



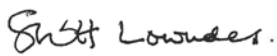
# Summary **Annual Report** 2017-2018

Financial and service results against  
objectives set for year three of the  
Long-Term Plan 2015-25



# Introduction

This summary document is an overview of the financial and service results for year three of the Long-Term Plan (2015-25). You can find the full report for the year – 2017/18 – on [www.ecan.govt.nz](http://www.ecan.govt.nz). In this document you will see the highlights and an overview of the financial information. This abridged version does not include the disclosures and full financial information included in the full Annual Report.



**Steve Lowndes**  
Chairman

18 October 2018



**Bill Bayfield**  
Chief Executive

## Where to find out more...

Visit [www.ecan.govt.nz](http://www.ecan.govt.nz) for more detailed information about Environment Canterbury, our full Annual Report for 2017/18, the current year's Annual Plan 2017/18 and the Long-Term Plan for 2015-25.

**612,000**

POPULATION OF  
CANTERBURY  
(STATISTICS NZ ESTIMATE)

**45,000**

SQUARE KILOMETRES  
OF DIVERSE LANDSCAPE

**284,459**

PROPERTIES  
IN CANTERBURY

**\$188 BILLION**

CAPITAL VALUE OF  
CANTERBURY PROPERTIES

# Activities and results

Environment Canterbury is the regional council for this beautiful region. While the majority of the Canterbury population lives in Christchurch, our communities are located in the districts managed by ten territorial authorities: Ashburton, Hurunui, Kaikōura, Mackenzie, Selwyn, Timaru, Waimakariri, Waimate, and Waitaki District Councils and the Christchurch City Council.

In our Long-Term Plan we set the activities/services, and the levels of service we will be measured against, for each of the first three years of the ten years the Long-Term Plan covers. 2017/18 was the third year of the 2015-25 Long-Term Plan. In 2018 the new Long-Term Plan 2018-28 was adopted.

## How we performed in 2017/18

We achieved 94% of the levels of service targets set for the year.

For each level of service there are measures and targets and our performance is assessed against these. Service levels are usually specified in relation to quantity, quality, reliability, responsiveness, environmental acceptability and cost.

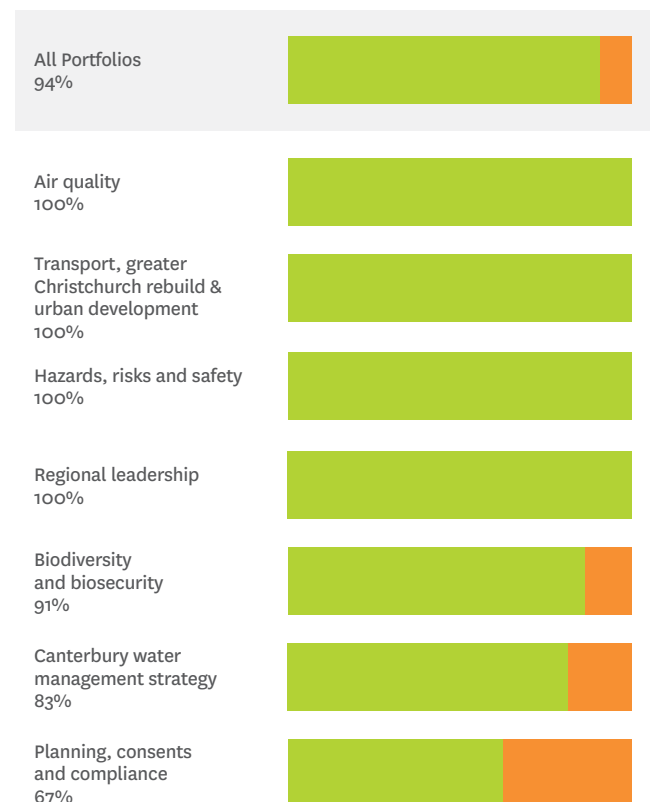
We achieved 100% of our service targets in four of our seven portfolios and an increase from 2016/17 when it was two of the seven.

The full annual report on [www.ecan.govt.nz](http://www.ecan.govt.nz) outlines all the measures and targets along with the results and further information for each.

