

File Ref: C135-E03

Ask For: Mike Porter

27 February 2009

Notice of Committee Meeting - Monday, 9 March 2009

A meeting of the Environmental Policy Committee will be held in the Council Chambers, District Council Administration Building, Seymour Street, Blenheim on **Monday, 9 March 2009 commencing at 1.30 pm.**

B U S I N E S S

As per Agenda attached.

ANDREW BESLEY
CHIEF EXECUTIVE

Marlborough District Council

**Meeting of the ENVIRONMENTAL POLICY COMMITTEE
to be held in the Council Chambers, District Administration Building, Seymour Street,
on MONDAY, 9 MARCH 2009 commencing at 1.30 pm.**

Committee	Clr J Bunting (Chairman) Clr F D Maher (Deputy) Clr A D Barker Clr G S Barsanti Clr C R Bowers Clr E I Davidson Clr G A Hope Clr G Taylor
Departmental Head	Mr F Pauwels (Manager, Environmental Policy Department)
Staff	Mike Porter (Democratic Services Co-ordinator)

Open Meeting

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1. An Alternative Model of Water Allocation (E225-W03-05)

(Report prepared by Pere Hawes)

Purpose

1. The purpose of this report is to introduce a project that is to be undertaken to support the review of the water allocation provisions of the Marlborough Regional Policy Statement and both resource management plans.

Background

2. The Marlborough Sounds Resource Management Plan and Wairau/Awatere Resource Management Plan both contain water allocation frameworks. These frameworks have been successful in enabling users access to water. The use of the water subsequently allocated through the water permit process has contributed significantly to the Marlborough economy. At the same time, the values supported by our rivers and aquifers have been protected, especially during low flow conditions.
3. A key component of the water allocation frameworks are allocation limits. These act to limit the total volume of water that can be allocated to users through the water permit process. These limits usually reflect the availability of water in each catchment or aquifer and the water required to sustain instream values.
4. The allocation limits set for rivers or aquifers have either been reached or are approaching full allocation. In other words, there will be limited ability for new users to access water under the current water allocation frameworks. This could be a significant constraint on economic development and growth in Marlborough.

Comments

5. Water is allocated through water permits, on a first-in-first-served basis, throughout New Zealand. In Marlborough, the volume of water allocated to water permit applicants is determined on the basis of guideline values contained in the resource management plans and is expressed in cubic metres per day.
6. The Council is aware through meter readings, particularly in the Southern Valleys, that the rate of actual take is less than the paper allocation. The rate of take can be as low as 40 percent of the paper allocation. This is probably not surprising given the variability of soil types across Marlborough and the weather experienced during each irrigation season.
7. This is not a serious issue when there is plenty of water available for new users. However, when water resources are fully allocated under the plan provisions, the difference between paper allocation and actual use represents an underutilisation of the available water. Other users could use this water for productive purposes that would, in turn, contribute to the economic prosperity of the District.
8. Aqualinc Research Limited has developed an alternative model of water allocation to the conventional first-in-first-served method. This is based on providing clear water access entitlements to users, creating incentives for efficiency improvements and minimising the process costs incurred in transferring water.
9. The emergence of this model is timely given that the Council has commenced a review of its resource management framework. This creates an opportunity to consider the alternative allocation model as part of the review process.
10. It is proposed to apply the model to three fully allocated water resources to establish the feasibility of the model in Marlborough conditions. The three water resources selected are the Awatere River

catchment (a surface water resource), the Southern Valleys Aquifers (a groundwater resource) and the Doctors creek catchment (a surface water resource with strong connections to groundwater).

Summary

11. Aqualinc Research Ltd has developed an alternative model of water allocation. This appears to be well suited for application to water resources that are fully allocated on paper, but within which actual water use is a proportion of the paper allocation. As most water resources in Marlborough are at or are approaching full allocation, it is proposed to investigate the feasibility of applying this model through the review of the Council's resource management framework.

12. **Mr John Bright of Aqualinc Research Ltd will present the concept of the alternative allocation regime to the Committee.**

RECOMMENDED

That the information be received.

2. Funding Economic Development Projects (E225-B07)

(Report prepared by Francis Pauwels)

Purpose

1. The purpose of this report is to propose a mechanism to access external funding grants for selected infrastructure projects and strategic level economic development initiatives.

