



# Catchment Management Division Full Year Review

June 2006

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**FOR FURTHER INFORMATION**

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# 1. Executive Summary / Key Issues

## 1.1 Divisional Summary – The year in Review

The Division has had a very productive last quarter, and I am pleased to report that most outputs and financial results were within budget and in accordance with the Division's business plans. I have really appreciated the support of all Catchment Division staff, who have once again delivered quality outputs, while going through an extended divisional restructure process. Our new divisional structure was adopted on 1<sup>st</sup> July, and I am very grateful for the patience, maturity and contributions from staff to date.

The death of Sam Priestley was a considerable loss for the BioWorks team, and the way the Unit rapidly regrouped and continued to progress vector control work was a noteworthy achievement.

Key issues for each department are covered in the managers' report section. Highlights for the Catchment Division for the 2005/06 year are as follows:

- \$6.0 million of new flood protection assets were constructed during the year
- \$3.6 million of flood protection maintenance works were completed
- \$1.2 million of Biodiversity projects completed by the Catchment Division (\$3.1 million of Biodiversity projects for total Council)
- Vector possum and ferret control operations completed on 321,570 hectares
- 204,304 hectares of possum and ferret control carried out by BioWorks
- Pest control undertaken in 74 key native ecosystem sites
- An additional 421 hectares of erosion prone land planted using sustainable management practices
- Riparian planting and fencing programmes completed along 3.8 kilometres of stream banks
- At the close of June the Division had an unfavourable funding position of \$268,000. Total income was \$2,173,000 below budget and total expenditure was \$3,457,000 below budget. Net capital expenditure was \$1,045,000 above budget. The variations related to savings in the Bovine Tb programme, an operating loss for BioWorks, and the capitalisation of new flood protection assets from operating budgets. The overall financial result was very good when taking into account the \$186,500 of additional expenditure items approved by Council at the half year review, and the severance costs within the Catchment Support Department which were partly offset by savings in Landcare Support.
- The Akura Conservation Centre made a \$17,600 surplus before dividend. The BioWorks funding deficit for the year was \$237,000.

## 1.2 Looking ahead

- The new financial year got off to a very wet start and the resulting floods have caused approximately \$850,000 of flood damage to the Lower Wairarapa Valley Development Scheme. Some repair works will be carried out immediately but most of damage will be repaired during the summer.
- The 5-yearly revaluation cycle of flood protection assets is due for an update at June 2007. The current asset value is \$143 million and a sizeable valuation increase is likely once the replacement cost information is updated.
- Following the appointment of Dave Cameron to Manager, Land Management, my next priority is to appoint a manager for Flood Protection and a manager for Support Services. Once these appointments have been made, I would expect the new managers to review their department's structure in consultation with staff by the end of December.
- Progressing the Wairarapa building project is a top priority and I have recently established a project steering group to gain momentum. The option of shifting BioWorks to the Ngaumutawa Road site is currently being costed. It will be interesting to compare this option against the original proposal that had BioWorks remaining on the Chapel Street site.
- 2005/06 proved very challenging for BioWorks. We have undertaken an operational review of the past year with the Unit's senior staff. There are a number of issues identified that must be addressed during 2006/07 to ensure the ongoing success of this business.
- I have also asked the Vector Management Team to see what can be done to get out the annual works programme earlier and our treatment of interim completion dates.

## 2. Divisional Financial Summary

### 2.1 Financial Performance Statement

notes	Last Year	FY	FY	Catchment Management Financial Performance Statement Year ended 30 June 2006	notes	FY	FY	Variance
	Actual FY	Actual	Budget			Actual	Forecast	
	\$000	\$000	\$000			\$000	\$000	\$000
	14,849	14,690	14,690	Rates & Levies		14,690	14,690	-
	-	-	-	Government Grants & Subsidies		-	-	-
	6,886	6,434	9,094	External Revenue		6,434	7,565	(1,131)
	266	312	256	Investment Revenue		312	354	(42)
	5,822	6,379	5,948	Internal Revenue		6,379	6,242	137
	<b>27,823</b>	<b>27,815</b>	<b>29,988</b>	<b>TOTAL INCOME</b>		<b>27,815</b>	<b>28,851</b>	<b>1,036</b>
				<i>less:</i>				
	6,264	6,722	6,854	Personnel Costs		6,722	6,736	(14)
	2,382	2,300	2,298	Materials, Supplies & Services		2,300	2,607	(307)
	326	356	304	Travel & Transport Costs		356	353	3
	6,529	5,154	9,087	Contractor & Consultants		5,154	6,502	(1,348)
	20	27	84	Grants and Subsidies Expenditure		27	91	(64)
	6,034	6,748	6,147	Internal Charges		6,748	7,116	(368)
	<b>21,555</b>	<b>21,307</b>	<b>24,774</b>	<b>Total Direct Expenditure</b>		<b>21,307</b>	<b>23,405</b>	<b>(2,098)</b>
	1,695	1,772	1,810	Financial Costs		1,772	1,822	(50)
	(2)	27	-	Bad Debts		27	30	(3)
	1,233	1,284	1,284	Corporate & Department Overheads		1,284	1,284	-
	1,078	1,066	1,102	Depreciation		1,066	1,081	(15)
	(3,065)	(62)	(119)	Loss(Gain) on Sale of Assets		(62)	(69)	7
	<b>22,494</b>	<b>25,394</b>	<b>28,851</b>	<b>TOTAL EXPENDITURE</b>		<b>25,394</b>	<b>27,553</b>	<b>(2,159)</b>
	<b>5,329</b>	<b>2,421</b>	<b>1,137</b>	<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>2,421</b>	<b>1,298</b>	<b>1,123</b>

#### Actual variances to Forecast

- Bovine Tb vector control external revenue and expenditure reduced by \$1.1m due to the non-completion of several operations because of unfavourable weather conditions in June and contractor capacity.
- The capitalisation of \$1.13m of materials and contract expenditure of new flood protections assets constructed during 2005/06 from the operating expenditure budgets relating to 2004/05 flood damage repair work.

