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Report to the Special Landcare Committee
from Andrew Annakin, Divisional Manager, Landcare

Landcare Division : Draft Business Plans, 2001-2010

1. Purpose

To provide an overview of the Landcare Division draft Business Plans, 2001-2010, for consideration by the Landcare Committee.

2. Introduction

The Landcare Business Plans cover two functional areas: *Parks and Forests* and *Flood Protection*. High level financial summaries are attached, plus breakdowns of Business Plan variances.

The 2001-2010 Landcare Business Plans are premised around “business as usual”; this being the second year of a ten year plan, or year two of the current three year review cycle. However, within that, there are a number of refinements and adjustments, plus programme changes following the year one ramp-up of major projects. These are discussed under the Functional Area overviews and will be expanded further at the Committee meeting.

The “bottom-line” in Parks and Forests shows no additional Rates required, though there is a small capital expenditure adjustment in 2001/02 (\$40,000 moved from 2004/05). Another budgeted project (Battle Hill homestead refurbishment) has been moved from 2003/04 to 2001/02 (see **Attachment 1**) to facilitate the Western Ranger base. However, there is no impact on funding due to reprioritised grounds maintenance work.

The Flood Protection situation is more complex (see **Attachment 2**). Though through various revenue gains and adjustments, we have modelled modest surpluses from 2001/02 to 2003/04. This offsets a minor deficit in Operations from the proposed Otaki Depot refurbishment. Residual budget model deficits in Strategy and Assets from 2004/05 onwards have been absorbed.

The Landcare Division's Long-term Financial Strategy (LTFS) priority remains the Asset Management framework. A comprehensive ten year asset maintenance and renewal programme is built into the Business Plans, based on retaining existing service levels. Accompanying Environmental Management Systems are being developed for both functional areas, through 2000-2002. The current three year LTFS cycle will consolidate the asset management regime as a platform for the next full review, 2002/03.

3. **Functional Area Overviews**

Parks and Forests

Operations

Asset Management Emphasis

Parks and Forests continue to refine the Asset Management Plans. 2000/01 is the first year of comprehensive reporting against the Parks and Forests Asset Management Improvement Plan; with links to the overall hazard management regime.

New Parks and Forests Structure

2000/01 saw a bedding down of the new Parks and Forests' organisational structure. Incremental gains are now beginning to show, particularly following the appointment of the two Senior Rangers and their respective teams.

The Parks and Forests financial accounts structure has been recast to reflect both the new organisational structure and to improve transparency for the inherited Natural Forestry functions and contracted work from the Water Group.

Philippa Crisp (Landcare Advisor - Environmental Stewardship) has taken our environmental management to a higher level. She is also contributing directly to the WRC Biodiversity working group.

Western Team Operations Base

As part of the new structure, the two Senior Rangers manage separate geographic areas. After some exploration, the best operating base for the Western team is Battle Hill Farm Forest Park (the Eastern Team operates out of the Upper Hutt Depot). Various options were canvassed within Battle Hill. The favoured solution is to use the Homestead; refurbished in 1994 and now a rental property. While there will be a loss of revenue, this proposal does not outwardly alter the building and will integrate the Homestead into the Park, improving the entranceway and taking visitor pressure off the Ranger's house. The Homestead was due for significant remedial maintenance (re-piling) in 2003/04. However, it is appropriate to now combine this work with any internal wall changes.

Utility Services Contracts

Water Group will continue Landcare's vegetation management service in the Current Catchments for 2001/02 - up to \$158,000 pa (paid by monthly journals, though pest control expenditure requires specific approval). Water Group will also maintain the \$50,000 cash contribution towards forest health activities in the Future Catchments (which includes Territorial Authority rates).

Parks and Forests (Operations) continue to provide the successful Catchment Ranger service for the Wainuiomata/Orongorongo Water Collection Area. For 2001/02, Water Group sought savings from this operation; made possible by reducing \$30,000 in variable costs. Savings may be pursued again next year. However, in my view, the Catchment Ranging service is now at critical mass and the activity's integrity may be compromised through further cost reductions.

The Landcare Division's Rate funded "public good" contribution to the Catchment Ranger Service (originally set at 30 percent of the ranger service cost) is finally gaining payback through the approved Access Policy and increased maintenance funding for the Waterworks Recreation Area through the Asset Management Plan. The Council officers' Biodiversity working group also has a growing interest in the Water Collection Areas.

Strategy and Marketing

Asset Management Plan (Capex)

The programme is largely unchanged from the ten year plan (**Attachment 3**). However, the Pakuratahi Bridge restoration programme was recast in 2000/01 to make it more efficient. The Karapoti Bridge restoration project is no longer required because Upper Hutt City decided not to transfer the asset to the Regional Council.

Council Lands Environmental Projects

Parks and Forests continue to contribute to the Environmental Education Initiative through services and facilities on Council lands. This includes developing or upgrading a number of structures and building new ones. Tunnel Gully has been identified for an environmental education site. However, the run-down toilet block, scheduled for replacement in 2004/05, is inadequate for that. Therefore, it is proposed to bring this project (\$40,000) forward to 2001/02. While the capital budget increases accordingly for that and the intervening years, no additional funding is requested.

