 Significance and Engagement

- 9.1 As this report is for information only, it is of low significance and no engagement is required. The Council is obliged to release this report to the public.

10 Conclusion

- 10.1 The monitoring report shows that housing demand across both Nelson and Tasman continues to grow at a faster rate than supply. House prices and rents continue to increase and affordability is relatively poor.
- 10.2 Full Council approved on 27 July 2017 that staff continue to work jointly with Nelson City Council in producing these monitoring reports and that the reports are placed on the website.

11 Next Steps / Timeline

- 11.1 Nelson City Council is considering this monitoring report on 23 August 2018.
- 11.2 Once both Councils have considered the report, it will be placed on each Councils website.
- 11.3 Future monitoring reports will be prepared quarterly as required by the NPS-UDC.
- 11.4 Both Council's will be considering whether to support a joint Future Development Strategy at their respective Full Council meetings on 9 August.
- 11.5 An assessment that there is sufficient development capacity will be completed by the end of 2018 as required by the NPS-UDC. The assessment must estimate the demand for dwellings, including the demand for different types of dwellings, locations and price points, and the supply of development capacity to meet that demand. The assessment must cover the short, medium and long-terms.

12 Attachments

1. NPS-UDC Nelson-Tasman Monitoring Report January-March

83



**National Policy Statement on Urban Development Capacity
Nelson-Tasman Monitoring Report January - March 2018**

July 2018



Drone image from Richmond West – May 2018

Summary

The National Policy Statement on Urban Development Capacity (NPS-UDC) requires local authorities within a Medium or High Growth Area to ensure they are well-informed about urban development activity by monitoring property market indicators on a quarterly basis.

The most recent Statistics New Zealand population projections for Main Urban Areas (September 2017) confirm that Nelson/Tasman Main Urban Area remains medium growth at 9.95% between 2013 and 2023.

This is the fourth quarterly monitoring report prepared jointly by Nelson and Tasman staff to report to both Nelson City and Tasman District Councils and covers the period January to March 2018. The indicators that are monitored in this report are housing supply, demand, prices and affordability, new sections created, and building and resource consents for both housing and business.

Updates on current trends in Nelson and Tasman can be summarised as follows:

- **House prices and rent:** continued to increase across the combined Nelson-Tasman regions by 8.5% during the year ended March 2018, compared with a 15.3% increase in the previous year. Both Districts experienced similar trends in prices. Rents continue to increase over time but at a slower rate than house prices.
- **Affordability:** According to MBIE's housing affordability measure, as at March 2017, over 80% of rental households in Nelson and Tasman could not comfortably afford the cost of purchasing a house in the typical first-home price bracket, and two-thirds of those household could also not comfortably afford typical rents in both districts.
- **Affordability:** The Massey University Aggregate Home Affordability Index shows that the Nelson-Tasman-Marlborough regional cluster continues to experience affordability challenges. However, there was a slight improvement in affordability during the first quarter of 2018 and the region is now the fourth least affordable region in the country behind Central Otago Lakes, Auckland and Waikato/Bay of Plenty.
- **Building costs:** Nationally construction costs are increasing and QV's "costbuilder" reports in the first quarter of 2018 that the average cost of building a new home in New Zealand's four largest cities (Auckland, Wellington, Christchurch and Dunedin) has risen on average by 3.2% in the year to April 2018 and a total of 29.9% since the previous peak of 2007.
- **Social Housing Need:** The number of applicants waiting on the Social Housing Register have increased in both regions in the year to March 2018, from 47 to 100 in Nelson and 15 to 58 in Tasman. Seven new dwellings providing a total of ten additional bedrooms are planned for construction in 2018 by Housing New Zealand, in Nelson only.
- **Building Consents Issued:** The number of new dwellings granted building consent increased with 132 new dwellings in the Main Urban Area and 179 across both districts. In Tasman, there was a marked increase in the number of building consents issued after the release of a significant number of new lots in the December 2017 quarter.
- **New sections created:** There were 274 new sections created in the Nelson Main Urban Area in the year ended March 2018.
- **Commercial and Industrial Zoned Development:** The total floor area for new commercial and industrial building consents issued increased across both districts.
- **Price Efficiency Indicators:** These have been included for the first time as required under Policy PB7 of the NPS-UDC. The latest price-cost ratio puts the Nelson Tasman Region just above the 'acceptable' threshold for supply of land being responsive to demand i.e. supply of land is not sufficiently responsive to demand and insufficient development opportunities exist.

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

	3
Table of Contents	
Introduction	4
Nelson/Tasman Main Urban Area	4
Population Trends	4
Residential Development Trends	7
Market Indicators	7
Demand and Supply.....	7
Prices and Rents.....	9
Housing Affordability	10
MBIE Housing Affordability Measures	10
Massey University Aggregate Home Affordability Index.....	12
Construction Costs	13
Social Housing Needs	13
Council Data	14
Building Consents Issued	14
Yield of serviced residential sites from residential zoned land	15
Resource Consents for residential units	15
Non-residential Development Trends	16
Building Consents Issued for New Buildings	16
Yield of serviced industrial/commercial sites from industrial/commercial zoned land	16
Resource Consents for industrial/commercial units	16
Price Efficiency Indicators	17
Price – Cost Ratio indicator (homes)	17

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

Introduction

This is the fourth quarterly monitoring report implementing the National Policy Statement on Urban Development Capacity (NPS-UDC) for the Nelson/Tasman Main Urban Area. The report provides updated data and analysis of changes to the housing market for the March 2018 quarter (1 January to 31 March 2018).

The NPS-UDC requires local authorities within a Medium or High Growth Area to ensure they are well-informed about demand for housing and business development capacity, urban development activity and outcomes. Local authorities are required to monitor a range of indicators on a quarterly basis including:

- a. Prices and rents for housing, residential land and business land by location and type; and changes in these prices and rents over time;
- b. The number of resource consents and building consents granted for urban development relative to the growth in population; and
- c. Indicators of housing affordability.

The NPS-UDC also requires local authorities to use information provided by indicators of price efficiency in their land and development markets from December 2017. The indicators include price differentials between zones to understand how well the market is functioning and when additional development capacity might be needed.

The Ministry of Business, Innovation, and Employment (MBIE) and the Ministry for the Environment's (MfE) dashboard of data¹, which this report partly relies on, is updated approximately 8 weeks after the quarter ends, hence the reports lag on this basis.

Nelson/Tasman Main Urban Area

The "Nelson/Tasman Main Urban Area", as defined by Statistics New Zealand's classification of urban areas includes most of Nelson City's area and the following area units in Tasman - Richmond East and West, Aniseed Hill, Bell Island, Best Island, Hope and Ranzau. Due to the nature of the source data, some of the results contained within this report relate to the whole of both Territorial Authorities and some relates to the Nelson/Tasman Main Urban Area only. Figure 1 shows the boundary of the Nelson/Tasman Main Urban Area in relation to the local authority boundaries.

Population Trends

Statistics New Zealand completed its progressive update of population projections for urban areas in September 2017. For the Nelson/Tasman Main Urban Area this concluded that population growth forecast between 2013 and 2023 has risen to 9.95%, as compared with 8.5% in 2016². This means the Nelson/Tasman Main Urban Area is still classified as 'medium growth', according to the NPS, falling just below the ten percent threshold defining 'high growth' urban areas. The NPS-UDC notes that the definition of high and medium growth urban areas is a transitional definition and will be reviewed and amended before the end of 2018.

¹ <https://mbienz.shinyapps.io/urban-development-capacity/>

² Source – Proposed National Policy Statement on Urban Development Capacity Consultation Document, MfE & MBIE (2016)
National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

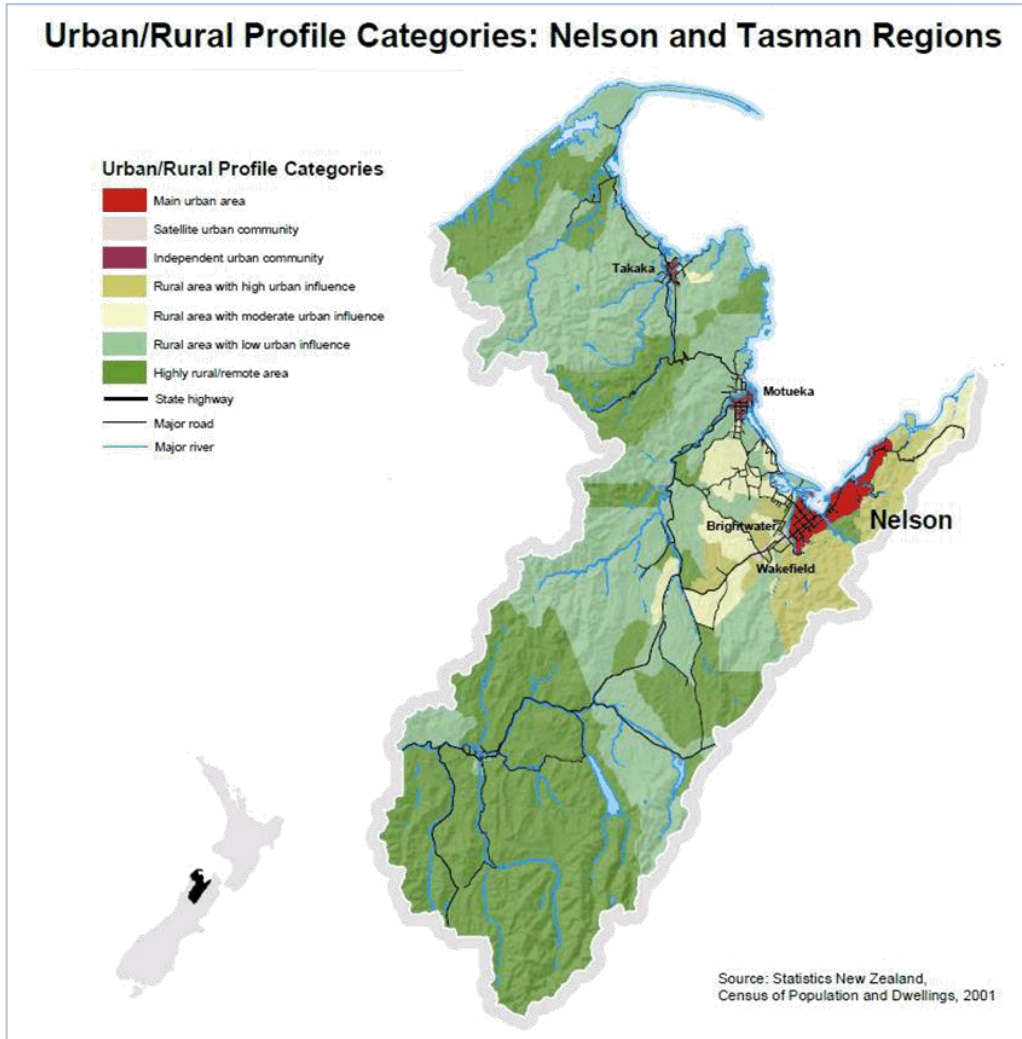


Figure 1: Nelson/Tasman Main Urban Area in dark red

The New Zealand Treasury's Analytics and Insights team have recently developed the 'Insights' web app using data from Statistics New Zealand's Integrated Data Infrastructure (IDI)³. The Insights web app provides an estimate of regional population change between censuses. A summary of key population trends between the last census in 2013 and the most recent data from 2016 are shown in Table 1 below.