Background

2. Central government has signalled a willingness to assist economic growth through fast-tracking infrastructure, education and health projects. The amount signalled is \$1.8bn and this may well be extended. This program is expected to have a maximum two year window of opportunity for councils.
3. There is understandably a long queue of projects put up by various councils throughout the country and we are yet to receive any guidelines or priorities.
4. Government departments have been instructed to reduce their funding grants which means Council has to be prepared to move quickly and with high quality supporting information so as to stand any chance of success.
5. Government departments that could be accessed include New Zealand Trade and Enterprise (currently \$250,000 available to Council over three years for economic development), TechNZ (e.g. technology development grants up to \$1m), Ministry for the Environment (e.g. the Environmental Policy team has just been successful with a funding grant from the Ministry for Aquaculture work), Ministry of Agriculture and Forestry (e.g. considering Water Allocation funding), Better By Design (\$650,000 over five years available for strategic marketing / tourism), as well as private sector opportunities such as New Zealand Trade and Enterprise's export grants (e.g. \$500,000 over three years).
6. In order to apply for and access these funds Council will be required to have well-developed plans for both infrastructure and economic development. Infrastructure plans are well progressed however other than civic projects, no economic development plan exists yet in Council.
7. To underpin grant applications, these plans will need to be able to quantify and qualify specific projects in terms of their expected benefits to the community (such as job growth) and economy (business growth).
8. With the recent iwi settlement process Council fully anticipates there may be opportunities to speed up investment and development in key sectors and infrastructure through strategic partnerships.
9. Council is in a prime position to help the various sectors by linking specific projects and activities from an eventual economic development plan back into its Long Term Council Community Plan, Regional Policy Statement and resource management plan documents. This will help the objective of ensuring that activities are keenly focused on specific outcomes with measurable progress indicators. Possibilities could include advocacy at central government level, facilitation, capital investment, operational support and regulatory change.
10. Funding Agencies such as New Zealand Trade and Enterprise require a formalised structure for contracting and reporting purposes.
11. It is suggested that an Advisory Board be established and this would most likely include the Mayor and Chair of the Community & Financial Planning Committee. The Terms of Reference of an Advisory Board would include providing clear governance, gaining wider private sector input and providing the necessary structure for any eventual funding applications.

12. This Environmental Policy Committee includes the Chair of the Assets and Services Committee and the Chair of the Community & Financial Planning Committee so is well placed to oversee the strategic, infrastructure and economic development aspects of this work from a Council reporting perspective.

Summary

13. An immediate opportunity exists to focus on external funding sources for economic development projects including infrastructure and business growth. This will require a supporting economic development plan and a formal governance structure.

RECOMMENDED

1. **That an Economic Development Advisory Board be established comprising the Mayor and Chair of the Community and Financial Planning Committee plus up to four private sector representatives.**
2. **That Terms of Reference be developed for the Advisory Board and suggesting a limit of six members.**
3. **That Council's Chief Executive and Manager of Strategic Planning be ex-officio members of the Board.**
4. **That the first task of the Advisory Board be to identify appropriate infrastructure projects and progress funding applications to central government. The second task is to work with the key sector groups to develop a draft Economic Development Strategy with clear growth objectives and timelines by September 2009 to underpin funding applications to government departments.**

3. Blenheim Urban Growth Plan (E225-B07)

(Report prepared by Francis Pauwels)

Purpose

1. The purpose of this report is to bring to the attention of the Environmental Policy Committee and Council the necessity to programme in the development of a Blenheim Urban Growth Plan to be completed by December 2009.