## Percentage of targets measured and met in 2017/18

The table to the right is a summary of our results for the 2017/18 financial year to end June 2018. It shows the percentage achieved (green) and not achieved (orange) for each portfolio.

## Targets for 2017/18



## FINANCIAL FACTS FOR 2017/18

**\$171.3M**

TOTAL  
INCOME

**\$172.6M**

TOTAL OPERATING  
EXPENDITURE

**\$97.6M**

TOTAL INCOME  
FROM RATES

**4.5%**

RATES INCREASE  
ON 2016/17

**\$71M**

OPERATIONAL  
ASSETS

**\$839M**

INFRASTRUCTURAL  
ASSETS



# 2017/18 Summary

It is appropriate to begin this Annual Report by paying tribute to our chairman, David Bedford, who passed away at the beginning of the year. David was elected Environment Canterbury chairman by the Council in 2016. It was his avowed decision to lead the Council successfully through to the return to full democracy in 2019.

With the Council's overriding priority of improving the region's freshwater quality, we have, over the last eight years, produced a suite of comprehensive regulatory instruments and during this 2017/18 year, we have been busy implementing them. This has included providing advice to farmers to help them comply with new rules and strict nutrient limits. An independent audit scheme helps farmers to know where to take further action and what is working on-farm.

It is important to note that, while Environment Canterbury is a regulatory authority, we are also regulated ourselves in what we can do – and cannot do – under various Acts. Sometimes this means our actions are not popular, or may not seem to meet a need. But we have to follow the rules too.

For 2017/18, we are pleased to report that the work of our organisation and our partners and community has resulted in 94% of our Levels of Service targets being met (2% higher than last year), evidence that for the most part we did what we said we would do, and spent very close to what we said we would spend.

Key to our success was delivery of our regulatory functions and environmental safeguards, working with the community, and maintaining robust relations with other councils, Ngāi Tahu, industry and other stakeholder groups.

## Highlights

**Freshwater Management:** In the 2017/18 year, Environment Canterbury continued its strong, eight-year commitment to the Canterbury Water Management Strategy (CWMS) with progress on each of the target areas.

Our regional regulatory framework is the Land and Water Regional Plan (LWRP), which establishes the rules for the region's necessary step-change in water management. The LWRP covers environmental

restoration via biodiversity programmes, more reliable water through infrastructure (such as water storage and irrigation schemes), and improved land and water management within collaboratively developed limits. A number of plan changes, including catchment zone-specific plan changes, have been introduced since the LWRP was notified in 2016. Work continued on these during the year to refine the rule framework to meet specific needs for zones.

**Biodiversity and Biosecurity:** A total of 63 biodiversity projects were initiated during the year, including fencing freshwater habitats, establishing native plants along waterways, predator control and weed control. We saw significant increases in braided river bird breeding as a result of our management site initiatives and initiated a process to identify the extent of braided riverbeds. We also made good progress with the joint-agency Whakaora Te Ahuriri project to develop a constructed wetland at the currently drained and degraded Ahuriri Lagoon. Indigenous biodiversity has been identified as one of the two strategic priorities for Environment Canterbury over the next 10 years.

We continued our work to protect the environment from the spread of introduced plant and animal pests. In response to the growing rabbit population, Environment Canterbury worked with other councils to import and release a new rabbit virus in the second half of the year. Using a slower natural spread method, there was still a 40% reduction in rabbit numbers. Other introduced pests under surveillance included the giant willow herb and 'Lake Snow', which is present in the upper Waimakariri catchment. The new Regional Pest Management Plan commenced.

**Climate Change:** Climate change considerations are an integral part of all of Environment Canterbury's work. During the year in review, we have taken an active role in central Government engagement on the topic, and we established and coordinated the regional Climate Change Working Group. Internally a new Climate Change Integration programme has been established which, during the 2018/19 year, will focus on increasing the visibility of our information and decision-making processes around adaptation to the impact of climate change.