Nelson City (4.2%) and Tasman District (4.6%) both have a growth rate slightly less than the New Zealand average of 4.8%. However, the contribution that internal and external migration made to each region's growth rate differed significantly. For Nelson City, overseas migrants was the main source of population growth (3.1%), while for Tasman District internal migration was the main source (2.4%). Therefore, the net gain in overseas migrants made up three-quarters of Nelson's population growth between 2013 and 2016, compared with a third of Tasman's population growth. Tasman had a greater gain from internal New Zealand

³ <https://insights.apps.treasury.govt.nz/>

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

migration. Both districts have a similar increase or decrease due to natural causes (births and deaths) and New Zealanders returning from overseas.

The data presented in Insights was developed by linking administrative information across government agencies. The data will not always be accurate, particularly when presented at a very detailed level. The results from the population change tools are based on the estimated New Zealand resident population and are as at the end of June each year.









	Nelson City	Tasman District
Net & Internal Migration	<p>4.2%</p>  <p>increase in the population of Nelson City between 2013 and 2016 from 48,711 to 50,760 (an increase of 2,049). This compares to an increase of 4.8% for all NZ. Migration within NZ contributed 0.6% (an increase of 309) to this increase.</p>	<p>4.6%</p>  <p>increase in the population of Tasman District between 2013 and 2016 from 48,399 to 50,610 (an increase of 2,211). This compares to an increase of 4.8% for all NZ. Migration within NZ contributed 2.4% (an increase of 1,152) to this increase.</p>
Births & Deaths	<p>1,542</p>  <p>children were born in Nelson City between June 2013 and June 2016 while 1,212 people died. This represents a natural increase of 330 or 0.7%, compared to a natural increase of 1.7% across New Zealand.</p>	<p>1,347</p>  <p>children were born in Tasman District between June 2013 and June 2016 while 1,077 people died. This represents a natural increase of 270 or 0.6%, compared to a natural increase of 1.7% across New Zealand.</p>
External Migration – Overseas Migrants	<p>1,983</p>  <p>overseas migrants arrived in Nelson City between 2013 and 2016, while 453 left. This represents an increase of 1,530 or 3.1% of the population, compared to a 3.5% increase nationally. The largest source of migrants was India, with 273 arrivals.</p>	<p>1,014</p>  <p>overseas migrants arrived in Tasman District between 2013 and 2016, while 285 left. This represents an increase of 729 or 1.5% of the population, compared to a 3.5% increase nationally. The largest source of migrants was the United Kingdom, with 171 arrivals.</p>
Net Migration – New Zealanders	<p>1,143</p>  <p>New Zealanders arrived in Nelson City by 2016 after living overseas in 2013, while 1,197 departed NZ by 2016 after living in Nelson City in 2013. This represents a decrease of 54 or 0.1% of the Nelson City population, compared to a decrease of 0.4% across NZ.</p>	<p>1,071</p>  <p>New Zealanders arrived in Tasman District by 2016 after living overseas in 2013, while 951 departed NZ by 2016 after living in Tasman District in 2013. This represents an increase of 120 or 0.2% of the Tasman District population, compared to a decrease of 0.4% across NZ.</p>

Table 1: Estimates of regional population change between censuses (NZ Treasury⁴)

⁴ Source: <https://insights.apps.treasury.govt.nz/>
National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

Residential Development Trends

Market Indicators

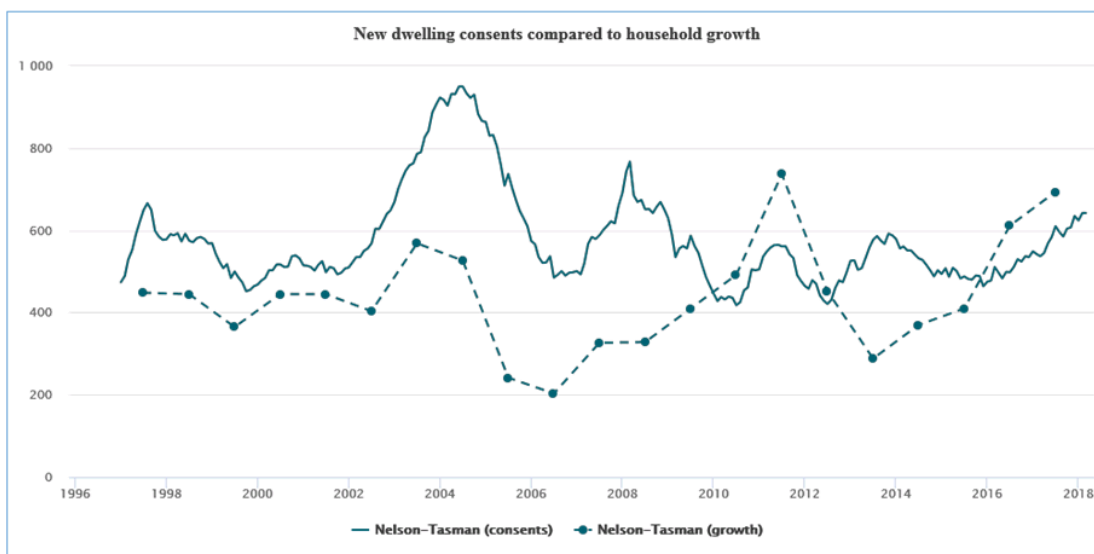
The purpose of monitoring the market indicators is to support analysis and understanding of local housing markets by local authorities and support implementation of the NPS-UDC. The MBIE and MfE have provided local authorities with a range of market indicators that local authorities are required to monitor under policy PB6 of the NPS-UDC.

1. Demand and Supply

Household growth is used within the MBIE/MfE dashboard as a proxy for determining demand. It is calculated from the estimated resident population, divided by the local average housing size. The actual resident population and household numbers are confirmed after each Census. Previous Census results have resulted in revisions of Nelson’s population estimates by +/- 4% and Tasman’s by +/- 2%. The measure for household growth is updated annually at the end of the June quarter so it will not be reported on until the next quarterly monitoring report.

The number of new dwelling consents is used within the dashboard as a proxy for determining supply. Both sets of data for supply and demand are sourced from Statistics New Zealand and lag by six months to account for the time taken from consenting to completion (presented as a 12 month rolling average).

Over the last two decades, Nelson and Tasman have generally had sufficient new housing to meet household growth (Graph 1). However, since 2016, consents for new dwellings in Nelson do not appear to be keeping up with household growth (Graph 2). Despite Tasman’s increase in new dwellings exceeding household growth in the region (Graph 3), an apparent overall under-supply in the combined Nelson-Tasman market could be one contributor to the significant increase in house prices in the last two years (Graph 4).



Graph 1. New dwelling consents compared to household growth – Nelson-Tasman Regions Combined.

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

The apparent shortage of new housing in Nelson is despite an estimated nine years' worth of available dwelling capacity. This is land that is zoned, serviced or planned to be serviced, and feasible for residential development.

In reality there are a number of market dynamics involved that affect the supply of affordable housing, including cost of infrastructure, financing packages for low income home owners, the market's limited provision of smaller housing, timing of release of land by developers/owners, and building costs.



Graph 2. New dwelling consents compared to household growth – Nelson City



Graph 3. New dwelling consents compared to household growth – Tasman District

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

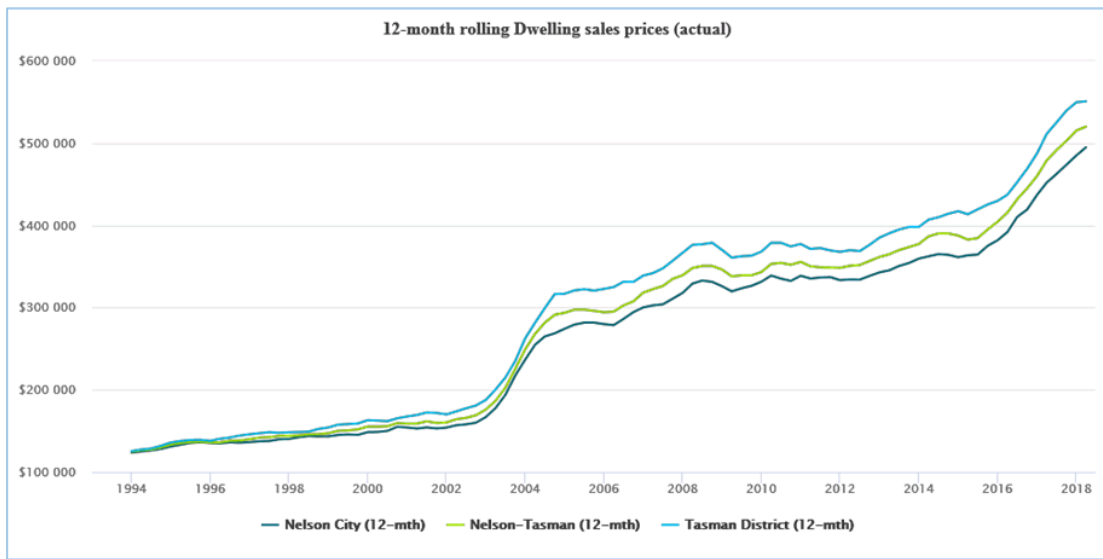
2. Prices and rents

Housing prices continue to increase over time in both Nelson and Tasman Districts (Graph 4). The median sale price for the year ended March 2018 was \$495,000 in Nelson and \$550,875 in Tasman.