Background

2. Council currently has in process, or is expecting, several proposals for development and expansion of the wider Blenheim urban area.
3. These include the 'Eastlake' (Alabama Road/SH1 block), Westwood, Battys Road/Waters Avenue, North of Old Renwick Road, Alabama/Wither Road extension, North of Alabama Road, Battys Road/David Street, Maxwell Pass plus any impacts of the Town Centre project on the CBZ and zoning changes.
4. In addition Traffic and Parking Studies have recently been completed for the district.
5. There is interest from the development community in mixed business use and medium density housing.
6. The development, civil engineering and surveying community would appreciate greater guidance on what is possible for development and where.
7. The Regional Policy Statement is currently under review and the resource management plans are scheduled for review in 2010.
8. A large element that is needed at present is a high quality, well-considered Blenheim Urban Growth Plan that takes into account current growth needs and future growth projections.
9. The Regional Policy Statement and resource management plans would benefit from being informed by such a Growth Plan and indeed will be deemed inadequate without one.
10. Council resource consent staff currently have to consider applications and subsequent decisions without any wider context and guidelines that such a Plan would provide.
11. Development proposals that are turned down, as well as resource management plan variations, invariably end up in the Environment Court without such guidelines and can consume hundreds of thousands of dollars in direct legal fees and staff time over a year.
12. Budget provisions for the 2009/2010 financial year have been made for development of such a Growth Plan.
13. A project team including Council technical staff with input and facilitation from external town planners and urban designers would be assembled.

Summary

14. A Blenheim Urban Growth Plan once given effect through the resource management plans would deliver a significantly higher level of 'certainty' for developers and engineers. Through a more efficient process, staff angst and direct legal costs would be reduced. Such a Plan should enable more efficient use of current land including for mixed use and medium density housing as opposed to expansion of the urban area per se.

RECOMMENDED

That a Blenheim Urban Growth Project be undertaken in July 2009 with a target of having draft proposals completed by December 2009.

4. Review of Fee Schedule for Resource Management Documents (W045-13)

(Report prepared by Pere Hawes)

Purpose

1. The purpose of this report is to set out a review of the fees schedule for resource management documents.

Background

2. The Wairau/Awatere Resource Management Plan becomes an operative document today. Volumes 1, 2 and 3 of the document have been republished and reprinted in order to be released as an operative document.
3. With the Wairau/Awatere Resource Management Plan becoming operative, transitional plans under the Resource Management Act 1991 no longer have any status.
4. The fee schedule for resource management documents needs to be updated to reflect the above costs and changes.

Comments

5. The fee schedule currently sets out the price for the purchase of both the Proposed Wairau/Awatere Resource Management Plan and transitional plans. These fees are set as fixed charges under Section 36(1) of the Resource Management Act 1991.
6. Reflecting its operative status, all volumes of the Wairau/Awatere Resource Management Plan have been republished to ensure accuracy of information and consistency with the style of the Marlborough Sounds Resource Management Plan and to create a professional appearance. The Plan has subsequently been reprinted.
7. In accordance with the Council's charging policy, and Section 36(4) of the Resource Management Act 1991, it is appropriate to recover the reasonable costs of the Plan production processes through the public sale of the Plan. The price of plan purchase (all volumes of the Plan and individual volumes) are proposed to be increased as a result. The level of charges has been set to also ensure consistency with the cost of purchase of the Marlborough Sounds Resource Management Plan.
8. Charges may only be fixed in a manner set out in Section 150 of the Local Government Act 2002 after using the special consultative procedure set out in Section 83 of the Local Government Act 2002. This means that the revised fee schedule will have to be publicly notified.
9. As transitional plans no longer have effect it is unlikely that there will be any requests for copies of these documents. For this reason, it is proposed to remove transitional plans from the fee schedule.
10. The Code of Practice for Subdivision and Development is also on the fee schedule. The recent revision of that document has resulted in it becoming an electronic document only. It is therefore not necessary to retain the Code on the fees schedule.
11. A proposed fee schedule for resource management documents is set out in the recommendation.

Summary

12. It is necessary to update the fee schedule for resource management documents as a result of the Wairau/Awatere Resource Management Plan becoming operative. A revised fee schedule is put forward for the Committee's consideration.

RECOMMENDED

That the proposed Fees Schedule for Resource Management Documents set out below be notified for consultative purposes as required by Section 83 of the Local Government Act 2002.