**Air Quality:** The Canterbury Air Regional Plan became operative before the end of 2017. In early 2018 we commenced a campaign to further educate wood burner owners to tackle the issue of emissions from home heating. There was a campaign focus on South Canterbury where recorded winter air quality has been poor. A related campaign for people to replace their older style wood burners resulted in high numbers of building consents for new burners being submitted to councils before the 31 October deadline. We also worked closely with health boards, social service agencies and councils to raise awareness of how to burn smoke-free, and introduced the Timaru Cosy Homes Hub to this effect. At the same time, we continued work on approving new Ultra Low Emission Burners developed or imported locally.

Air quality near working quarries became high profile during the year, and we undertook extensive independent monitoring of air quality near these quarries. As a result we signalled more stringent rules for quarry operators.

**Natural Hazards and Safety:** Our flood protection work around the region continued, with advanced success in the \$40 million 10-year Waimakariri Flood Protection programme, meaning it will be completed next year – a year ahead of schedule. We also continued to collect and provide data and information on natural hazards and the processes contributing to them.

Support for post-earthquake Kaikōura continued during the year. For example, we completed the recovery programme for the South Bay boat harbour lifeline, which is now fully operational for recreational and commercial users. We also carried out new post-earthquake and tsunami flood hazard modelling for Kaikōura and provided engineering support for post-earthquake remediation in the Clarence Valley and on the Kaikōura plains. During the year, our Civil Defence and Emergency Management Office moved into its first purpose-built facility in the Justice and Emergency Services Precinct in Christchurch.

The Harbourmaster's Office responded to a number of incidents during the year, including the fire aboard the ship Dong Won 701 in Timaru Port. Although the vessel suffered significant damage, we worked closely with all parties to ensure safety throughout the response and to prevent any pollution from the fire and subsequent clean-up.

**Transport:** The 2017/18 year saw a return to positive public transport patronage growth in Christchurch, albeit a modest 1%. After several years of patronage decline post-earthquakes, this is a significant milestone. Another pleasing result was the continued positive experience our customers enjoyed, with overall customer satisfaction remaining high at 96.6%. However, the year was financially challenging for public transport. Even the return to positive growth was not enough to balance the costs of delivering the service. One result of this was the decision, made after consultation on the new Long-Term Plan, to raise the public transport targeted rate and bus fares, coupled with a number of route changes and the removal of some routes.

Our review of the Regional Land Transport Plan was completed and we commenced the second phase of work on identifying the opportunity for freight mode shift in the South Island. We also commenced a transport resilience stocktake, initiated a project to improve road safety outcomes, and advocated on Government policy.

**Urban Development:** We worked closely with Regenerate Christchurch, key stakeholders and other strategic partners to support regeneration, including in the development of the Ōtākaro/Avon River Corridor Regeneration Plan and Southshore and South New Brighton Regeneration Strategy. We continued our work with the Greater Christchurch Partnership to review the Urban Development Strategy and give effect to the National Policy Statement on Urban Development Capacity. We also collaborated with Lyttelton Port Company Limited, Te Hapū o Ngāti Wheke and Te Rūnanga o Ngāi Tahu, the Christchurch City Council and the local community on the Whakaraupō/Lyttelton Harbour Catchment Management Plan. This was launched in March 2018.

**Governance:** Preparations were made for the transition back to a fully elected Council in 2019, with a review of the number of councillors and their constituencies. Currently the Council is a mix of elected and appointed Councillors; from the next election in 2019, the Council will be fully elected. The inclusion of Ngāi Tahu Councillors in the current Council has further strengthened the relationship with Ngāi Tahu and we are working to maintain this strong link.

# Our income

## Rates

Your quarterly rates invoice from Environment Canterbury (received with your rates bill from the local authority where you live eg Timaru District Council), contains two different types of rates: a general rate and a targeted rate.

### General rates

General rates for an individual property are calculated using the property's capital value (the combined value of the land and buildings). The total rates for Canterbury are spread across all the properties in the region – residential, commercial and industrial. Because the rates are calculated on the capital value, a property valued at, say, \$300,000, pays less general rates than a property valued at \$400,000.

### Targeted rates

Targeted rates are levied for a particular purpose or to a particular group who may benefit from a specific service that the Council provides. For example, people near a bus route might pay a targeted rate because they could benefit from that bus route, or rural landowners might pay a targeted rate to pay for pest control on their land, a new stopbank to protect their land from flooding, or an ecosystem restoration programme to restore natural habitats along rivers and streams.