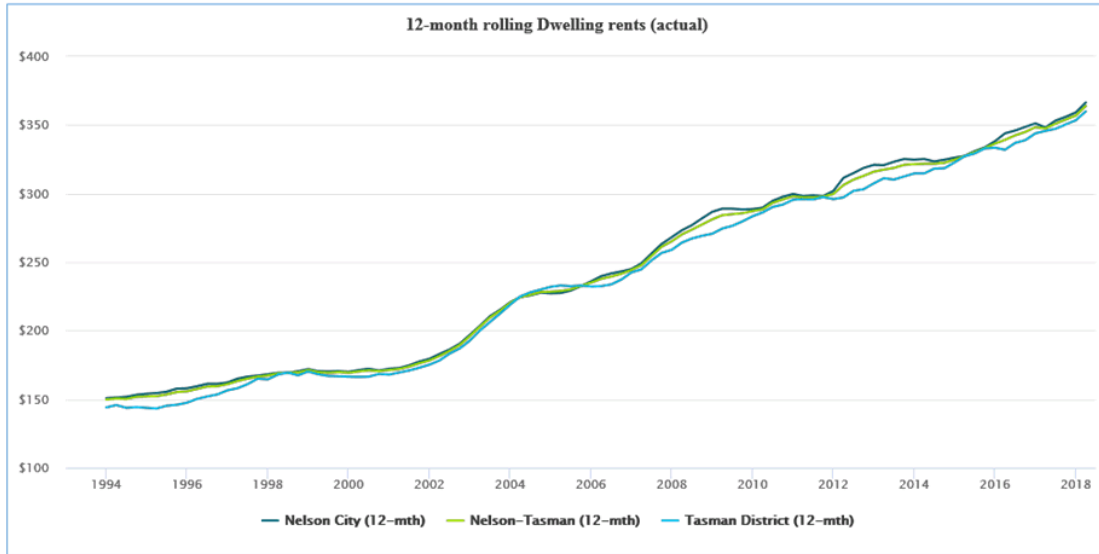
Across the combined Nelson-Tasman Districts, prices increased 8.5% during the year ended March 2018, compared with a 15% increase in the year ended March 2017, and an 8.5% increase in prices in the year ended March 2016. Over these periods Nelson and Tasman experienced similar trends in house prices.

Dwelling sale prices during the March quarter for the whole of Tasman District increased only slightly from the December 2017 quarter. Ongoing monitoring will be required to determine whether this reflects a longer-term trend in the Tasman housing market.

Residential rents continue to increase at a slower rate than house prices over time (Graph 5). This increase may suggest that there is a shortfall in housing which is also affecting the rental market.



Graph 4: Dwelling sales prices – actual, rolling average, Nelson-Tasman combined, Nelson City, Tasman District



Graph 5: Dwelling rents – actual, rolling average, Nelson-Tasman combined, Nelson City, Tasman District

3. Housing Affordability

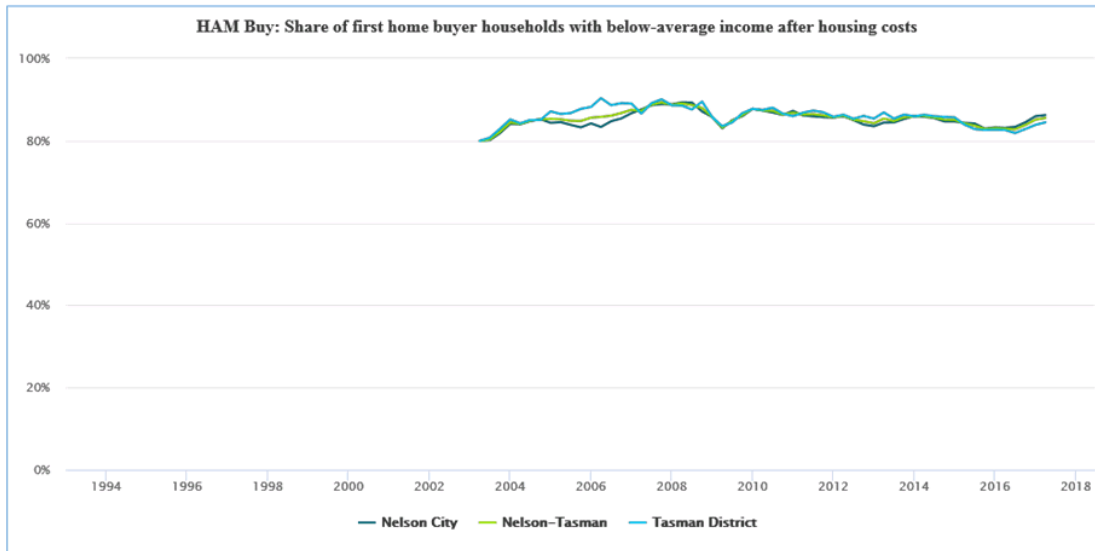
MBIE Housing Affordability Measures

The MBIE derived Housing Affordability Measures (HAM), HAM Buy and HAM Rent, measure trends in affordability of house prices and rents relative to income. The HAM uses data on household incomes of rental households, house prices, and rents. The HAM is designed to map shifts in affordability over time, showing whether there are more or fewer households that have more or less income left over after paying for their housing costs.

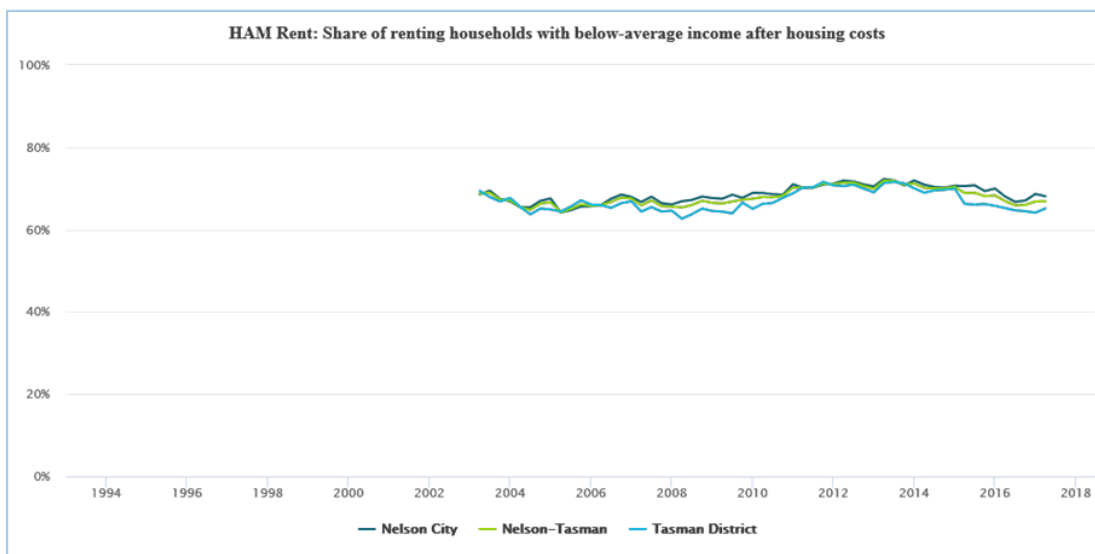
The HAM Buy measure for Nelson and Tasman Districts has been updated to cover the period up to March 2017 (Graph 6). The measure indicates that for the year to March 2017, 86.3% of first-home buyer households in Nelson, and 84.5% for Tasman, could not comfortably afford a typical 'first-home' priced house. This is defined as the lower quartile price point of housing in the area. For Nelson this indicates that there has been a 3.1% increase since March 2016 in the number of first-home buyer households who could not comfortably afford a typical 'first-home' priced house and a 1.9% increase for Tasman.

The HAM Rent measure for Nelson and Tasman Districts indicates that at March 2017, 68.1% of rental households in Nelson, and 65.1% for Tasman, cannot comfortably afford typical rents, being below the 2013 national affordability benchmark (Graph 7).. For both Nelson and Tasman there has been little to no change in this measure since March 2016.

11



Graph 6: HAM Buy: Share of first-home buyer households below the affordability benchmark, Nelson-Tasman combined, Nelson City, Tasman District



Graph 7: HAM Rent: Share of renting households below the affordability benchmark, Nelson-Tasman combined, Nelson City, Tasman District

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

Massey University Aggregate Home Affordability Index

Region	HOME AFFORDABILITY INDEX			PERCENTAGE CHANGE IN HOME AFFORDABILITY IN THE LAST 12 MONTHS		PERCENTAGE CHANGE IN HOME AFFORDABILITY IN THE LAST 3 MONTHS	
	February 2017	November 2017	February 2018	Improvement	Decline	Improvement	Decline
Northland	20.90	20.30	21.14		1.2%		4.1%
Auckland	33.61	35.74	34.63		3.0%	3.1%	
Waikato/Bay of Plenty	21.37	23.26	22.79		6.7%	2.0%	
Hawke's Bay	16.43	18.20	19.58		19.2%		7.5%
Taranaki	13.63	14.77	14.05		3.1%	4.9%	
Manawatu/Whanganui	12.11	14.14	13.38		10.5%	5.4%	
Wellington	20.68	21.74	21.14		2.2%	2.8%	
Nelson/Marlborough	21.39	23.42	22.77		6.4%	2.8%	
Canterbury/Westland	19.10	20.17	19.00	0.5%		5.8%	
Otago	15.35	15.86	15.70		2.3%	1.0%	
Central Otago Lakes	36.42	39.55	40.78		12.0%		3.1%
Southland	9.94	12.12	10.62		6.8%	12.4%	
New Zealand	21.63	23.35	22.57		4.4%	3.4%	

Table 2: Home Affordability Index (Massey University⁵)

The Massey Home Affordability Index (March 2018) shows that the Nelson-Tasman-Marlborough regional cluster continues to experience affordability challenges.

The index this quarter shows a 6.4% decline in home affordability in the 12 months to the end of February 2018 in Nelson/Marlborough. Based on this index the region has now moved from third to fourth least affordable region in New Zealand after Waikato/Bay of Plenty.

As with the HAM, the Massey Home Affordability Index takes into account the cost of borrowing as well as house prices and wage levels. The mortgage interest rate figures are drawn from Reserve Bank New Zealand data. The Reserve Bank series is based on a 2-year fixed new residential average mortgage interest rate which was revised from 5.25% to 5.08%. It should be noted that the revised average mortgage interest rate is backdated to January 2017, resulting in a revision of previously reported Home Affordability Index values. Unlike the HAM measure, the income data provided directly from Statistics New Zealand is for both renting and owner-occupier households. Housing prices are released by the Real Estate Institute of New Zealand (REINZ).

The combination of this data provides the opportunity to calculate a reliable and useful summary index. The lower the index the more affordable the housing. The index allows for comparisons over time and between regions of relative housing affordability in New Zealand.

⁵ Source: Home Affordability Report - Quarterly Survey March 2018, Vol 28, No.1
National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

Construction Costs

Nationally, construction costs are increasing⁶ due to high levels of construction activity and capacity constraints. This may indicate that the local construction industry is capacity-constrained and facing challenges scaling up to build more homes in response to demand. Building costs represent the single largest cost component when building a house, at around 50% and these costs are still rising.

“QV Costbuilder” provides a comprehensive reference to NZ building costs. The rates provided for residential buildings exclude local authority fees, external works and utilities. They are also based on flat sites and an addition would need to be made for sloping sites. The material prices for the rates are obtained from more than 70 different trade suppliers. The data is updated twice a year and data for the first quarter of 2018 finds the average cost of building a new home in New Zealand’s four largest cities (Auckland, Wellington, Christchurch and Dunedin) has risen on average by 3.2% in the year to April 2018 and a total of 29.9% since the previous peak of 2007.