#### Actual variances to Budget

- Revenue and expenditure for the Bovine Tb programme was \$2.6m and \$3.1m below budget, respectively. These savings resulted from a reduced Animal Health Board programme, some operational rebudgeting to 2006/07, savings on tender prices and non-completion of contracts as mentioned above.
- The capitalisation of new flood protection assets from opex as above. Excluding the flood protection capex/opex variance, the remaining operating surplus variance on budget was \$153,000 and only \$8,000 on forecast.

## 2.2 Funding Impact Statement

Last Year Actual FY \$000	FY Actual \$000	FY Budget \$000	Catchment Management Funding Statement Year ended 30 June 2006	notes	FY Actual \$000	FY Forecast \$000	Variance \$000
5,330	2,422	1,138	Operating Surplus(Deficit)		2,422	1,298	1,124
1,078	1,066	1,102	Add Back Depreciation		1,066	1,081	(15)
(3,065)	(62)	(119)	Book (Gain)/Loss on Sale of Assets		(62)	(69)	7
3,343	3,426	2,121	<b>Funds from Operations</b>		3,426	2,310	1,116
3,642	90	119	Asset Disposals		90	79	11
4,394	4,880	4,716	New Loans		4,880	4,620	260
1,619	1,238	1,541	Transfer from Reserves		1,238	1,604	(366)
<b>12,998</b>	<b>9,634</b>	<b>8,497</b>	<b>TOTAL FUNDS RECEIVED</b>		<b>9,634</b>	<b>8,613</b>	<b>1,021</b>
			<i>less:</i>				
496	453	608	Asset Acquisitions		453	497	(44)
5,227	6,048	4,876	Capital Projects		6,048	4,693	1,355
283	313	305	Investment Additions		313	305	8
5,231	1,632	1,660	Loan/Debenture Repayments		1,632	1,660	(28)
181	198	151	Reserve Interest Received		198	250	(52)
2,428	1,209	848	Transfer to Reserves		1,209	1,375	(166)
<b>13,846</b>	<b>9,853</b>	<b>8,448</b>	<b>TOTAL FUNDS APPLIED</b>		<b>9,853</b>	<b>8,780</b>	<b>1,073</b>
<b>(848)</b>	<b>(219)</b>	<b>49</b>	<b>NET FUNDS SURPLUS (DEFICIT)</b>		<b>(219)</b>	<b>(167)</b>	<b>(52)</b>

### Actual variances to Forecast

- BioWorks funding was \$188,000 below forecast due the non-completion of several control contracts (see BioWorks Departmental summary)
- Biosecurity funding was \$118,000 ahead of budget as the contribution to the Animal Health Board's national costs was not required for 05/06 and expenditure for Pest Plants and Animals was below forecast.

### Actual variances to Budget

- BioWorks deficit was \$237,000 below budget as above
- Support Services deficit was \$81,000 above budget after transferring the funding surplus from Landcare Support.
- Flood Protection East was \$121,000 over budget due to the extra expenditure approved at the half year review for Scheme maintenance and the Lower Wairarapa Valley Development Scheme review.
- Biosecurity was \$257,000 above budget mostly due to savings on the Bovine Tb programme.
- FY actual funding deficit will reduce by \$36,000 to \$183,000 after final reserve transfers for Flood Protection and the Workshop are processed.

## 2.3 Capital Expenditure

<i>notes</i>	Last Year Actual FY \$000	FY Actual \$000	FY Budget \$000	Catchment Management Capital Expenditure Statement Year ended 30 June 2006	<i>notes</i>	FY Actual \$000	FY Forecast \$000	Variance \$000
	52	5	30	Land Acquisitions		5	10	(5)
	21	6	40	Building Acquisitions		6	40	(34)
	395	378	490	Vehicle Acquisitions		378	380	(2)
	5	41	-	Furniture & Fittings Acquisitions		41	-	41
	18	23	48	Plant Acquisitions		23	67	(44)
	6	-	-	Computer Equipment Acquisitions		-	-	-
	-	-	-	Structures Acquisitions		-	-	-
	-	-	-	Flood Protection Infrastructure Acquisitions		-	-	-
	-	-	-	Parks & Forests Infrastructure Acquisitions		-	-	-
	-	-	-	Water Infrastructure Acquisitions		-	-	-
	-	-	-	Floodplain Mgmt Plan Acquisitions		-	-	-
	<b>497</b>	<b>453</b>	<b>608</b>	<b>Total Asset Acquisitions</b>		<b>453</b>	<b>497</b>	<b>(44)</b>
	<b>5,225</b>	<b>6,047</b>	<b>4,876</b>	<b>Capital Project Expenditure</b>		<b>6,047</b>	<b>4,694</b>	<b>1,353</b>
	(3,642)	(90)	(119)	Asset Disposal Cash Proceeds		(90)	(79)	(11)
	<b>2,080</b>	<b>6,410</b>	<b>5,365</b>	<b>Net Capital Expenditure</b>		<b>6,410</b>	<b>5,112</b>	<b>1,298</b>

### Actual variances to Forecast

- The capitalisation of \$1.13m of new flood protection assets (from opex)
- Non-completion of the new implement shed for the Otaki depot, which will be completed in the 2006/07 financial year.