Resource Management Act Plans	Charge \$
Marlborough Sounds Resource Management Plan - Set of Three	\$200.00
Marlborough Sounds Resource Management Plan - Volume One	\$50.00
Marlborough Sounds Resource Management Plan - Volume Two	\$50.00
Marlborough Sounds Resource Management Plan - Volume Three	\$100.00
Wairau/Awatere Resource Management Plan - Set of Three	\$200.00
Wairau/Awatere Resource Management Plan - Volume One	\$50.00
Wairau/Awatere Resource Management Plan - Volume Two	\$50.00
Wairau/Awatere Resource Management Plan - Volume Three	\$100.00
Resource Management Plans - Volume 4	\$30
Regional Policy Statement	\$20.00
Subscription Service - WARMP & MSRMP	\$112.50
CD - Marlborough Sounds Resource Management Plan - Volumes One, Two and Three	\$20.00
CD - Proposed Wairau / Awatere Resource Management Plan - Volumes One and Two	\$20.00

5. Worker and Family Accommodation (W045-14-468, 471, M135-14 -53, E225-S12)

(Report prepared by Tania Bray)

Purpose

1. The purpose of this report is to update the Committee on work planned to help address issues raised by the community regarding worker and family accommodation.

Background

2. With the rapid expansion in the viticulture industry over the last five years there has been increasing pressure placed on the existing housing stocks in Marlborough to provide sufficient accommodation to house the seasonal workers required each year to work in the vineyards.
3. While several private individuals have responded to the demand by building purpose built accommodation blocks, the demand for housing to date has been largely met by the use of existing residential dwellings.
4. The Council is aware both through recorded instances and anecdotally through complaints, of overcrowding and insanitary use of some houses used for housing seasonal workers. In 2008 the Council commissioned a report investigating the issue and at its last meeting on 10 November 2008, the Committee considered two reports on the issue of worker accommodation in urban areas and decided among other matters, to:

“...collect data on the nature, extent and effect of worker accommodation in Marlborough and the occupancy of houses used to provide accommodation...”

5. In addition to worker accommodation, problems have been identified with the rules in the Plans regarding family accommodation or family flats. Under the provisions for family flats the Plans provide as a permitted activity the building of a second dwelling. The provisions do not provide minimal controls on what form the family flat should take, nor is the family flat specifically required to be used by dependant relatives as intended by the provisions. There is a level of uncertainty as to what the provisions mean and how they should be interpreted which has led to several developers building second dwellings under the provisions, and then seeking to subdivide the section. A review of the provisions is currently being undertaken.

Comments

6. Collection of data on worker accommodation is to occur over the 2009 pruning season. This core data once collected will be used to clarify the issues and will be used in the formulation of solutions. While this core data is being collected Council staff will continue to look at options for controlling or regulating seasonal workers accommodation.
7. In the interim, especially with the pruning season three months away, the Council intends to work with Public Health Services, the wine industry and the Department of Labour in developing a Code of Accommodation Standards. The intention is that the Code will ensure that all compliance organisations will then have a consistent method of determining whether “overcrowding” is occurring. This would also assist Building Control staff when required to assess the sanitary conditions of buildings under the Building Act 2004. The Code will be reported through to the Committee and the Environment Committee for approval.
8. Council staff will also investigate ways in which the Plans’ provisions can be clarified to provide for dependant relative housing. The findings of the investigation will be reported through to the Committee once complete.

Summary

9. A number of projects are underway to quantify and investigate options regarding worker accommodation and family flats. The findings of those projects will be reported back to the Committee once completed.

RECOMMENDED

That the information be received.

6. Marlborough Regional Policy Statement Review - Formation of Focus Groups (R425-02)

(Report prepared by Pere Hawes)

Purpose

1. The purpose of this report is to formalise the structure of the focus groups to be used to assist the Regional Policy Statement (RPS) review process.

Background

2. The Committee has previously endorsed the use of “focus groups” to consider and provide feedback on draft RPS provisions.
3. The greatest flexibility for change to RPS provisions exists prior to notification of a proposed RPS. Once notified, only those provisions submitted on can be changed, and then only within the scope of those submissions. By using key stakeholders in each of the focus groups, who have experience dealing with the resource management issues to be addressed by the RPS, the intention is to identify and resolve any substantive issues prior to notification of a proposed RPS. This will have the effect of minimising the number and size of submissions received on the proposed RPS and will speed up the First Schedule process.