Social Housing Need

As at March 2018 the Ministry for Social Development Housing Register shows for Nelson there are 100 applicants waiting on the register and for Tasman there are 58 applicants. These figures have grown since the March 2017 quarter respectively by 47 and 15 applicants. Priority A applicants are people considered ‘at risk’ and includes severe and persistent housing need that must be addressed immediately. In Nelson 67 of the 100 applicants are priority A (up from 48 in the December 2017 quarter) and in Tasman 44 of the 58 applicants are priority A (up from 27 in the December 2017 quarter). According to the Housing Register, demand for housing in Nelson and Tasman remains largely for 1 and 2 bedroom dwellings.

The Ministry of Social Development also publish a quarterly regional factsheet⁷ with the West Coast Tasman region based on the following Territorial Local Authorities: Buller District, Grey District, Marlborough District, Nelson City, Tasman District and Westland District. The latest factsheet reports figures as of 31 March 2018 and indicate an increase in the number of applicants on the Social Housing Register.

The Housing Minister announced in March 2018 that 20 new state houses will be built in the Nelson/Marlborough region. Seven of these dwellings will be constructed in Nelson and will consist of three 2-bedroom homes and four 1-bedroom homes. No new dwellings are planned to address the identified shortfall in either social or transitional housing for Tasman.

⁶ <http://www.stuff.co.nz/business/89470174/Construction-costs-rising-as-peak-approaches-RLB>

<http://www.stuff.co.nz/business/property/92322694/construction-costs-continue-to-rise-in-2017-colliers>

⁷ <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/housing/quarterly-factsheets/2018/west-coast-tasman-hrf-march-2018.pdf>

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

Nelson City	Number of applicants on the Social Housing Register 132 (98)	Public Housing tenancies 569 (571)	Transitional Housing places 15 Target 16 Actual	Number of EH SNG approved 43 (57) Amount of EH SNG approved \$39,831 (\$51,479)
Tasman District	Number of applicants on the Social Housing Register 63 (45)	Public Housing tenancies 153 (155)	Transitional Housing places 12 Target 1 Actual	Number of EH SNG approved 31 (38) Amount of EH SNG approved \$30,135 (\$28,946)

Table 3: Overview of demand for social housing figure in brackets are for the previous quarter⁸.

Council data

In addition to the MBIE data, both Nelson and Tasman councils have additional data on residential development trends which can provide further detail on the type and location of development. The following measures are for the Nelson/Tasman Main Urban Area, the parts of Nelson and Tasman that are within the Nelson/Tasman Main Urban Area, and for the whole of each District.

4. Building Consents Issued

The number of building consents issued for new dwellings in Nelson has remained relatively steady while there has been a significant increase in the number of new dwelling consents within Richmond. This is most likely due to the granting of titles within both the Hart Rise and lower Queen Street subdivisions. Table 4 details the number of new dwellings granted building consent every quarter over the last 18 months.

	Quarter					
	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Nelson/Tasman Main Urban Area	111	83	95	96	75	132
NCC area units within Main Urban Area	78	50	63	62	54	63
TDC area units within Main Urban Area	33	33	32	34	21	69
NCC – all District	79	51	63	62	54	63
TDC – all District	101	83	100	110	78	116

Table 4. Building consents for new dwellings, actual numbers (Statistics New Zealand⁹)

⁸ **EH SNG** means the Emergency Housing Special Needs Grant - for emergency housing. The purpose of the EH SNG is to help individuals and families with the cost of staying in short-term emergency accommodation (motels, hostels, campsites etc) if they are temporarily unable to access MSD's contracted transitional housing places.

⁹ Source: Statistics New Zealand Website – Building Consents Issued: March 2018

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

5. Yield of serviced residential sites from residential zoned land

Numbers of new sections can vary significantly between quarters, as it is a relatively short period of time to measure.

Nelson

Nelson has seen 39 sections created in the March 2018 quarter. On a 12-month basis, there were 140 sections created in the year ending March 2018, compared with 162 in the previous year.

Tasman

Tasman's figures represent the area units which fall within the Nelson/Tasman Main Urban Area only which essentially are Richmond and Hope. The number of new vacant lots continued to increase with the release of 61 new vacant lots in the Lower Queen Street subdivision and a further nine vacant lots in Hart Rise subdivision.

	Quarter								
	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
NCC area units within Main Urban Area	44	32	53	4	73	28	38	35	39
TDC area units within Main Urban Area (Richmond/ Hope)	Jan 16 – Jul 16 24		Jul 16- Dec 16 29		63	0	0	64	70

	Year ended March 2017	Year ended March 2018
Nelson/Tasman Main Urban Area	266	274

Table 5: Summary of residential resource consents.

6. Resource Consents for residential units

Nelson

In the March 2018 quarter, there were 16 resource consents for residential subdivisions. These consents were to create 231 new residential lots.

Tasman

In the March 2018 quarter, there were six resource consents granted for residential subdivisions district wide, totalling 74 new lots. Within the Main Urban Area there was only one resource consent granted for residential subdivision on the corner of Paton and Bateup Road for 48 lots.

Non-residential Development Trends

7. Building Consents Issued for New Buildings – Total Floor Area (m2)

	Quarter					
	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Nelson Main Urban Area	22,953	15,243	2,100	14,861	2,910	9,216
NCC area units within urban area	18,516	10,126	2,076	14,279	1,206	2,934
TDC area units within urban area	4,437	5,117	24	582	1,704	6,282
All Nelson City	18,516	10,126	2,076	14,279	1,206	2,934
All Tasman District	6,588	5,782	2,185	4,348	4,620	27,578

Table 5: Summary of non-residential resource consents.

This data is for consents for new buildings that are either commercial buildings, or factories, industrial, and storage buildings, or hotels, motels, boarding houses, and prisons.

8. Yield of serviced industrial/commercial sites from industrial/commercial zoned land

Nelson

There were no titles issued in the six months ending March 2018 for new industrial or commercial sites.

Tasman

For the three months ending March 2018, there were no titles issued for commercial/industrial subdivision.

9. Resource Consents for industrial/commercial units

Nelson

In the March 2018 quarter, there were no commercial units consented for subdivision.

Tasman

In the first three months of 2018, there was one commercial/industrial subdivision consent granted in Takaka.

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

Price Efficiency Indicators

From 31 December 2017 high and medium growth Local Authorities are required to use a set of price efficiency indicators (along with other evidence) to inform planning decisions (NPS-UDC policy PB7).

The price efficiency indicators are:

- Price – Cost ratio (homes)
- Land ownership concentration
- Rural-urban land value differential
- Industrial zone differential

The price efficiency indicators are primarily to inform the three-yearly Housing and Building Assessments and are updated on an irregular basis. As a result the indicators will be reported separately and have not been included in this monitoring report, with the exception of the price-cost ratio indicator for new homes. This has been included as it assists with understanding land supply.

Price – Cost Ratio indicator (homes)

The price-cost ratio is the gap between house prices and construction costs in the Nelson Main Urban Area for standalone dwellings i.e. the cost of the land.

The indicator assumes that if the cost of land is significant and/or increasing, relative to buildings costs, there is a shortage of sections relative to demand. Appropriate construction costs are applied to existing houses.

The price-cost ratio is 1.5 when the cost of a section (land) comprises one third of the house price. Therefore, the 1.5 price-cost ratio is used as a benchmark for assessment as it signals that supply of land is relatively responsive to demand. If sufficient development opportunities exist, the ratio should be below 1.5 most of the time. It should be noted that the 25% Construction cost buffer also allows for construction costs being undervalued on the Building Consent application form.

The latest ratio (1.55) puts the combined Nelson and Tasman region just above the 'acceptable' threshold for supply of land being responsive to demand. However, it is also noted that the ratio has risen during a time which coincides with nationally high house prices, and demand for housing.

The fact that the ratio is increasing may explain why developers are building relatively large expensive homes – since the land value is increasing, the capital value has to also be relatively high to make the development viable for a developer.

National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report January - March 2018

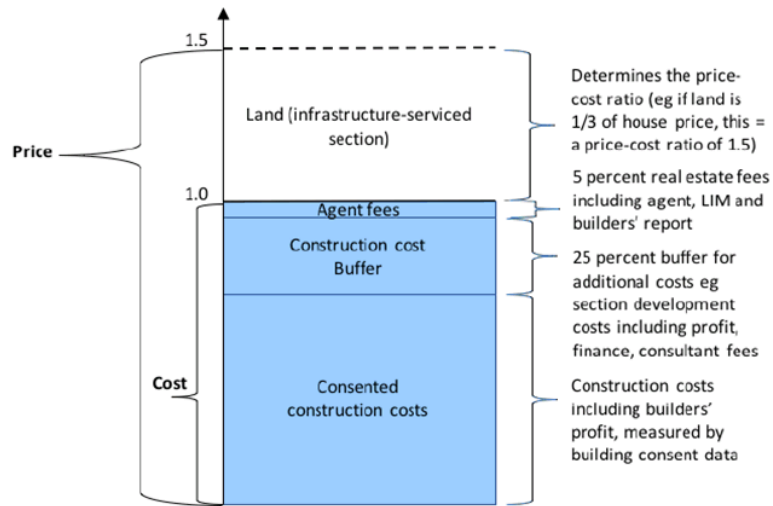
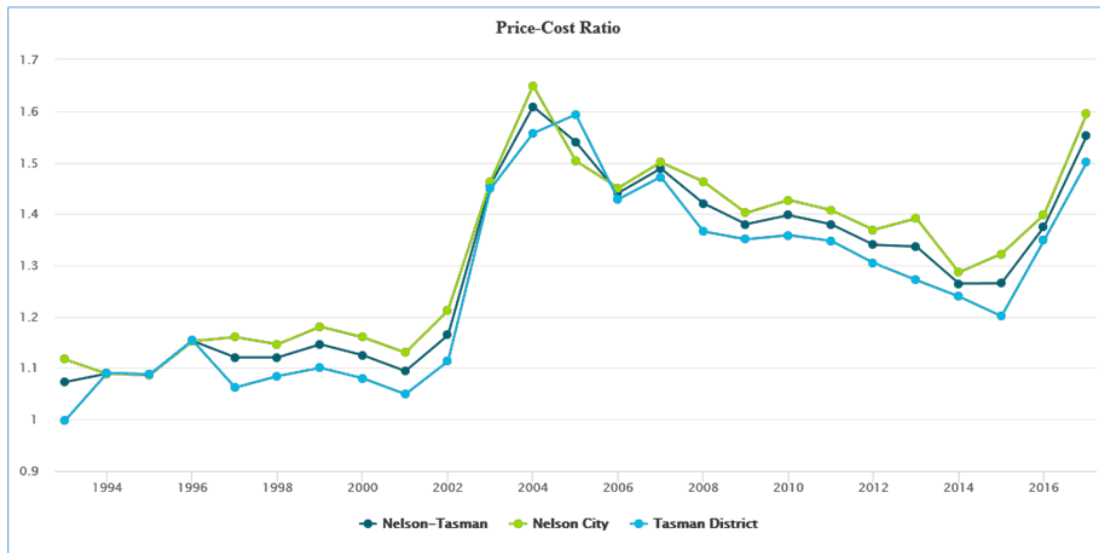