### Actual variances to Budget

- As above
- Vehicle expenditure for most operating departments was below budget due to purchasing second hand Council vehicles which were accounted for through internal charges
- The net \$150,000 GW contribution to the Waiohine bridge capital upgrade did not proceed as we are not required to pay until the project is substantially complete (in Nov/Dec 2006)

### 3. Departmental Financial Summaries

#### 3.1 Total Revenue

<i>notes</i>	Last Year	FY	FY	Catchment Management Total Revenue Year ended 30 June 2006	<i>notes</i>	FY	FY	Variance
	Actual FY	Actual	Budget			Actual	Forecast	
	\$000	\$000	\$000			\$000	\$000	\$000
	1,843	1,942	1,827	Catchment Support		1,942	1,803	139
	594	599	562	Akura Conservation Centre		599	612	(13)
	2,520	2,716	2,724	BioWorks/Workshop		2,716	2,804	(88)
	12,951	12,263	11,872	Flood Protection		12,263	12,255	8
	2,053	2,165	2,363	LM Consolidated		2,165	2,199	(34)
	7,862	8,131	10,641	Wairarapa Biosecurities		8,131	9,179	(1,048)
	<u>27,823</u>	<u>27,816</u>	<u>29,989</u>	<u>Catchment Division</u>		<u>27,816</u>	<u>28,852</u>	<u>(1,036)</u>

#### 3.2 Total Expenditure

<i>notes</i>	Last Year	FY	FY	Catchment Management Total Expenditure Year ended 30 June 2006	<i>notes</i>	FY	FY	Variance
	Actual FY	Actual	Budget			Actual	Forecast	
	\$000	\$000	\$000			\$000	\$000	\$000
	1,841	2,026	1,841	Catchment Support		2,026	1,862	164
	549	598	530	Akura Conservation Centre		598	580	18
	2,419	2,951	2,667	BioWorks/Workshop		2,951	3,004	(53)
	7,899	9,661	10,554	Flood Protection		9,661	10,748	(1,087)
	2,093	2,227	2,351	LM Consolidated		2,227	2,231	(4)
	7,694	7,929	10,907	Wairarapa Biosecurities		7,929	9,128	(1,199)
	<u>22,495</u>	<u>25,392</u>	<u>28,850</u>	<u>Catchment Division</u>		<u>25,392</u>	<u>27,553</u>	<u>(2,161)</u>

#### 3.3 Operating Surplus / Deficit

<i>notes</i>	Last Year	FY	FY	Catchment Management Operating Surplus/(Deficit) Year ended 30 June 2006	<i>notes</i>	FY	FY	Variance
	Actual FY	Actual	Budget			Actual	Forecast	
	\$000	\$000	\$000			\$000	\$000	\$000
	3	(85)	(14)	Catchment Support		(85)	(59)	(26)
	45	-	31	Akura Conservation Centre		-	31	(31)
	101	(235)	57	BioWorks/Workshop		(235)	(200)	(35)
	5,052	2,602	1,318	Flood Protection		2,602	1,506	1,096
	(39)	(62)	12	LM Consolidated		(62)	(32)	(30)
	168	202	(266)	Wairarapa Biosecurities		202	51	151
	<u>5,330</u>	<u>2,422</u>	<u>1,138</u>	<u>Catchment Division</u>		<u>2,422</u>	<u>1,297</u>	<u>1,125</u>

#### 3.4 Funding Impact

<i>notes</i>	Last Year	FY	FY	Catchment Management Funding Surplus/(Deficit) Year ended 30 June 2006	<i>notes</i>	FY	FY	Variance
	Actual FY	Actual	Budget			Actual	Forecast	
	\$000	\$000	\$000			\$000	\$000	\$000
	2	(81)	-	Catchment Support		(81)	(59)	(22)
	35	35	35	Akura Conservation Centre		35	35	-
	15	(239)	15	BioWorks/Workshop		(239)	(195)	(44)
	(949)	(141)	-	Flood Protection		(141)	(58)	(83)
	(45)	(50)	-	LM Consolidated		(50)	(28)	(22)
	93	257	-	Wairarapa Biosecurities		257	139	118
	<u>(849)</u>	<u>(219)</u>	<u>50</u>	<u>Catchment Division</u>		<u>(219)</u>	<u>(166)</u>	<u>(53)</u>



### 3.5 Capital Expenditure

<i>notes</i>	Last Year	FY	FY	Catchment Management Net Capital Expenditure Year ended 30 June 2006	<i>notes</i>	FY	FY	Variance
	Actual FY \$000	Actual \$000	Budget \$000			Actual \$000	Forecast \$000	
	94	94	60	Catchment Support		94	92	2
	26	-	-	Akura Conservation Centre		-	-	-
	57	57	103	BioWorks/Workshop		57	57	-
	1,839	6,171	5,107	Flood Protection		6,171	4,864	1,307
	-	-	-	LM Consolidated		-	-	-
	64	89	95	Wairarapa Biosecurities		89	98	(9)
	<u>2,080</u>	<u>6,411</u>	<u>5,365</u>	<u>Catchment Division</u>		<u>6,411</u>	<u>5,111</u>	<u>1,300</u>

### 4. Unbudgeted Expenditure

Items approved by Council at the ½ year review

- \$32,000 for Catchment Scheme maintenance (50% from reserves)
- \$58,000 for Drainage Scheme maintenance (100% from reserves)
- \$75,000 for LWVD Scheme maintenance (50% from reserves)
- \$40,000 for LWVD rating classification review
- \$43,000 for key native ecosystem programmes
- \$50,000 for Pest Plants RPMS requirements

### 5. Items that have been rebudgeted to 2006 / 2007

- \$20,000 for Pauatahanui Stream isolated works (opex)
- \$185,000 for LWVD scheme maintenance (opex), however the 2005/06 budget was fully expensed by 30 June, no reserve funds are available
- \$450,000 for Bovine Tb operations, Taueru-Maungaraki, Tinui, Te Wharau and Whangaehu (opex)
- \$300,000 for Waiohine Bridge upgrade with \$150,000 revenue from District Councils (capex)
- \$366,000 for Ava rail bridge improvements (capex)
- \$152,000 for Chrystalls extended stopbank (capex)
- \$114,000 for Whirinaki Crescent stopbank upgrade (capex)
- \$35,000 for Hutt River non-structural implementation (capex)
- \$20,000 for South Waitohu stopbank (capex)
- \$20,000 for the Howard land purchase, flood protection (capex)