In 2017/18 the Canterbury Water Management Strategy (CWMS) is largely funded by a targeted rate on all Canterbury rate payers because it was developed in a collaborative process involving all groups that have an interest in water, both urban and rural, and its implementation benefits the whole community.

**\$33.1M**

**GENERAL RATES  
COLLECTED**

**\$64.5M**

**TARGETED RATES  
COLLECTED**

## Other sources of income

Some of our activities are funded by user-pays charges. These are paid on activities which are directly caused by, or confer a benefit on, an individual. Examples of these charges include resource consents, swing moorings for boats, and passenger fares paid on public transport.

Environment Canterbury also receives grants to carry out work, particularly for public transport. Much of this funding comes from central government agencies. Grants make up around 20% of Council revenue.

Sometimes, Environment Canterbury draws on its reserves to pay for work that is additional to budget, including some of our water management programmes.

**\$73.7M**

**OTHER INCOME,  
INCLUDING \$47.5M FROM  
PUBLIC TRANSPORT  
GRANTS AND FARES**

### Environment Canterbury Ltd

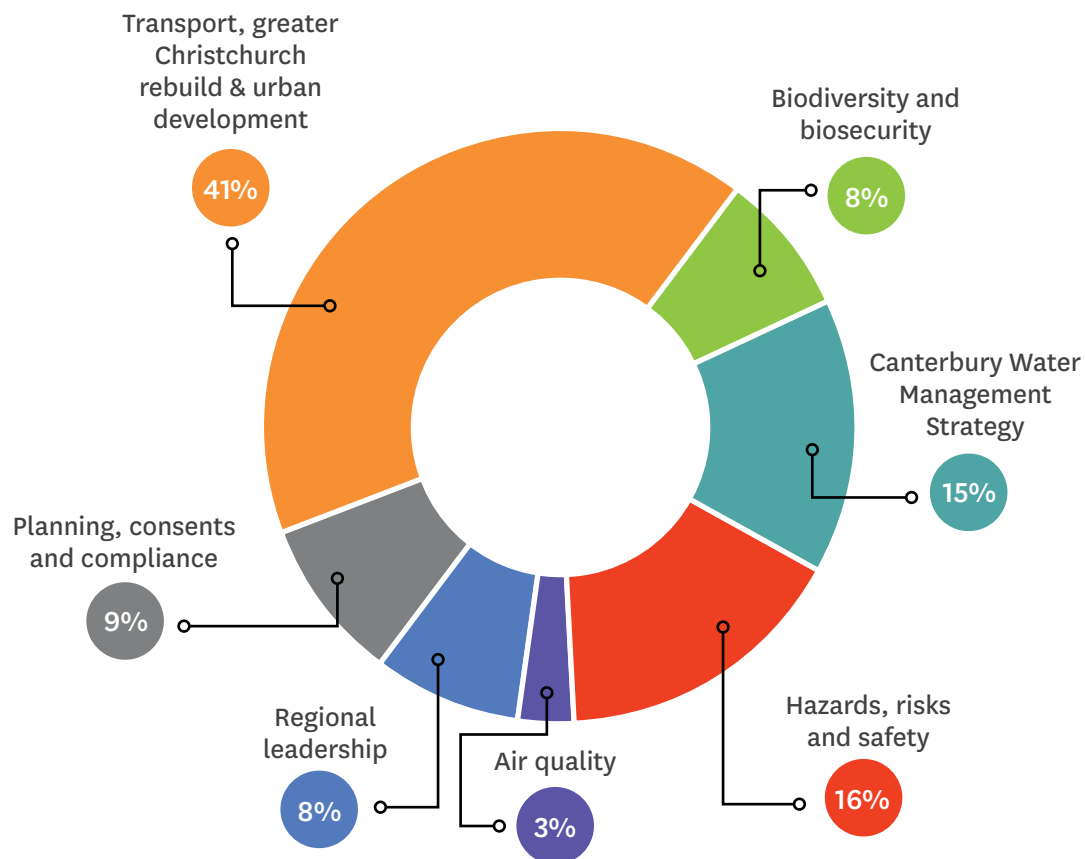
The process to deregister Environment Canterbury Limited was commenced prior to year-end. The company was removed from the companies register under section 318 of the Companies Act on 30 July 2018.