Figure 2: The Components of the Price-Cost Ratio (Source: MBIE)



Graph 8: Price-Cost Ratio, Nelson-Tasman combined, Nelson City, Tasman District

9.6 ENVIRONMENT AND PLANNING COMMITTEE CHAIR'S REPORT 26 JULY 2018

Information Only - No Decision Required

Report To: Environment and Planning Committee
Meeting Date: 26 July 2018
Report Author: Tim King, Environment & Planning Committee Chair
Report Number: REP18-07-05

1 Summary

1.1 The Chair will provide a verbal report at the meeting.

2 Draft Resolution

That the Environment and Planning Committee

- 1. receives the Environment and Planning Committee Chair's Report 26 July 2018 REP18-07-05 report;**

3 Attachments

Nil

9.7 ENVIRONMENT AND PLANNING MANAGER'S REPORT 26 JULY 2018

Decision Required

Report To: Environment and Planning Committee
Meeting Date: 26 July 2018
Report Author: Dennis Bush-King, Environment and Planning Manager
Report Number: REP-07-06

1 Summary

1.1 This report covers a number of general matters concerning the activities of the Environment and Planning Department since our last meeting on 14 June 2018.

2 Draft Resolution

That the Environment and Planning Committee

1. receives the Environment and Planning Manager's Report 26 July 2018 REP-07-06 report; and
2. approves the removal of the Rural 1 Deferred Residential zone status and associated Deferred Fire Ban Area over the following land at 395 Lower Queen Street:

Sections 3, 4 and 5 SO 506258; Section 1 SO490525; and Sections 1 and 2 SO 506258; and
3. approves the rezoning of land in (2) above in accordance with the following update to Schedule 17.14A, including consequential changes to the planning maps, pursuant to Rule 17.14.2(b)(viii) of the Tasman Resource Management Plan, effective over that land from the date of this resolution.

Schedule 17.14A: Deferred Zone Locations

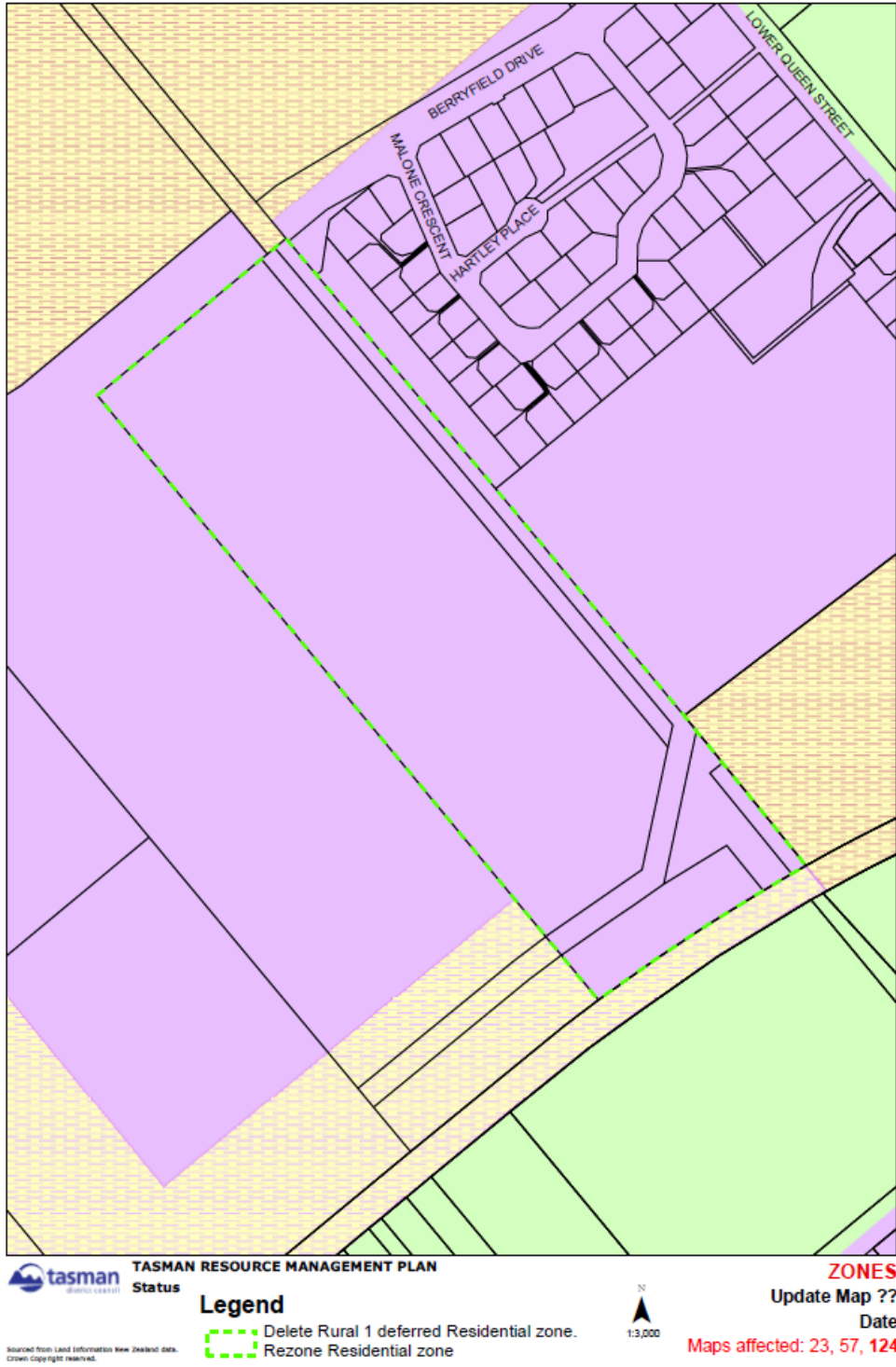
Location of Area	Effective Zone until Removal of Deferral	Reason for Deferral	Date of Resolution for Removal of Deferral	Where Services Proposed by Developer, Legal Description of any Part of Area where Deferral Removed	Where Services Proposed by Developer, References to Detailed Performance Requirements and Engineering Plans of Services Approved by Council	Effective Zone after Removal of Deferral
Richmond West Development Area (planning maps 23, 57, 121 - 125, 127, 128, 130)						
Areas notated A (375 and 387 Lower Queen St) and B on the planning maps	Rural 1 and Recreation	Area A: Stormwater Area B: Reticulated water supply, wastewater and stormwater services (Borck Creek and Poutama Drain construction) required	25/9/15	Area A: Lot 1 DP 13664 Lot 6 DP 6697 Lot 3 DP 465626 Pt Sec 100 Waimea East District (two areas) Part Lot 1 DP 470387 Lot 2 DP 13664 Pt Lot 1 DP 20409	6906 S1 - S7	Residential (serviced)
			9/6/16	Part Area B: Pt Lot 2 DP 470387 Pt Lot 2 DP 446230 Pt Lot 1 DP 446230	6906/1	Residential (serviced)
			26/07/18	Part Area B Sections 3-5 SO 506258 Section 1 SO490525; and Sections 1 and 2 SO 506258	RM160673	Residential (serviced)

3 Uplift of Deferred Zone – 395 Lower Queen Street Richmond

- 3.1 In accordance with Rule 17.14.2 of the Tasman Resource Management Plan (TRMP), staff recommend the removal of the 'Rural 1 deferred Residential' zone status for the following land at 395 Lower Queen Street:
- Sections 3, 4 and 5 SO 506258 (being subdivision of Section 2 & 3 of SO 490525) – Wensley Developments Ltd
 - Section 1 SO490525 – Tasman District Council
 - Sections 1 and 2 SO 506258 – Tasman District Council
- 3.2 The Engineering Services Manager supports the removal of the deferred zone and has confirmed by letter dated 22/11/2017 that 'appropriate services can be provided to these sites' (RM160673).
- 3.3 The site was deferred for the following services: *Richmond West Development Area B – Reticulated water supply, wastewater and stormwater services (Borck Creek and Poutama Drain construction).*
- 3.4 Following approval of the recommended resolution contained in this report, the TRMP Schedule 17.14A and corresponding TRMP Zone and Area maps 23, 57, & 124 will be updated to reflect the removal of the deferred zone status.
- 3.5 The change takes effect from the date Council makes its resolution. The landowners have been advised by letter of the impending change.
- 3.6 For Richmond West Development Area, the deferred Fire Ban area will also be uplifted in accordance with 17.14.2.
- 3.7 A future plan change is intended to propose an Open Space zone to the land owned by Tasman District Council (Section 1 SO490525 and Sections 1 and 2 SO 506258) to better reflect the use and purpose of that land.

Item 9.7

Map 1: Location – 395 Lower Queen Street showing area of deferred zone for uplift



Recommendation:

THAT the Environment & Planning Committee approves the removal of the Rural 1 Deferred Residential zone status and associated Deferred Fire Ban Area over the following land at 395 Lower Queen Street: Sections 3, 4 and 5 SO 506258; Section 1 SO490525; and Sections 1 and 2 SO 506258

and its rezoning in accordance with the following update to Schedule 17.14A, including consequential changes to the planning maps, pursuant to Rule 17.14.2(b)(viii) of the Tasman Resource Management Plan, effective over that land from the date of this resolution.