Comments

4. As it currently stands, the draft RPS will contain 16 issue based chapters associated with the use, development and protection of our natural and physical resources. Given the interconnections between many of these issues, it is proposed to use resource based focus groups (Rural, Urban, Freshwater and Marine), as opposed to a focus group for each chapter.
5. A number of issue based groups have already been established by the Council and these can be used as focus groups. These groups include the Sounds Advisory Group (dealing with issues in the coastal environment of the Marlborough Sounds), the Landscape Group and the Significant Natural Areas Project Group.
6. The Iwi Working Group should also continue in its existing partnership role in the development of RPS provisions.
7. It is also proposed to have an Energy and a Practitioners’ focus group. The former reflects commitments made to participants during previous consultation processes. The latter is proposed so that an objective and external view of all draft RPS provisions is provided from those in the planning and legal professions. It is these professions that will use the RPS the most and they will be a good barometer of the workability of draft provisions.
8. Appendix 1 sets out the various focus groups. The membership of the focus groups will be drawn from those that have already been part of the RPS review process or those that are known to staff to have interest/experience in a certain resource area. The membership of the Urban focus group will develop as the Urban Strategy process progresses.
9. Staff would welcome suggestions from the Committee regarding membership. It is important that the size of the focus groups remains practical. A maximum of 15 people is suggested in this regard.
10. Subject to Committee approval of the focus groups, the next step will be to approach nominated members of each focus group to establish their willingness to participate in this process.
11. It is possible that further focus groups may need to be created. If this is the case, the need for these groups will be reported through to the Committee.

12. There are organisations that will need to be consulted directly in addition to the focus groups process.

Summary

13. It is proposed to establish 10 RPS review focus groups to assist with the process of developing a new Marlborough RPS. These will be a mixture of existing groups and newly created resource based groups. The suggested membership of each group has been put forward for consideration. This membership is drawn from those people considered to have valuable experience in the resource management issues that the RPS will address.

RECOMMENDATIONS

- 1. That the Committee endorse the 10 Regional Policy Statement focus groups set out in the Appendix.**
- 2. That the proposed members of each of the new focus groups be approached to establish their willingness to participate in the Regional Policy Statement review process.**

Appendix: Potential Regional Policy Statement Review Focus Groups

Iwi Working Group (existing group)

Marine

Freshwater

Rural

Urban

Energy

Practitioners

Sounds Advisory Group (existing group)

Landscape Group (existing group)

Significant Natural Areas Working Group (existing group)

7. Resource Management (Simplifying and Streamlining) Amendment Bill (L225-R01)

(Report prepared by Pere Hawes)

Purpose

1. The purpose of this report is to inform the Committee that the Resource Management (Simplifying and Streamlining) Amendment Bill has had its first reading and to establish a process for approving a Council submission to the Bill.

Background

2. The incoming National Government pledged to introduce legislation into the House to amend the Resource Management Act within 100 days. The intent of the reform was to streamline and simplify the Resource Management Act processes in order to reduce costs and time delays involved with plan preparation and consenting processes.
3. The Resource Management (Simplifying and Streamlining) Amendment Bill (the Bill) was introduced to the House by the Hon Dr Nick Smith on 19 February 2009. It has now had its first reading and has been referred to the Local Government and Environment Select Committee.

Comments

4. The Bill focuses on 8 key issues as follows:
 - Removing frivolous, vexatious and anti-competitive objections;
 - Streamlining processes for projects of national significance;
 - Creating and Environmental Protection Authority;
 - Improving plan development and plan change processes;
 - Improving resource consent processes;
 - Streamlining decision making;
 - Improving workability and compliance; and
 - Improving national instruments.
5. The explanatory note to the Bill is appended and details the reform package further.
6. Staff members are now analysing the effect of the reform package. It is expected that many of the changes will be beneficial and will assist the Council in exercising its planning and consenting functions. If there are changes that have the opposite effect or changes that have unintended implications, then it would be appropriate for the Council to make a submission on the Bill.
7. The Local Government and Environment Select Committee has now called for submissions and submission period closes on 3 April 2009. The Select Committee will hear submissions from 19 June 2009.
8. The submission period does not coincide with the next Committee meeting or the next meeting of the Environment Committee. For this reason, it is recommended that the approval of any Council submission to the Bill be delegated to the Chair of the Environmental Policy Committee and/or the Chair of the Environment Committee.

RECOMMENDED

That the Council delegate to the Chair of the Environmental Policy Committee and/or the Chair of the Environment Committee the approval of a Council submission to the Resource Management (Simplifying and Streamlining) Amendment Bill.

8. Information Package

RECOMMENDED

That the Environmental Policy Information Package dated 9 March 2009 be received and noted.