# Our expenditure

In 2017/18 Environment Canterbury divided activities and related budgets into seven service groups or portfolios. Each is funded by a combination of general rates, targeted rates, user charges, loans and subsidies.

This graph shows the proportion of expenditure on each or portfolio. Figures are in \$'000s.

More information on the activities and projects that make up these programmes can be found in the full Annual Report at [www.ecan.govt.nz](http://www.ecan.govt.nz).



## Portfolio expenditure 2017/18

-  \$26.8 million Canterbury Water Management Strategy
-  \$27.2 million Hazards, risks and safety
-  \$4.5 million Air quality
-  \$14.3 million Regional leadership
-  \$15.4 million Planning, consents and compliance
-  \$71.3 million Transport, greater Christchurch rebuild & urban development
-  \$13.5 million Biodiversity and biosecurity

Total \$172.6million rounded above to \$173million

# 2017/18 in numbers

The following are a few of the statistics for the 2017/18 year. More information is contained in the full Annual Report and on the Reporting Back page on [www.ecan.govt.nz](http://www.ecan.govt.nz). The majority of our reports cover the financial year eg 2017/18 like this Annual Report Summary but other seasonal reports are released during the year, for example the recreational water use report just prior to the swimming season starting.

**420**KM

FENCING BUILT TO PROTECT STREAMS,  
WETLANDS, LAGOONS AND BUSH  
(VIA 400 RESTORATION PROJECTS)

MORE THAN

**3,000**

FARM ENVIRONMENT PLANS IN  
PLACE ACROSS CANTERBURY

**13.7**MILLION

NUMBER OF BUS TRIPS  
IN CHRISTCHURCH

MORE THAN

**500,000**

HECTARES OF  
WILDING CONIFERS CLEARED

**97%**

PERCENTAGE OF METRO PASSENGERS  
WHO ARE SATISFIED OR MORE THAN  
SATISFIED WITH THE SERVICE

MORE THAN

**24,000**

RESOURCE CONSENTS  
IN CANTERBURY

**85%**

PERCENTAGE OF WATER TAKE CONSENT  
HOLDERS PROVIDING DAILY DATA

**97**

RECREATIONAL WATER SITES  
MONITORED OVER SUMMER



# Regional leadership

Regional leadership is grounded in enduring relationships and collaborative agreements with Ngāi Tahu, the region's territorial authorities (the nine district councils and Christchurch City Council), key industry and community organisations. Our activity focuses on supporting achievement of sustainable development in the Canterbury region.

Environment Canterbury's resource management activities, powers and functions – particularly those relating to air, water and land – are inextricably linked to the rights and interests of Tangata Whenua and their relationships with their ancestral land within Canterbury/Kā Pākihi Whakatekateka o Waitaha. Environment Canterbury is required to respect the relationship between Māori culture and traditions, and their ancestral lands, air, water, sites, wāhi tapu and other taonga.

We believe the most effective way of delivering on these requirements is through our Tuia relationship programme with the ten Papatipu Rūnanga of Canterbury and the tribal authority, Te Rūnanga o Ngāi Tahu.

Furthering and strengthening this priority relationship remained a key focus for the year, and further work was done to embed the cultural partnership. One significant aspect was the work of a dedicated land management advisor in the Selwyn Waihora zone team to assist with the implementation requirements of the Cultural Land Values Management Area. Based on this success, additional dedicated land management advisors are planned for other parts of the region to assist with mahinga kai implementation of Farm Environment Plans, the Canterbury Water Management Strategy and compliance work.



# Summary of Financial Statements

In 2017/18 Environment Canterbury received \$171.3m revenue and spent \$172.6m giving a deficit after taxation of \$1.4m.