## 6. Departmental Managers reports

### 8.1 Biosecurity (Wayne O'Donnell)

#### Key Issues

- **Bovine Tb** – Progress in completing the 2005/06 vector control programme has not been as successful as initially indicated by contractors. There was approximately \$500K of work uncompleted at 30 June. Extreme weather conditions throughout most of July has exacerbated the problem. There is now likely to be problems gaining access to rural properties as lambing and calving commences.
- **Vector Management Contract** – The AHB have indicated that they will roll the existing contract over until November 2006 to allow for more consultation with Regional Council Vector Managers. It appears that the AHB were required to spend considerable effort on the disease management contracts, leaving little time to prepare for vector management negotiations before the 30 June 2006 deadline. All VMs are preparing comments on the recently received draft contract.
- **RPMS Review** – The production of the Discussion Document has been delayed slightly as key staff became immersed in managing the recent floods in the Wairarapa. Further delays to the review process are anticipated as the designated review co-ordinator has recently resigned. It should be noted that the Discussion Document is not a mandatory requirement under the Biosecurity Act. However, it provides an opportunity to engage the community and become aware of any outstanding issues that may create future problems.
- **NPPA Review** – The review of the National Pest Plant Accord is nearly complete. Participating members (MAF Biosecurity, DoC, regional councils and the Nursery and Garden Industry Assoc.) have reached agreement on the list of banned plants. The writer has been given the responsibility to organise a national training seminar encompassing legal / enforcement training and plant identification. This is likely to occur in late August / early September.

#### Work Programme Progress

##### **Bovine Tb Vector Management (Graeme Butcher & Grant Crawford)**

- **S E Wairarapa Stage 3** – GW staff reached an agreement with DoC, and NZ Deerstalkers Association representatives at a meeting on 7 April regarding where 1080 baits with deer repellent additive would be used in the Haurangi Recreational Hunting Area. Staff prepared applications for resource consent, DoC consent and MoH approval based on the agreed meeting outcomes. Subsequently, other NZDA representatives had a number of meetings with the AHB and sought to change the agreement. Unfortunately, we were not invited to these meetings despite having contractual responsibilities for the operation. The latter meetings resulted in the AHB issuing GW a 'directive' to change the area where the repellent was to be used. The AHB directive upset the

neighbouring Maori landowners who subsequently called for a Hui to discuss the proposed changes. The RAHC Chair and the writer meet with the AHB CEO to express our concerns about the AHB's involvement. The concerns raised by the Maori landowners and Wairarapa iwi were sufficient to cause the AHB to reverse its earlier decision. We have now been advised to proceed with the original agreement. Sadly, this period of AHB intervention has caused a 6 week delay in progressing the operation. I expect that factions within the NZDA will be extremely unhappy that the AHB have reversed their directive. Contracts have been prepared and will be issued shortly. Our intention is to get this operation completed by the end of August, weather permitting.

- **2006/07 Contract Tenders** – Two small tender parcels have been issued. Decisions have been made on the first parcel. The early release of tenders is aiming to provide continuity of work to contractors. Delays in completing the 2005/06 programme has forced a rescheduling of the monitoring programme. Consequently, we have been unable to secure the trend monitoring data required to make decisions on 2006/07 contracts.

### **Pest Animals (Ray Clarey)**

- **Key Native Ecosystem Programme** – Pest Animal operations were completed in 28 private land key native ecosystems and 46 Territorial Authority reserves over the region. All Territorial Authority reserves were funded 50:50.
- **Feral and unwanted cats** attracted considerable publicity throughout the year. Cats are targeted throughout most of the KNE integrated management areas. Trend analysis at selected sites discloses that the number of cats destroyed during each service round tends to remain constant. The principal cause for this is the abandonment of urban bred unwanted cats in rural areas. As a means of helping negate this problem the Department assisted the Wairarapa SPCA and supportive veterinary business's with a domestic feline neutering campaign at a cost of \$10,000. In the period April to June 2006 approximately 265 cats were desexed in the Eastern zone of GW. Horizons Regional Council also contributed to the scheme so that northern Wairarapa areas could also be included.
- **RCD** – A decision was made against releasing the newly imported RCD virus within the region. Immunity tests indicated that the virus was still circulating and maintaining rabbits at low levels. However, coastal areas still maintain pockets of elevated rabbit densities. ERMA have imposed a number of constraints on release of the virus i.e. only in winter and only as a biocide agent.
- **Rooks** – Another successful year of rook control has been completed with the continued support and cooperation of Horizons Regional Council. It is important that the control work is coordinated along the eastern regional boundary as the best means to reduce infiltration of rooks from the denser rook populations in the Tararua District. A rook control workshop was held in Palmerston North in September last year and was attended by rook experts from throughout New Zealand. The aim of the workshop was to review and analyse current control methods and to investigate new options. The forum

was also used to look at alternative funding opportunities to support ongoing research.

A national rook control and monitoring guideline is ready to be published. This project was commissioned through the Biosecurity Managers Group on behalf of all regional councils and unitary authorities. GW Biosecurity staff took lead roles in both the workshop and guidelines expert working group.

- The Pest Animal Section had a 50% turnover in staff during an 8 month period in 2005/06 which caused considerable disruption to their work programmes.

### **Pest Plant Programmes (Dave Bayly)**

- Contracts - There were forty two contracts let for the management of eradication, containment and KNE work in 2005/06. Some difficulties were experienced with performance quality forcing GW to invoke 'penalty' clauses.
- Eradication Plants - New sites of eradication species are being discovered on a regular basis. Of the 4000 property inspections undertaken by one GW staff member, 4% have infestations of eradication species on them. This results in more funds being directed into this work category at the expense of other programmes. All plant categories are being reviewed under the RPMS review process.
- KNE programme - Twelve KNE sites received pest plant control. The most significant of these are Tauherenikau and Porirua Scenic Reserves, with Tauherenikau being considered our flagship with involvement from school groups, Conservation corps and visits from interested groups. The Biodiversity Fund Achievement review team gave a very positive report on the Department's work at Tauherenikau.
- Publicity – The Weedbusters Awards programme provided considerable positive publicity for GW. Newspaper coverage occurred throughout the region over a number of weeks. Discussions with Environment Division staff are planned to consider 'streamlining' the various award programmes that GW offers.

