

Report No:	RCN11-05-10
File No:	
Date:	11 May 2011
Information Only – no decision required	

REPORT SUMMARY

Report to: Tasman District Council
Meeting Date: 19 May 2011
Report Author: Paul Wylie, Chief Executive
Subject: **Chief Executive's Report**

EXECUTIVE SUMMARY

This report provides an update on various matters regarding the Draft Annual Plan 2011/2012, the Long Term Plan 2012/2022, the National Policy Statement on Freshwater Management, Transpower Annual Planning Report for 2011, Golden Bay Oil and Mining Exploration, the Top of the South Joint Executives meeting and Industrial Water User's Arbitration.

RECOMMENDATION/S

That the report be received.

DRAFT RESOLUTION

THAT the Tasman District Council receives the Chief Executive's Report RCN11-05-10.

Report No:	RCN11-05-10
File No:	
Report Date:	11 May 2011
<i>Information Only – no decision required</i>	

Report to: Full Council
Meeting Date: 19 May 2011
Report Author: Paul Wylie, Chief Executive
Subject: **Chief Executive's Report**

1. ANNUAL PLAN 2011/2012

- 1.1 The Annual Plan phase of the Council's full year cycle is now at mid point. Submissions have closed and oral hearings are underway. Once hearings have been completed, staff will summarise all aspects of the submissions received and report back to Council seeking the Council's direction as to what, if any changes, are to be made to the draft Plan. History shows that changes will occur as the Council recognises the merit of some of the submissions. Overall, we remain on target to produce the final Annual Plan 2011/2012 during June and we can expect to set the necessary rate fees and charges by the end of June.
- 1.2 As in the past, all submitters will receive a written response to all the points that they have made in their submissions.

2. LONG TERM PLAN 2012/2022

- 2.1 Long term strategic planning is now a feature of all local government planning. Once every three years each Council has its unique chance to confirm or amend the long term strategic direction as set out in the Council's Long Term Plan. This is a major exercise. The plans have a multitude of strategies, policies and individual plans within them. While some of these are discretionary, most are required by the legislation. Over the remainder of the 2011 calendar year, Tasman District Council expects to lead Councillors through all aspects of the Plan utilising a series of workshops. The directions given by Councillors at those workshops will then be collated into the formal draft of the Long Term Plan 2012/2022 which will then be published and public submissions invited.
- 2.2 After the hearings there will no doubt be final amendments and we should expect to see the formal final Long Term Plan coming to being in June 2012. While the formal document will no doubt run to several hundred pages, we will

again produce a summary document which sets out to capture the essential essence of the Council's plans and allow the lay reader to see where the Council should progress to over at least the next decade.

- 2.3 Three years ago Council produced the very successful "17 Settlements" document and sub-documents which outlined proposals specific to each of the Council's 17 settlements or communities and their surrounding districts.

3. NATIONAL POLICY STATEMENT ON FRESHWATER MANAGEMENT

- 3.1 On 9 May 2011 the Minister for the Environment, the Honourable Nick Smith, announced a new National Policy Statement (NPS) on freshwater management. As all Councillors are aware, the world and our nation faces significant challenges around water quality and water usage. The NPS sets out the government's views on how we should go about our tasks as custodians of land and water. The new NPS seems to be a vote of confidence in the use of regional councils and unitary councils as custodians of land and water in that it strengthens the current planning structure required by the RMA and imbeds the connection between land use and water quality. Full implications of the NPS are yet to be absorbed and analysed but it is likely that we will need to set some priorities and phase in some changes. These matters will be reported to Council in due course.

4. TRANSPOWER ANNUAL PLANNING REPORT FOR 2011

- 4.1 Transpower has released a report outlining the status of the national grid, its ability to meet forecast demand and the investment as it believes is required in transmission upgrades. This report includes a specific section on the Nelson and Marlborough region including the Tasman District. Transpower assesses regional demand at 223 megawatts increasing to 271 megawatts by 2021. That is a net increase of 48 megawatts. The report indicates that currently the region only generates 56 megawatts confirming that the entire region is heavily reliant on imported energy.
- 4.2 The report also covers some aspects of security of supply and capacity challenges which signal our vulnerability in such circumstances. The report does not yet account for the Matiri proposal which has been consented but is still waiting Department on Conservation concession. Nor does it include the Transpower proposal for the Wairau which is subject to appeal to the

Environment Court. While there is little that the Council can do directly to influence these matters, the report does demonstrate that economic growth in the region normally increases the demand for energy supplies and that there is little prospect of such supplies being available within the region.

5. GOLDEN BAY OIL AND MINING EXPLORATION

- 5.1 Recently there has been a spate of newspaper publicity as a result of announcements by a Chinese backed Australian mining company which has revealed plans to explore for oil in the seabed off Golden Bay.
- 5.2 The principal of the firm concerned visited the Council before Christmas last year. In his recent press statements the same company representative noted that *“The job prospects for the region would be very good and I know that he (Mr Wylie) is anxious to develop the area”*. No other comment was attributed to myself and unfortunately some individuals in Golden Bay have interpreted the hearsay reference to job prospects as implying Council’s support for proposed oil drilling and possible mining. The reality is that the Council will treat this enquiry as it would any other similar enquiry. Port Tarkohe is a commercial operation and it would welcome any legitimate commercial trade. Should the prospecting company (Grey Wolf) ever receive the appropriate permits from Crown Minerals and at some point require RMA consideration by the Tasman District Council, the company will receive the normal RMA consideration without a fare or favour. The allegations by some individuals in Golden Bay that I have endorsed the oil exploration and mining proposals, is absolutely without foundation.

6. TOP OF THE SOUTH JOINT EXECUTIVE MEETING

- 6.1 Recently the executive teams from the three Top of the South councils (Marlborough, Nelson and Tasman) met to canvass the possibilities for increased shared services between the three organisations. Earlier a report had been commissioned from Auton & Associates to look at what possibilities, if any, were available in addition to those currently undertaken. The joint executives have agreed to further investigate proceeding with three or four shared services proposals as those initiatives are further developed. It is expected that a formal report will be brought to the Tasman District Council outlining the Auton & Associates conclusions and steps taken to implement the recommendations in the report.

7. INDUSTRIAL WATER USER'S ARBITRATION

- 7.1 It is likely that this long running dispute will go to arbitration during July. Further information will be made available when there is something more meaningful to report.

8. RECOMMENDATION

That the report be received.

9. DRAFT RESOLUTION

THAT Tasman District Council receives the Chief Executive's Report RCN11-05-10.

Paul Wylie
Chief Executive