New Parks

The Parks and Forests Business Plan proposes to develop East Harbour Regional Park and two new parks across the ten years. The plan from 2001/02 is broadly:

- **East Harbour Regional Park:** The LTFS provides for a Ranger service from 2003/04 and to develop environmental, education, recreation and heritage opportunities. From 2001/02, the focus is on reviewing the Park management plan. Councillors will also be aware of the "land swap" proposals being developed with Hutt City (involving Parks and Forests, Flood Protection and the Utility Services Division). This project may well incorporate access opportunities to East Harbour Regional Park via the Pencarrow Coast Road.

- **Whitireia Park:** For 2001/02, we hope to have established a good arrangement for the \$20,000 pa “contribution” to Park management pending the Regional Council assuming the full management role, in 2005/06.
- **Lake Wairarapa Wetlands Park:** No substantive activity is programmed until 2004/05, though ongoing discussions are likely with DoC and the South Wairarapa District Council.

Flood Protection

Operations

Again, a key Business Plan focus for Flood Protection (Operations) is consolidating the Asset Management Plans. The same enhanced accountability disciplines apply for Annual Plan Performance Indicators.

The major assumption in last year’s LTFS was no more floods. Year one was barely underway when a series of floods struck the Region! Moderate damage to the western river flood protection systems was overlaid onto the regular maintenance plan, though one major set of capital works for the Otaki River was brought forward to 2000/01. Nevertheless, the October 2000 event placed further pressure on Operations’ staff and resources and also impacted on the Flood Contingency Fund (as recently reported to the Policy and Finance Committee, 01.10).

The Business Plan still provides for the proposed Hutt River Ranger, from 2002/03. Continued recreational pressure (and abuse by some!) of the Hutt River and environs, plus the enthusiastically adopted Hutt River Environmental Strategy, continue to add weight to the River Ranger proposal. Flood Protection (Operations) are now contracted (to Parks and Forests) to maintain the popular Hutt River Trail.

Flood Protection wish to upgrade its Otaki Depot to lift the level of accommodation for Kapiti and visiting staff (including those from other Departments). The proposed upgrading includes:

- General interior and exterior refurbishment.
- Addition of dedicated washing facilities to meet normal workplace standards.
- Additional space (meeting room plus garaging).

The estimated cost of this work is \$80,000. Following the Six Month Management Review, the proposal will be developed further, prior to final approval. Funding for a capital work in 2001/02 has been built into the proposed Operations Business Plan.

Strategy and Assets

2000/01 is focused on completing the watershed Hutt River Floodplain Management Plan (FMP) and the ramping-up of major capital projects.

The Hutt River FMP will be published by October 2001. From there, attention shifts to implementing the three components - structural, non-structural, and environmental. Last year, I noted that the early Hutt River construction projects would be demanding in terms of planning, co-ordinating other agencies, and for Consent processes. This has proven so, and some adjustments to the construction schedule have been made, and are recommended through the 2001/02 Business Plan up-date process. The total ten year LTFS programme remains the same.

The Flood Protection capital works programme (see **Attachment 4**) shows the recommended adjustments; the most significant being the recast Hutt River Strand Park Channel Realignment works which, more or less, cross over with the altered Otaki works from the October 2000 floods. There is also a modest adjustment to the programmed Hutt River Belmont works. The overall construction schedule still maintains the priorities set through the LTFS consideration of floodplain management plan implementation across the Western Region.

Last year's Council decision to advance the additional Upper Hutt area works (always programmed, but now brought into the current ten year plan), has enabled Strategy and Assets to apply a smoother staffing line (eleven staff across the ten years) rather than the lumpier profile previously envisaged. However, Strategy and Assets have suffered badly through 2000/01 with staff losses. This is now being addressed urgently to avoid a deteriorating critical mass situation.

Flood Protection Funding Mix

As part of the October 2000 flood events, the Council agreed to accelerate most of the Otaki Bank Edge protection works (to 2000/01) previously spread through to 2003/04. Following Council approval, funding for these works was to be considered at the 2000/01 Six Month Review. Strategy and Assets Business Plan adjustments through 2001/02 to 2003/04 (principally the re-programmed Strand Park Realignment works), can offset this.

In addition, from the three years 2001/02 to 2003/04, Strategy and Assets will receive unbudgeted income from the Rentokil site leaseback arrangement. This can further contribute to loan servicing costs for the Otaki works. It could also facilitate an exciting Otaki environmental enhancement and community connections opportunity that has arisen near the Otaki mouth (further information on this proposed project will be presented at the Committee meeting).

If the above gains, adjustments, and project variations are incorporated into the proposed Flood Protection budgets, the result is a modest surplus in 2001/02 to 2003/04 (see **Attachment 2**). The small remaining budget model deficits have been absorbed within the current funding envelope. I believe that this is a very clean way of appropriately applying Flood Protection revenue and other gains into the core activity.

4. **Recommendations**

- (1) *That the report be received and the contents noted.*
- (2) *That the following proposed Business Plans be approved in principle:*
 - *Parks and Forests;*
 - *Flood Protection.*
- (3) *That the proposed Business Plans for the above activities be recommended to the Policy and Finance Committee for inclusion in the Council's proposed Long-Term Financial Strategy 2000-2010 (incorporating the Council's 2001/02 update).*

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Attachment 1 : Parks and Forests Funding Report and Budget Comparison

Attachment 2 : Flood Protection Funding Report and Budget Comparison

Attachment 3 : Parks and Forests Capital Works Programme

Attachment 4 : Flood Protection Capital Expenditure Programme