The discovery of a rare mistletoe by Harvey Phillips was also a good news item that was covered through several local and national papers over a period of weeks. These good news stories are of considerable benefit to our educational projects in schools and work with care groups.

- Endothall Resource Consent – The Department successfully gained a resource consent to use the aquatic herbicide Endothall throughout the region for the control of Hornwort. GW was the first Council to achieve this after gaining ERMA approval to import the chemical in 2005. The consent enables landowner control under GW supervision.

### **Monitoring & Investigations (James Lambie & Murray Hudson)**

- This small team of four have been under considerable pressure to design monitoring plans for over 180 Bovine Tb contracts. They are also responsible for tendering and management of monitoring contractors. The team were reduced to three when James Lambie resigned earlier in the 2006 year.
- Biodiversity monitoring (bird counts, rodent tracking, invertebrate sampling, photo point) was completed in a small number of KNE sites to ascertain improvements over time following the removal of a range of pests.

## **8.2 Flood Protection – West (Sharyn Westlake)**

### **Work Programme Progress:**

#### **Wellington – Jeff Evans**

The Wellington operations works programme was completed at year end with all programmed work including flood damage works finished as per programme and to budget.

Rock supply and delivery was the critical component to allow us to complete all our flood damage works. John Ray limited completed the rock delivery contract in a timely manner with the rock being carted by rail to the Port of Wellington, (from Taumarunui) off-loaded onto trucks and delivered to site. We were also fortunate to be given a time extension by Fish and Game to allow us to work for a further 10 days during the trout spawning season, which allowed us to finish placing the rock rip rap in the active channel.

Gravel extraction quantities on the Hutt River (excluding mouth) have slowed down due to high river levels and the lack of available gravel which can be extracted in the dry. At year end we had extracted 60,681 m<sup>3</sup>. The consent for gravel extraction below water level has been lodged and the period for submissions closes on 26<sup>th</sup> July.

The drain improvements at the end of Masefield Street, Upper Hutt, are still progressing. The new area available for lease has now been valued and the lease proposal has been given to the adjoining landowner for comment and acceptance.

#### **Kapiti – Garry Baker**

It is with mixed feelings that I “add my bit” to my last Annual Report.

Although “a bit of a scramble” towards the end of May to complete the 2005 flood damage rock work for the Waikanae River flood repairs, the Kapiti area work programme was completed on time and under budget.

The Waikanae River berm development using the \$10,000 grant for the Waikanae Friends Group was completed, and the berm has been partially re-vegetated with native plants and trees.

The new secure storage shed at Otaki Depot is under construction, with the concrete floor in place. Unfortunately, arrival of the kitset materials for the building have been delayed due to the timing of the order being placed by the franchise-holder with the supplier, and the building is not expected to be completed until mid-August.

Valuations on the land areas for the boundary adjustment between Riverbank Orchards and the Otaki Depot have been received, and are presently being reviewed by both parties.

## **Capital Works**

### **Hutt River – Daya Atapattu**

2005/06 was another big year for the Hutt River and good progress was made with implementing all projects. The highlights for the year were:

- Commencement of the Boulcott/Hutt stopbank feasibility study.
- Commencement of the Opahu Stream pumping station contract.
- Completion of all the structural works and planting in the Alicetown stopbank reconstruction.
- Completion of the Hutt City district plan change.

We also lodged the resource consent application for the Whirinaki Crescent stopbank upgrade works.

About 50% of the Ava to Ewen project is now complete. All the structural works and environmental planting in the Alicetown stopbank contract were completed by the end of May 2006 and tidying up works in this contract will be completed by October 2006. The Opahu stream pumping station contract works are progressing well. However, progress during the months of May and June was affected by rain. The detailed design for the Ava Rail and Strand Park stopbanks is taking more time than originally expected mainly because of the complexity of the proposed works under the Ava Rail Bridge. However, at this stage, we do not expect any significant delay to the construction programme.

Pre-resource consent public consultation on the Whirinaki Crescent project was completed in April 2006 and the consent application was lodged on 22 June 2006. Preparation of the detailed design and tender documents is in the final stages and land purchase negotiations are progressing slowly. St Patricks College and Wellington Golf Club are yet to formally accept our proposals on land purchase. Timely implementation of this project is dependant on success of the land purchase negotiations.

The Boulcott stopbank feasibility study is progressing well. Round 1 consultation was completed in May 2006. Most of the proposed stopbank will be on privately owned land and land acquisition is a critical task in this project. It is also necessary to incorporate golf course features into the stopbank so that golf courses can continue to function. Our current feasibility estimates indicate that the total project costs will be much more than the available budget of \$6.3 million.

Hutt City District Plan change 6 – ‘Hutt River flood hazard areas’ was approved by HCC and will soon be incorporated into the Hutt City district plan. Upper Hutt City Council officers are currently preparing the draft plan change document for including the Hutt River flood hazard areas. Progress on this project, to a large extent, is dependant on the UHCC commitment to the district plan change.