Schedule 17.14A: Deferred Zone Locations

Location of Area	Effective Zone until Removal of Deferral	Reason for Deferral	Date of Resolution for Removal of Deferral	Where Services Proposed by Developer, Legal Description of any Part of Area where Deferral Removed	Where Services Proposed by Developer, References to Detailed Performance Requirements and Engineering Plans of Services Approved by Council	Effective Zone after Removal of Deferral
Richmond West Development Area (planning maps 23, 57, 121 - 125, 127, 128, 130)						
Areas notated A (375 and 387 Lower Queen St) and B on the planning maps	Rural 1 and Recreation	Area A: Stormwater Area B: Reticulated water supply, wastewater and stormwater services (Borck Creek and Poutama Drain construction) required	25/9/15	Area A: Lot 1 DP 13664 Lot 6 DP 6697 Lot 3 DP 465626 Pt Sec 100 Waimea East District (two areas) Part Lot 1 DP 470387 Lot 2 DP 13664 Pt Lot 1 DP 20409	6906 S1 - S7	Residential (serviced)
			9/6/16	Part Area B: Pt Lot 2 DP 470387 Pt Lot 2 DP 446230 Pt Lot 1 DP 446230	6906/1	Residential (serviced)
			26/07/18	Part Area B Sections 3-5 SO 506258 Section 1 SO490525; and Sections 1 and 2 SO 506258	RM160673	Residential (serviced)

4 Golden Bay Landscapes Project Update

- 4.1 The Wainui Bay Environment Court decision ([2018] NZEnvC-046) on spat catching farms was released in April 2018. Critically, the decision has identified what the Court will accept with regard to landscape assessment methodology. It has also highlighted the need to include specific reference to New Zealand Coastal Policy Statement (NZCPS) in relation to plan making processes for the coastal environment. In light of this, staff have reviewed the

information supporting the Golden Bay Landscapes project work to date to ensure it will be defensible through the plan change process.

- 4.2 The Wainui Bay decision highlighted that landscape assessment needs to:
- use methodology which incorporates guidance from the Courts through case law;
 - use evaluation criteria identified in relevant statutory planning documents – including the criteria in policies 13 and 15 of the NZCPS; and
 - clearly identify ‘adverse effects’ and ‘inappropriate activities’ within areas of outstanding natural features and landscapes. The understanding of the fundamental importance of this in landscape plan making processes has evolved since the Supreme Court’s King Salmon decision.
- 4.3 The Wainui Bay decision noted that the New Zealand Institute of Landscape Architects (NZILA) Best Practice Note for Landscape Assessment contains a framework for common assessment methodology that is recognised by the landscape profession and the Courts.
- 4.4 For the Golden Bay Landscape project, a number of gaps have been identified which need to be addressed, as follows:
- A technical landscape assessment that uses the NZILA methodology and incorporates:
 - Explicit evaluation of the coastal environment within the context of NZCPS policies 13 & 15;
 - Clear identification of ‘adverse effects’ and ‘inappropriate activities’ within outstanding natural features and landscapes.
 - Assessment of the natural character of the coast and identification of areas of high and outstanding natural character.
- 4.5 There is a strong need to address these gaps so that Council has robust information to support any plan change process. The updated landscape assessment will be able to draw on the extensive collaborative planning work already undertaken by the Small Working Group (SWG) as part of this process.
- 4.6 The next steps for the project are:
- Commission an updated technical landscape assessment prepared by an expert landscape architect. The work of the Small Working Group will feed into this process.
 - Finalise assessment of the natural character of the coast and identify areas of high and outstanding natural character (this work is already underway).
 - Further consultation with stakeholders in the coastal area – including tangata whenua and iwi authorities, marine farmers and special interest groups – based on the outcomes of the updated landscape assessment.
 - Notification of Proposed Plan Change in early 2019.
- 4.7 The table below contains details on the Wainui Bay decision in relation to the Golden Bay Landscapes Project.

Environment Court's Wainui Bay	Implications for Golden Bay Landscapes Project
<p>The Court was hampered in making a decision by the absence of strategic planning within the Tasman Resource Management Plan (TRMP), particularly in relation to policies 13 and 15 of the New Zealand Coastal Policy Statement (NZCPS). These NZCPS policies relate to natural character and natural features and landscapes in the coastal environment, and their protection from inappropriate subdivision, use and development.</p>	<p>Additional work required to:</p> <ul style="list-style-type: none"> • Identify HNCs and ONCs • Ensure that technical natural character and landscape assessments explicitly reflect policies 13 and 15 of the NZCPS; including the assessment matters for HNCs, ONCs and ONFLs within these policies.
<p>The two expert landscape architects that gave evidence had adopted different approaches in their assessment of the potential effects of marine farms on the Wainui Bay landscape; this would lead to completely different outcomes when evaluated against NZCPS policies 13 & 15. The New Zealand Institute of Landscape Architects (NZILA) Best Practice Note on landscape assessment contains a framework for common assessment methodology that is recognised by the landscape profession and the Courts.</p>	<p>Natural character assessment and additional landscape assessment required which use the NZILA best practice methodology and using the evaluation criteria contained in relevant statutory documents, developed through caselaw and (for the coastal environment) contained in the NZCPS. The work of the Small Working Group will feed into this process.</p>
<p>The landscape assessments did not explicitly evaluate the resilience of the particular character and values of the Wainui Bay and their capacity to accommodate change. This assessment is important to understanding what effects are 'adverse' and what activities are 'inappropriate' in the context of sections 6(a) and 6(b) of the Resource Management Act (RMA) and NZCPS policies 13 and 15.</p>	<p>As above. The NZILA framework includes explicit analysis of the way landscape(s) are likely to respond to change and identification of the types of effects likely to arise. In the context of assessment under s6(a) & 6(b) of the RMA and policies 13 & 15 of the NZCPS, this will include identification of appropriate activities.</p>
<p>The Golden Bay/Mohua landscape may be too large scale to assess for regulatory purposes; it would be better to implement s6(b) and Policy 15 by identifying discrete landscape areas which are most relevant to the particular resource management issues being addressed.</p>	<p>This will be reassessed as part of the updated landscape assessment.</p>

4.8 Staff will report back to the Committee later this year.

5 Local Government Sector Position on Climate Change

- 5.1 Local Government New Zealand has released a draft sector position on climate change and is inviting submissions by 30 August (see Attachment 1). Staff will assess in conjunction with any Councillors who want to be involved.

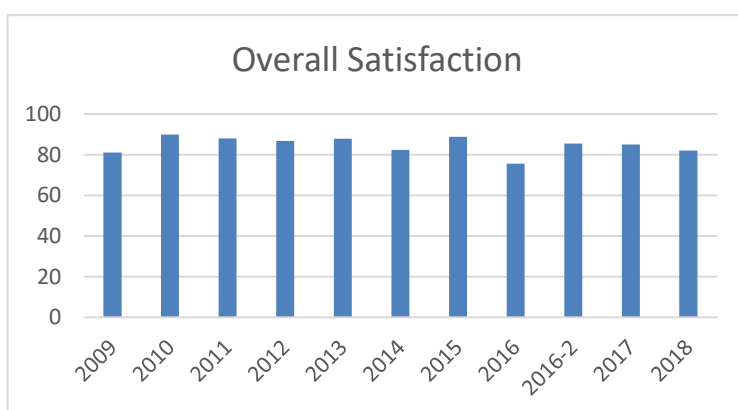
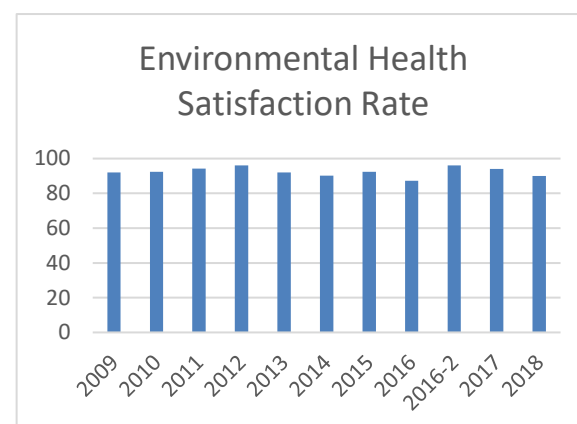
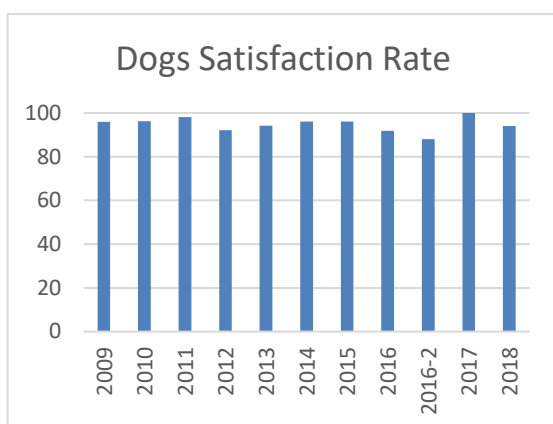
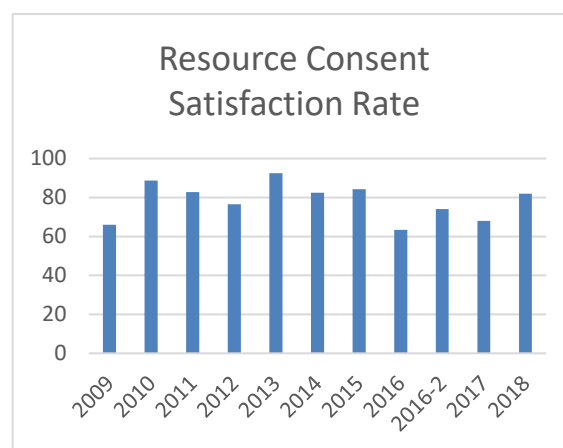
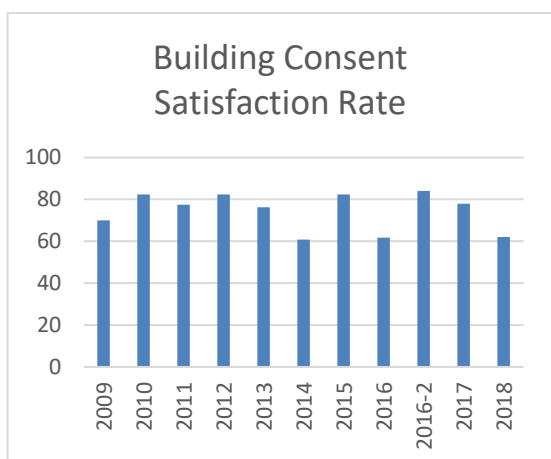
6 Annual Customer Survey – 2018

- 6.1 In addition to the Communitrak™ Residents Survey, the National Research Bureau also surveys customers who in the previous year have sought from Council a building or resource consent, a dog registration, or an environmental health permit or license. Respondents are chosen from a randomised list of 400 applicants and asked questions about the helpfulness of staff, the reasonableness of costs, the time taken to obtain a decision, the usefulness and ease of council forms and brochures, and the ease of understanding an applicant's on-going obligations. Respondents are also asked to give an overall level of satisfaction with Council service.
- 6.2 The summary results presented in the table below still show good results. Overall satisfaction levels get dragged down by people's dissatisfaction with the cost of process and timeliness. Staff courtesy and helpfulness continues to be high although there was a slight drop in the latest round which I am sure staff are sorry to see given we do strive to offer good service. Historical trends are shown in the following graphs.