Statement of comprehensive revenue and expense	Actual 2017/18	Annual Plan 2017/18	Actual 2016/17
<b>Revenue</b>			
General rates	33,139	32,356	32,639
Targeted rates	64,485	62,770	60,744
Subsidies and grants	33,334	35,101	32,570
Fees and charges	33,521	33,409	32,259
Other revenue/gains	6,828	1,182	4,904
Total operating revenue	171,305	164,817	163,115
<b>Expenditure</b>			
Personnel costs	46,487	47,734	43,443
Other expenses	126,161	121,223	119,781
Total operating expenditure	172,648	168,957	163,224
Surplus/(deficit) before tax	(1,343)	(4,140)	(108)
Tax (expense)/benefit net of loss offset	(12)	-	(11)
Surplus/(deficit) after tax	(1,355)	(4,140)	(119)
Other comprehensive revenue and expense	1,014	-	* (189,229)
Total comprehensive revenue and expense	(342)	(4,140)	(189,348)

Statement of financial position	Actual 2017/18	Annual Plan 2017/18	Actual 2016/17
Current Assets	43,279	29,020	41,373
Total non current assets	921,465	1,118,481	916,551
Total assets	964,745	1,147,501	957,924
Total current liabilities	27,039	25,015	20,331
Non-current liabilities	30,425	33,143	29,971
Total liabilities	57,464	58,158	50,302
Net assets	907,280	1,089,344	907,622
Equity	907,280	1,089,344	907,622

Statement of changes in net assets/equity	Actual 2017/18	Annual Plan 2017/18	Actual 2015/16
Equity at the beginning of the year	907,623	1,093,484	1,096,970
Total comprehensive revenue and expense	(342)	(4,140)	(189,348)
Equity at the end of the year	907,280	1,089,344	907,622

Cash flow statement	Actual 2017/18	Annual Plan 2017/18	Actual 2015/16
Net cash flow from operating activities	1,920	(161,457)	413
Net cash flow from investing activities	(3,288)	(5,411)	(4,416)
Net cash flow from financing activities	5,015	2,000	84
Movement in cash	3,648	(767)	(3,918)
Net increase / (decrease) in cash held	3,648	(767)	(3,918)
Add cash brought forward	9,670	9,149	13,589
Cash carried forward	13,319	8,382	9,670

The summary financial statements have been extracted from the full audited Annual Report dated 18 October 2018. The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial report. A copy of the full Annual Report of Council can be obtained from the Council's website ([www.ecan.govt.nz](http://www.ecan.govt.nz)) or by calling our Customer Services team (contact details are on page 12 of this summary).

The full financial statements have been prepared in accordance with NZ GAAP and the requirements of the Local Government Act 2002 and comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and have been prepared in accordance with Tier 1 Public Benefit Entity accounting standards. The summary financial statements comply with FRS-43.

All amounts are expressed in New Zealand Dollars and have been rounded to \$000's. The full Annual Report financial statements have been audited and unmodified audit opinion was issued on the full financial statements on 18th October 2018. The summary financial statements were authorised for issue on 18 October 2018 by the Council.

\* Impact of asset revaluation and accounting adjustments.

**Independent Auditor's Report**  
**To the readers of Canterbury Regional Council's summary of the annual report**  
**for the year ended 30 June 2018**

The summary of the annual report was derived from the annual report of the Canterbury Regional Council (the Regional Council) for the year ended 30 June 2018.

The summary of the annual report comprises the following summary statements on pages 4 to 7 and 9 to 10:

- the summary statement of financial position as at 30 June 2018;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018; and
- the summary statement of portfolio performance.

**Opinion**

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43: Summary Financial Statements.

**Summary of the annual report**

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

**The full annual report and our audit report thereon**

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2018 in our auditor's report dated 18 October 2018.

**Council's responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements.

**Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the summary of the annual report and the full annual report, we have audited the Regional Council's 2018-28 long-term plan, completed an agreed-upon procedures engagement and reported on the Regional Council's annual reporting certificate to the debenture trustee. These engagements are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the Regional Council.



Julian Tan,  
Audit New Zealand  
On behalf of the Auditor General  
Christchurch, New Zealand  
18 October 2018



**Environment Canterbury offices**

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Report Number: R18/45

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