## **Investigations (John Eyles)**

The investigation programme for 2005/2006 is complete and the main results are summarised below:

- Waiwhetu Stream Plan – This project has grown considerably since initial scoping, with the need to consider the disposal of contaminated sediments in the lower Waiwhetu as well as the flood protection issues. Phase 1 of this two year study is successfully complete and due to be reported to the WSAC in September. The structural investigations for the Awamutu and lower Waiwhetu to develop concept and preliminary designs for flood protection defences are proceeding and on programme to be delivered in September.
- Phase 2 of the project, which includes investigation of planning controls and non structural measures has been scoped and is due to commence in 2006/07.
- Mangaroa River Flood Hazard Assessment – study complete and reported to the Landcare Committee in June. Flood Protection staff will provide on-going support to the Upper Hutt City Council with the interpretation of the flood hazard information, so that it can be used effectively for the benefit of existing and future development in the Mangaroa Valley.
- Pauatahanui Stream (in conjunction with Porirua City Council (PCC) and Transit NZ) – study complete and reported to the Landcare Committee in June. Areas at risk of flooding in the lower catchment have been identified and discussions with PCC are underway to implement the findings.
- Waitohu Stream – study complete. A draft summary report was presented to the March Landcare Committee meeting and the final report, including public comment, was issued in June. The report summarises our understanding of the issues facing the Waitohu Stream and includes short and medium term recommendations to address them.

## **Asset Management – John Eyles**

Our asset management work for 2005/06 included the following key activities:

- A project team containing both Western and Wairarapa rivers staff was put together to review our asset management documents with the aim of producing a single base document for both Western and Wairarapa river assets. The aim is to review the base (fundamental principles) plan which will contain the common flood protection service levels and performance measures for our region. This activity is well advanced with the final base plan due to be produced in July/August 2006.
- A review was completed of our information systems needs, and whether we should purchase some specific asset management software. A visit to Horizons was undertaken in March to assess their state of the art river asset



management system (which has some teething problems). This project has been superseded by the organisation-wide asset management information system review, which is represented by John Eyles and Mike Longworth from the Catchment Management Division.

- A workshop was held in April to work through the outcomes of the recent comprehensive safety reviews of the two Porirua detention dams. It appears the dams do meet minimum NZSOLD safety guidelines in extreme weather events but a check of the hydrology for the Stebbings dam will be needed in 2006/07 to confirm this.

### **Otaki and Waikanae Rivers – Graeme Campbell**

The ongoing projects for both the Waikanae and the Otaki Rivers included:

- Waikanae Friends enhancement work
- Waikanae hydraulic modelling
- Otaki cross section survey
- KCDC District Plan change support
- McLachlan floodwall

The McLachlan project was the last of the three houses Council agreed to raise following the 2005 floods. In the case of the McLachlan house it was more practical to construct a flood wall rather than physically raise the house and the wall is now completed. The KCDC District Plan Change support is almost complete with the last appeal relating to the Greater Wellington work nearly resolved. Both of the Friends Care Group projects have been completed within budget. Analysis of the Otaki Cross Section survey work will be undertaken in the 2006/07 financial year and reported to Council when completed.

### **Capital Works**

#### **Jim Cooke Park**

Physical works are now substantially complete. There are a number of activities that need to be undertaken to tidy up but these are being left until the weather is more suitable, probably in October 2006. The environmental enhancement work will be undertaken in the 2006/07 financial year. Flood hazard advice relating to the construction of the realignment is now being based on the fact that the works are completed and a formal letter advising KCDC of this is being prepared.

#### **Chrystalls Extended Stopbank**

The project is behind programme because of the time taken to finalise the preferred alignment for the stopbank. This work is now almost complete and we should be able to proceed more quickly, once the decisions from Landcare and KCDC are known on 24 August 2006. Overall we anticipate being able to compress the construction programme and still be able to complete the works by June 2008, provided there are no appeals through the designation and land acquisition process.

## **South Waitohu**

Expenditure is under budget because of delays in finalising the land agreements with the Otaki Porirua Trust Board. Work on the design and consents was stopped until the land matters are resolved, hence the under expenditure. We believe we will be able to resolve the land issues shortly and continue with construction finishing as programmed by June 2008.

## **Environmental Programme (Kim Wall)**

Key responsibilities for the Flood Protection Environmental Programme include implementation of the Hutt, Otaki and Waikanae Environmental Strategies, the co-ordination of environmental enhancement for Flood Protection capital expenditure works, management of the consultation programmes for these works and support to the Otaki and Waikanae River Friends Groups and Hutt River Trail programme.

Key activities undertaken in the last quarter include:

- Consultation has continued for the Hutt/ Boulcott Stopbank upgrade and Whirinkai Cr Stopbank flood protection improvements. A public meeting was held for Whirinkai Crescent on 11th April. The Boulcott public meeting on 24th May was well attended and good feedback was received regarding the effectiveness of the consultation. Newsletters are keeping both communities up to date with advancements in the projects.
- The review of the Waikanae River Environmental Strategy is well underway and the development of a 5 year action plan with partners is being progressed. Planning meetings have been held with KCDC, DoC and the Friends of the Waikanae River.
- The environmental enhancement component of Jim Cooke Park is now complete, and arrangements have been made for the ongoing maintenance and further enhancement for this project. Budget has been retained to ensure planting is effective and that a suitable maintenance regime is implemented.
- Stage One of the environmental enhancement of the Hutt Mouth Sand Plant project has been implemented. Debris and demolition material has been removed from the perimeter of the plant, reshaping earthworks to achieve better aesthetics has been done, and in the 2006 winter planting period, thousands of native plants were planted.
- Assistance is being given to KCDC to progress the Greater Otaki Community project which includes the Otaki Lakes project associated with the Winstones gravel extraction operation.