Question	Score - showing proportion of respondents who agree or strongly agree				
	Total	Building	Resource Consents	Dogs	Environmental Health
Staff were helpful and courteous	90.5 (94)	86.0(94.0)	92.0 (88.0)	92.0 (100.00)	92.0 (94.0)
Costs were reasonable	69.5 (62.0)	56,0 (56.0)	62.0 (40.0)	88.0 (82.0)	72.0 (70.0)
Time taken was reasonable	77.0 (77.5)	62.0 (76.0)	70.0 (52.0)	94.0 (98.0)	82.0 (84.0)
Overall level of satisfaction with Council service	82.0 (85.0)	62.0 (78.0)	82.0 (68.0)	94.0 (100.0)	90.0 (94.0)

Bracketed figures are those applying to the last survey in 2017

- 6.3 Broken down by Ward, the overall satisfaction levels have shifted considerably from the last survey - Golden Bay 78.6% (88.2%), Lakes Murchison 94.4% (90.0%), Richmond 87.0% (77.6%), Waimea Moutere 80.8% (84.0%), and Motueka 75.0% (89.4%).



7 Land and Water Forum

- 7.1 The Land and Water Forum recently published a [report](#) on improving water quality, preventing degradation and addressing sediment and nitrogen. This report responds to requests from the Minister for the Environment, Hon David Parker and the Minister of Agriculture, Hon Damien O'Connor for advice on addressing water quality issues earlier this year.
- 7.2 The Government has indicated that they will act immediately on some of the recommendations made by the Forum, and consider the others in more detail as part of their work programmes. Changes to the National Policy Statement-Freshwater Management and

Resource Management Act have previously been signalled by Minister Parker. Minister Parker said that the joint MfE/MPI Water Directorate will work with Regional Councils to pull together information about the state of catchments in both urban and rural parts of each region. How this will be done and at whose cost, is still to be determined.

8 Rainfall-Runoff Model Calibration

- 8.1 Staff are currently carrying out a recalibration of several computer models which are used to predict floods based on rainfall that has occurred. The new calibration includes additional information collected since the last calibration six years ago, and is expected to be more accurate as a result. Outputs from the models influence the guidance given to CDEM both prior to, and during flood events.
- 8.2 For Councillors information Attachment 2 provides summary rainfall plots for the 2017/2018 hydrological year for some of our catchments.

9 National Flood Layers

- 9.1 NIWA has advised that as part of the Deep South National Science Challenge, they are funded to collate publicly available flood hazard mapping for New Zealand. They have sought the assistance of regional and unitary councils to provide this information so that maps can be developed to show a national, composite flood hazard area. This map will then be used to report population, built assets and land cover at risk within New Zealand mapped floodplains. The flood hazard information that is held by Council and is publically available upon request will be made available subject to appropriate qualifications depending on whether it has been mapped or modelled. Such limitations in data coverage will be mirrored elsewhere in New Zealand. Such flood hazard information will not be new to the insurance industry as they have previously requested and obtained similar data (via LGOIMA requests) from many New Zealand Regional and Unitary Councils, including Tasman, over recent years.

10 Myrtle Rust

- 10.1 Currently there are 13 confirmed Myrtle rust sites in Tasman District, all in Golden Bay. While the Ministry for Primary Industries (MPI) has moved to long term response throughout most of the North Island they are still treating the Tasman sites as outliers and removing infected plants and any adjoining plants at risk from infection. MPI have programmed further survey work in Golden Bay during the second half of July and if there are significant further finds they will need to review whether they continue to respond in Tasman or cease the survey and removal work.
- 10.2 MPI has set up a working group comprising government and conservation representatives to assist with the development of a long term management plan for Myrtle rust. This group has met twice and will meet monthly to provide advice to MPI and act as an information conduit. Tasman District Council is represented on this group as the area with the largest South Island infestation and representative of smaller rural councils.

11 Winter Monitoring of Sediment Generation

11.1 In the next month or so we will be undertaking the annual winter flight to assess land use issues, water way compliance, to follow up on wetland enquiries, and to back up the NPS- Production Forestry work. If follow up is needed landowners will be contacted and good practice guidance provided where needed or other processes initiated if necessary. We have had some complaints about winter stand-off paddocks or fodder crop management already and this will be a focus area. Staff propose to use Newsline to provide guidance on reducing water quality impacts. Additional sampling may be used to support landowner awareness and to hopefully make some changes around funnel points and setbacks from the likes of drainage ditches in future.

12 Financial Accounts

12.1 There is no report this month as every effort is going into completing the annual report, the results of which will be reported direct to Council.

13 Action Sheet

13.1 Attachment 3 updates Councillors on actions items from previous Environment & Planning Committee meetings.

14 Attachments

1.	Attachment 1 - Draft Sector Position on Climate Change	115
2.	Attachment 2 - Rainfall Data	119
3.	Attachment 3 - Action Sheet	123

Draft - Local government position on climate change mitigation

July 2018

Local government acknowledges that it has a role to play in contributing to emissions reductions, along with central government and every other individual, community, sector and business in New Zealand. LGNZ is seeking feedback on this draft position by 30 August 2018.



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Introduction

In 2017, local government released its Position Statement on Climate Change. In that Position Statement, local government recognised an urgent need for action to avoid future risks from climate change.

Since the release of the Position Statement in 2017, the Labour-led Government has committed to doing more to address the impacts of climate change, including by introducing a Zero Carbon Bill to Parliament in late-2018. It is highly likely that this will set emissions reduction targets in law and establish an independent Climate Change Commission. Local government welcomes the Government's commitment to greater action on climate change, and looks forward to the introduction of the Zero Carbon Act.

Notwithstanding the current lack of a coherent plan for New Zealand's transition to a net zero emissions economy, territorial and regional authorities have demonstrated commitment to contributing to the domestic reduction of greenhouse gas emissions (emissions) that New Zealand has committed to making, under the Paris Agreement. Councils have adopted a range of actions and strategies to reduce emissions within their organisations and their communities.

New Zealand's communities are also increasingly acknowledging the challenges and opportunities that climate change presents and the need for action.

For local government, climate change adaptation is a significant challenge and key area of focus. However, councils acknowledge that they have a role to play in climate change mitigation. In fact, local government sees climate change mitigation and adaptation as interrelated – they both require joint strategy. The introduction of the Zero Carbon Act will further cement the need for local government to play a role in both adapting to and mitigating the impacts of a changing climate.

This Sector Position on Climate Change Mitigation outlines the ambition that local government has for, and the commitments it makes to contributing to, the overall effort to reduce emissions in New Zealand. It also sets out the further support that local authorities need in order to enhance their contributions to emissions reductions. The Sector Position has been developed in light of the critical need for climate change mitigation if communities are to be prosperous and resilient, and in light of the anticipated increase in focus on climate change mitigation in coming months.

Local government's vision for prosperous communities

Local government acknowledges that climate change will affect all current and future communities. The impacts that we observe today are the result of historical emissions and the increase in emissions in recent decades will lead to significant change in the coming years.

Local government has a shared vision for what prosperous communities will look like in 2050 and beyond. The 2050 vision encompasses the environmental, social, cultural and economic well-being of communities. Local authorities recognise that climate

change creates both opportunities and significant challenges for achieving prosperity in these four areas.

Responsive leadership and a holistic approach to climate change mitigation that takes into account impacts on community well-being is therefore urgent. Emissions reductions are urgently needed at every level to ensure that communities continue to be prosperous. Local government has ambitions for the direction of travel that it will take to contribute to the achievement of emissions reductions.

Local government's role in climate change mitigation

Local government acknowledges that it has a role to play in contributing to emissions reductions, along with central government and every other individual, community, sector and business in New Zealand. Councils have a role to play in highlighting and helping communities understand the issues associated with climate change, and what people can do to address them.

Local government commits to fulfilling two key roles in contributing to emissions reductions, namely:

1. Councils reducing their own emissions; and
2. Councils taking a leadership role to encourage, support and coordinate efforts to reduce emissions within the city, district or region they represent.

Local authorities reducing their own emissions

Local authorities will demonstrate leadership and commitment to their communities by taking a holistic approach to striving to achieve emissions reductions across all areas of their operations.

A stocktake completed in 2017 reveals that a number of councils are already taking action to reduce their own emissions. Councils can and will continue to build on the work that is already underway by adopting strategies and taking actions to reduce their organisation's emissions. Councils will draw on the best practice examples of actions already underway within the sector.

Councils acknowledge that there are areas where they can move on contributing to emissions reductions right now. Procurement, transport and waste management for example, are areas where councils know that they can have significant influence and achieve progress towards reducing emissions.

Local authorities leading community emissions reduction efforts

Local authorities commit to taking a leadership role within the city, district or region they represent by encouraging, coordinating and supporting community-wide emissions reduction efforts. However, local government acknowledges that it cannot credibly undertake such a role if it does not first demonstrate tangible commitment to reducing its own emissions.

Local government will continue to communicate with its communities about the importance of reducing emissions, and the need for everyone to “do their bit” to contribute to emissions reductions. It will continue to advocate for, encourage and support wider uptake of action by its communities to reduce emissions. Councils will engage with a wide range of stakeholders to identify feasible options for reducing emissions within their cities, districts or regions, and will collaborate with stakeholders to maximise results. Local government acknowledges that it can play a coordinating role by supporting local efforts to reduce emissions, such as working with local businesses to provide electric vehicle infrastructure or support for waste minimisation initiatives, among other things.

Greater action by local government on climate change mitigation

Local government recognises that if real progress on climate change mitigation is to be achieved, there is a need for greater action by all facets of New Zealand society. Local government therefore commits to building on its existing efforts to reduce emissions and the previous commitments that it has made in the Position Statement, and councils in particular:

1. Commit to exploring options for developing a corporate mitigation/emissions reduction strategy and action plan to guide internal decision-making.
2. Commit to taking an ambitious approach to operational decision making that prioritises emissions reductions. Councils will, through the decision making process, evaluate the potential of actions to contribute to, and give priority to those actions that will result in, emissions reductions. Councils will maximise opportunities to reduce emissions which offer co-benefits, such as, but not limited to, cost savings, prudent financial management, carbon sequestration, improved water quality outcomes and water catchment security.
3. Will take a more proactive role in sharing knowledge, learnings and resources that will further support the local government sector as a whole to learn off different initiatives and use that knowledge to contribute to emissions reductions.
4. Will take advantage of the range of opportunities that they are presented with to reduce emissions, both within their communities and organisations. For example, local government acknowledges that the Government’s Provincial Growth (Regional Economic Development) Fund and 1 billion trees scheme present opportunities for councils to take up actions that can contribute to emissions reductions and offsets.

¹ Note that regional climate change working groups have already been convened in Wellington and Canterbury regions.

Measuring emissions

Local authorities acknowledge that they will be better able to target efforts towards emissions reductions if they properly understand their council’s and their city’s, district’s or region’s emissions. However, the complexity and cost of emissions profiling is a barrier preventing a large number of councils from measuring and properly understanding their emissions profile.