## Hutt Projects 2005/06 – Expenditure and Re-budgets - June 2006

WBS Code	Description	Full Year Budget \$	Full Year Expenditure \$	Re-budgets already approved \$	Comments
445/7/1/7	Non-structural measures	45,000	6,914	35,000	HCC plan change complete.  Expect to progress with UHCC plan change in 06/07. \$35,000 is available.
445/7/1/9/3/2	Strand park river realignment	302,000	163,638		Works complete. Excell planting maintenance work will continue into 06/07. Planting areas overlap with Alicetown stopbank plantings and the maintenance will be carried out under Alicetown stopbank project. No further funding is necessary under this item
445/7/1/9/2	Strand park land purchase		2,688		HVHS southern end land (triangle) purchased for \$5,200.
445/7/1/9/4/1	Alicetown stopbank construction	2,091,000	2,051,856		Works complete. Tidying up works and maintenance works remain to be completed in 2006/07. Budget available.
445/7/1/9/5/2	Strand Park stopbank upgrade	108,000	75,004		Design report and tender documents could not be completed as programmed. Opus is currently finalising the design and tender documents. Currently there is no budget for 06/07. Request a re-budget of \$25,000. for professional services
445/7/1/8/1/2	Ava Rail stopbank	837,000	1,239,164	366,000	Opahu Stream culvert backfilling got delayed because of June rains. Forecast (March 06) was 1,380,000. Request a re-budget of \$140,000.  A budget of \$1,746,000 for 2005/06 was approved by PF&S (PE05.666). Out of this a re-budget of \$366,000 was approved in March 06 and the current budget for 06/07 is \$2,254,000. With the proposed further re-budget of \$140,000 the total budget for 06/07 will be \$2,394,000.
445/7/1/12/2	Belmont house raising		95,880		Works complete. HCC is yet to claim the GWRC share (\$1,500) of minor landscaping costs. Hope to charge this to Hutt on-going budget in 06/07. No further funding is necessary
445/7/1/15/1	Whirinaki crescent upgrade	164,000	52,208	90,000	Detailed design was substantially complete by the end of June 06. A re-budget has been approved and the current budget is 611,000.
445/7/1/6?	Boulcott/Hutt stopbank		112,615		Budget for 05/06 was \$50,000. Request approval for the additional expenditure resulted from the project acceleration. At this stage, we do not expect to exceed the total design budget of \$690,000.
	<b>Total</b>	<b>3,547,000</b>	<b>3,799,852</b>	<b>491,000</b>	

### 8.3 Flood Protection - East (Ian Gunn)

#### Key Issues:

- New rating classifications for the Lower Wairarapa Valley Development Scheme and the Kopuaranga River Enhancement Project were not completed but will be implemented in the 2006/07 financial year. In both of the above reviews the advisory committees requested additional information prior to consulting with the general public.
- Most river schemes approved rate increases of 5.8% - 5.9% for the 2006/07 financial year. The exception was the Lower Wairarapa Valley Development Scheme which approved an increase of 11.5% since the new classification was not going to be in place for 2006/07. The revenue generated by this increase is about the same that would have come from the new classification. This is necessary to commence the capital works programme. There is strong support for –
  - \* the works programmes within the schemes
  - \* the pump (5) and gravity (4) drainage schemes to maintain their rating levels of previous years. Six gravity drainage schemes are able to complete their proposed work programmes next year by drawing down their reserves.
- There was no requirement for flood damage funds in the 2005/06 year. All the flood damage works carried over from the previous year have been completed. Note the largest flood in volume since the LWVDS was completed occurred in July 2006. This will require flood damage funding in 2006/07.
- Over \$180,000 has been collected in shingle royalties this year. This is the largest total ever. 50% of the royalties goes to Greater Wellington Regional Council and 50% to the river schemes. Traditionally this has contributed to funding the annual works programme. With the additional funds it would be desirable to contribute to the Major Flood Damage Reserve Fund. The LWVDS has built up a reasonable MFDRF fund. Contributions to the other MFDRF funds would give a timely boost to these reserves.
- Michael Hewison, Team Leader, resigned in early June. Michael was dissatisfied with his salary and career opportunities. He has joined the local OPUS office and has been contracted back to the Section for two days a week in the interim period until a replacement has been appointed. Michael made a significant contribution to Greater Wellington Regional Council and in particular to the Waiohine River Scheme during his time with the Council.
- Wairarapa and Wellington River Management staff are working together with a consultant to review the Asset Management Plans. It is proposed that there is a single “umbrella” Asset Management Plan. This Plan will have individual sections for each river scheme which will reflect the appropriate levels of service the respective schemes have adopted.

- River Management have enhanced the proposed structure for the new Flood Protection Department. They have established their core activities and desirable structure, including staffing to deliver these activities in the future. They are looking forward to having a support department for activities such as modelling and resource consent applications. It is desirable with the increased works programmes and the new capital works to have an additional rivers supervisor.

#### **Works Programme Progress:**

- Staff have continued to refine the proposed LWVDS rating classification. The review committee has been enlarged in a bid to get increased support for the process and the outcome. The Scheme Classifier, David Bulman, and Ranjan Cyril, Scheme Manager, have continued with on-farm meetings with landowners. The floods in July have ‘derailed’ the process for the time being. There has been a significant debate on cross-subsidisation within the rating scheme. Minor amendments are still required to the proposed rating classification.
- Following the last public meeting at Kopuaranga, additional meetings have been held with affected landowners involved with the Kopuaranga River Enhancement Project. These have been necessary to better define the flood zone.
- The \$60,000 isolated works programme on the Kopuaranga River partially funded by landowners (50%), Masterton District Council (20%), and Greater Wellington Regional Council (30%), has been successfully implemented. There have been very positive comments following completion of the works. No roads were closed in this latest flood, a testament to the works completed.
- The 2005/06 works programmes have been completed. Most of the schemes are in good physical and financial condition assisted to a large degree by the relatively flood-free 2005/06 year.
- The Waiohine River road bridge upgrade continues to make good progress. Greater Wellington and the local authorities contribution to the work is not expected to be required until the end of 2006 once the bridge has been built and gained its certificate of completion.

#### **Issues for the Next Quarter:**

- Completing the new rating classification for the LWVDS and the Kopuaranga River Enhancement Project.
- Bedding in the new structure, including appointing a replacement for Michael Hewison, and a new River Hand for the southern gang.
- Assessing and repairing the flood damage from the series of three floods in the first half of July.

## 8.4 Land Management (Ian Gunn)

### Key Issues:

- Four of the six catchment schemes approved rate increases of 5.8% in line with the Producers Price Index. Two schemes, Mataikona/Whakataki and Kaiwhata, increased their rates by 82% and 50% respectively. The Kaiwhata Scheme increased its rates to build up its reserves following the flood damage expenditure which occurred as a result of the March 2005 floods.
- Two catchment schemes, Awhea/Opouawe and Mataikona/Whakataki, have new rating classifications in place for 2006/07. Both classifications have changed from a pure land classification system to a combination of a dwelling charge (curtilage) and land value. There is strong support for the change.
- The wet autumn has maintained the strong demand for poles. Currently, it is greater than our supply and budget. Pole planting commenced in June compared to the last two years when planting was delayed up to August because of dry conditions. To meet demand poles will be imported from nurseries at Palmerston North and Christchurch.
- Despite the Rural Services & Wairarapa Committee resolution, there has been no progress on the Wairangi (Stephen Franks) boundary fence with Rough Hill. Staff are consulting with the Department of Conservation who informally have given the 'thumbs down' to Stephen Frank's preferred option.
- Catchment scheme expenditure is higher than forecast as a result of damage to assets during the March 2005 flood event. An extra \$50,300 was spent in the Kaiwhata and Awhea/Opouawe Schemes.

### Work Programme Progress:

- Property and Sustainability Plans annual programmes have been prepared for the majority of clients. The first helicopter run occurred in June. There is a good pool of contractors including BioWorks to complete the pole planting programme.
- The *Streams Alive* riparian planting commenced in early June in Otaki. Planting has occurred in a wide variety of sites on the fringes and within the Otaki township. Considerable consultation is required prior to these works proceeding because of 'neighbourhood' issues.
- The silviculture programme as predicted is down on previous years. The operating deficit is \$30,000.
- Pautahanui/Reikorangi initiatives by external contractors, Peter Handford & Associates, continue to make good progress. The focus is developing a vision for planting and vegetation management for both catchments. The project is likely to include Porirua City, Kapiti Coast, QEII National Trust,

and Greater Wellington. No budget or staffing provisions have been made by Greater Wellington. Staff have been requested to indicate to the Rural Services & Wairarapa Committee how Greater Wellington could respond.

- A very successful field day, the best yet according to Dave Cameron, was held at the Ata Rangi Vineyard and Winery, the outright winners of this year's Farm Environment Awards. The visit incorporated both the vineyard and a bush block at Waihora (which is part of the *Streams Alive* programme). A debrief has been held on the Awards which focused on new promotion ideas and increasing the number of entrants.
- Akura Conservation Centre opened on 1<sup>st</sup> June. Despite increased income last year, mainly internal revenue, the Centre will make a small loss this year of \$17,000. Sales of *Pinus radiata* seedlings were the lowest for a number of years and an additional cost was a contribution to the reconstruction of a stopbank within the nursery.

**Issues for the next quarter:**

- Delivery and planting of the full pole quota. Weather conditions in July have complicated delivery with helicopter runs being delayed.
- Developing a new structure for the new Land Management Department.
- Completion of any flood damage repairs following the July floods. These can be expected in the Awhea Catchment.

## 8.5 BioWorks (Scott Forbes)

### Key Issues:

- The Unit's restructure was completed as far as the leadership roles. However filling of the permanent field operator positions was postponed to the 2006-07 year to avoid disruption to the 2005-06 work programme.
- Going into the final quarter the Unit had 119,810 hectares of the 2005-06 AHB work programme remaining. This was from the 224,974 hectares awarded for the year. No 2005-06 works were undertaken in the first quarter of the year as a result of a number of issues including but not limited to the timing of release of the 2005-06 vector control contracts and slippage of BioWorks 2004-05 programme.
- The tragic death of Sam Priestley (one of GW's rising stars) was a huge blow to the Unit. It is a credit to the professionalism and dedication of our staff that allowed the Unit to produce the result that it did. Of note was the effort of the staff involved in the Bideford aerial. This operation was carried out the day after Sam's funeral by some of Sam's closest workmates (not an easy thing to do).
- Operations completed however but not yet monitored are listed below:

SE W Stage 2 Yr 1 HR6	2,268 ha's
Bideford MR6	5,979 ha's
Homewood Riversdale HR1	6,302 ha's
Te Wharau HR2, 4, & 7	6,879 ha's
Mangaroa Kaitoke HR4 & 5	1,612 ha's
SE W Stage 2 Rework HR1	1,114 ha's
Kahutara Pirinoa HR3	2,510 ha's
Tinui HR1	3,140 ha's Originally completed, however a failure occurred with 9 possums being caught instead of the 8 possums permitted. The operation will now be completed on the new interim completion date of 16 August 2006. VM will have concerns – lambing mid-August.

- 2005/06 work not completed by 30 June 2006 is listed below:

Delayed portion of SE W Stage 3 Yr 1, HR5 1,056 ha's & Aerial 750 ha's	Tied up with main Stage 3 aerial delays
Homewood Riversdale	Both Homewood operations were delayed due to Sam's passing, vehicle access and extreme weather at beginning of July. The VM will now have concerns re monitoring access.



HR3 6,146 ha's	Will be completed by mid-August
HR2 4,573 ha's	To be completed by end of July.
Mt Bruce Waipoua HR3 1,799ha's	A portion of the operation was originally to be carried out aurally, however due to delays a method change was introduced and the operation is now scheduled to be completed by 25 July 2006. The hand broadcasting work that remains requires one fine day for application and three clear nights after to ensure the result.
Mt Bruce Waipoua HMR4 418 ha's & HMR5 642 ha's Mt Bruce Miki Miki Crown HMR1 5,286 ha's	Awaiting weather suitable for aerial.

- Total hectares awarded by GW's VM in 05-06 224,974
- Total hectares completed, monitored & passed by 30 June 06 174,500
- Total hectares completed by 30 June not yet monitored 29,804
- Total hectares not completed by 30 June 20,670
- Total hectares completed in the final quarter 99,140