Local authorities commit to exploring options for sharing learnings, knowledge and resources with respect to frameworks and approaches for measuring emissions. Local government will continue to seek to work in partnership with central government to:

- Explore options for developing a nationally consistent approach to measurement of emissions, and provision of support for a framework that builds council capacity and capability in this area; and
- Explore options for developing a framework that ensures equitable allocation of resources to support climate change mitigation leadership.

Notwithstanding the difficulties that a number of councils currently face in undertaking measurement and profiling of their emissions, local authorities commit to continuing to take actions and adopt strategies that are aimed at achieving emissions reductions.

Regional collaboration to address climate change mitigation

Approaches to and strategies for achieving emissions reductions will depend on local conditions and circumstances, and therefore vary across New Zealand’s regions.

Local government acknowledges that regional collaboration between territorial and regional authorities is one way that regions can coordinate opportunities to reduce emissions, share knowledge and achieve consistent outcomes that will work for the particular region.

Local authorities commit to exploring opportunities for regional collaboration on climate change action, and will encourage the involvement of stakeholders and other interested local parties on any regional climate change action groups that territorial and regional authorities choose to establish.¹ Conversations about what can be done to reduce emissions need to be collaborative and involve a wide range of sectors and stakeholders.

Alignment of climate change mitigation and adaptation

Local government recognises that climate change adaptation and mitigation are interrelated. The emissions trajectory that we get locked into now will determine the extent of the adaptation challenge that New Zealand has to deal with. As such, there is a need to think in a more holistic and integrated way about how climate change can be addressed.

Councils will take an integrated approach to climate change adaptation and mitigation strategy and planning. In particular, councils commit to addressing their emissions trajectory hand-in-hand with increasing resilience. Councils will give priority to actions that simultaneously reduce emissions and better prepare their city, district or region for climate change impacts, by building resilience and enabling effective adaptation.

Barriers precluding local government from doing more

Local government has previously recognised in its Position Statement the value of explicitly incorporating climate change considerations, including emissions, into land-use decisions, district plans, urban design and development, energy use, transport planning and waste management, notwithstanding the existing lack of a statutory mandate to do so. Councils have previously committed to:

- ensuring that low carbon, climate-resilient development is adopted as a key tenet of urban growth and development and land-use decisions; and
- developing their understanding of the impacts of zoning and land use decisions on the emissions trajectory for their communities, in order to be able to make land-use decisions that mitigate emissions.

Notwithstanding those commitments, and the work that a number of councils have been undertaking to fulfil them, existing legislative and policy frameworks prevent councils from doing more to deliver and contribute to emissions reductions, both directly (as a provider of infrastructure and services) and indirectly (through their influence over activities responsible for emissions).

A number of local government legislative and policy frameworks do not align well with, or make any provision for, the overarching goals of climate change mitigation and reducing emissions. Existing frameworks do not sufficiently enable councils to deliver or facilitate the achievement of emissions reductions, particularly in respect of matters such as spatial planning, urban form, transport and the built environment.

Central government policy settings and incentives must provide clear, consistent and enduring direction to ensure local government is making decisions and adopting actions that will contribute towards achieving a net-zero emissions future.

There is an opportunity for cities, districts and regions to be supported by a legislative and policy framework that encourages and supports them to take different approaches to achieving emissions reductions, which would be more consistent with New Zealand's overarching climate change mitigation goals. Local government would benefit from and will advocate for:

- A clear legislative mandate for councils to contribute to the achievement of emissions reductions through those matters over which they have reasonable control, including revisions to legislative and policy frameworks to ensure that they empower and support councils to take a wide range of mitigation actions. Revisions to the Building Act and procurement frameworks for example would better enable councils to contribute to emissions reductions; and
- New policy tools that support councils to deliver and contribute to emissions reductions. Legislative provision for regional spatial planning and policies promoting quality compact urban form, for example, are powerful tools that would help councils to deliver integrated land use, infrastructure and transport planning, and achieve emissions reductions.

The local government sector intends to work to identify in detail the aspects of existing legislative and policy frameworks which need to be revised and updated in order to achieve better alignment with, and better support councils to contribute to, the achievement of the goal of net-zero emissions in New Zealand.

Local government does however urge the Government to ensure that if it is considering making changes to existing legislation and policy to achieve alignment with mitigation goals, it must discuss and carefully work through those changes with local government and its communities first. Central government must work with local government to understand the implications of any changes it is considering and the support that councils would need to deliver on any changes.

To comment with feedback on this draft please email grace.hall@lgnz.co.nz by 30 August 2018.



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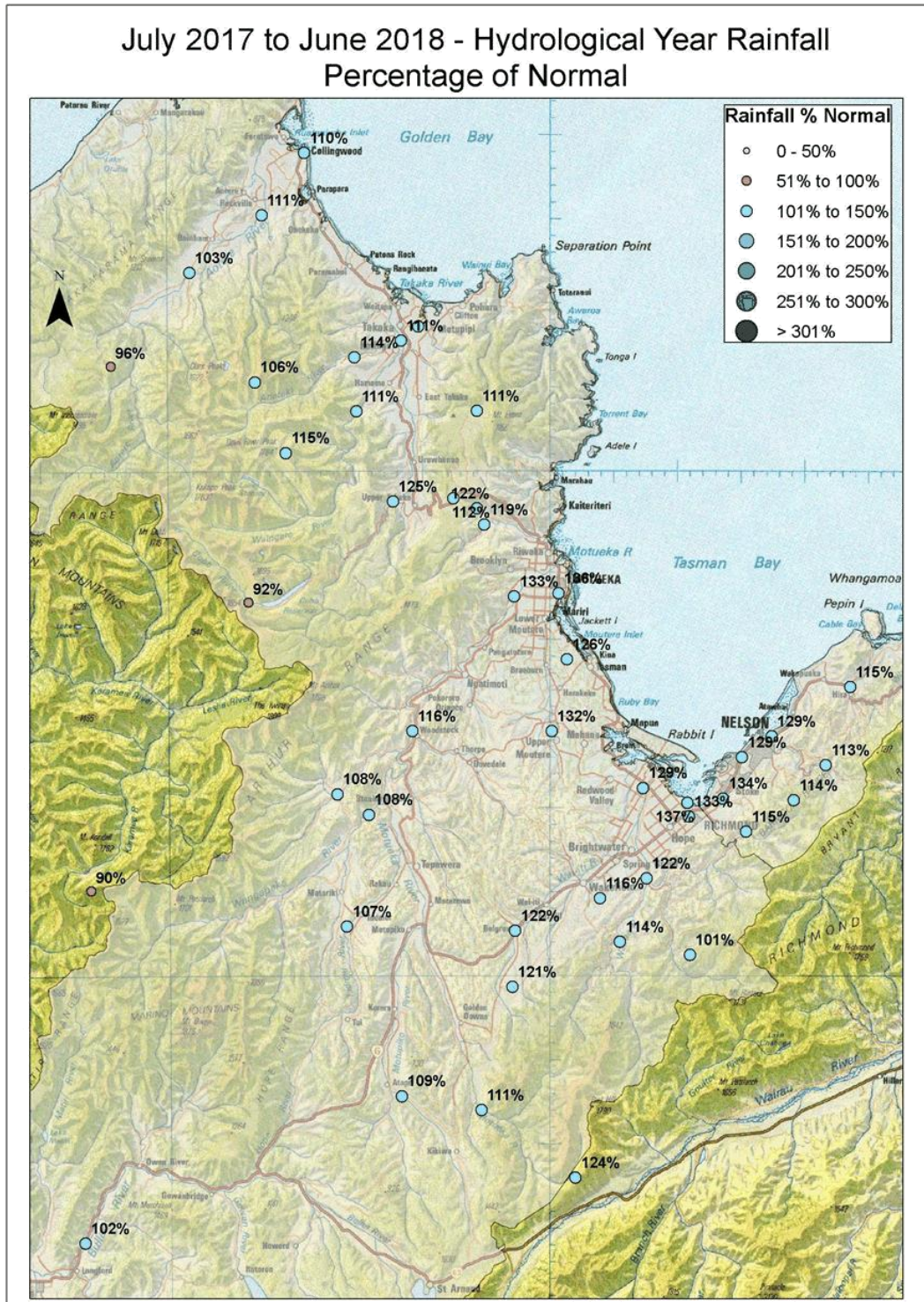
Hydrological Year (2017-18) Cumulative Rainfall – 12 months to June 2018



Calendar Year (2018) Cumulative Rainfall



July 2017 to June 2018 - Hydrological Year Rainfall Percentage of Normal



Action Sheet - Environment & Planning Committee

Meeting Date:	Minute/Action	Minute or CSR or Email request	Accountable Officer	Status
1 November 2012	REP12-11-06 NPS on Renewable Electricity Generation	Requests staff to identify opportunities to amend the TRMP to improve the process for installing mini and micro hydro and photovoltaic energy systems	Lisa McGlinchey	No action yet. Programmed for later 2018 as part of RPS/plan review
8 February 2018	EPC18-02-03	Staff report back on primary contact sites within urban areas including Templemore Pond in Richmond.	Trevor James/Lisa McGlinchey	Work to commence
3 May 2018		Staff to provide an update on the progress of the wetland project.	Rob Smith/Trevor James	Still to action. T James on extended leave
14 June 2018		The Regulatory Services Manager agreed to talk to the Nelson Tasman Chamber of Commerce's Richmond Unlimited Group to float some ideas on how to promote better parking in Richmond	Adrian Humphries	Under action
		The Regulatory Services Manager agreed to speak to the Engineering and Community Development Departments and would report back to the Environment and Planning Committee at the next meeting on ways of improving Martin Farm Road accessibility.	Adrian Humphries	Nothing to report yet
		Team Leader - Environmental Health to report back on the Food Act, the cost implications and provide an opportunity to reassess Council's position regarding operators under low risk National Programmes.	Graham Caradus	On this agenda
		Team Leader – Compliance to investigate a new APP which Nelson City Council had started using for Service Requests to see if it would be suitable for Tasman to adopt.	Carl Cheeseman	Still under action
		Environment and Planning Manager to talk to Council's Communications team to see if they could promote Microplasma Bovis information through Newline.	Dennis Bush-King	Overtaken by events and decided

Item 9.7

Meeting Date:	Minute/Action	Minute or CSR or Email request	Accountable Officer	Status
				to leave to industry and MPI
		Regulatory Manager to investigate further with the Engineering and Community Development Departments the prospect of using the old tip site at Mariri as a freedom camping option.	Adrian Humphries	Still to conclude
		The Principal Planner – Environmental Policy to report to Councillors on NES-PF implementation.	Steve Markham	Completed

Attachment 3