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

Landcare Division : Draft Business Plans, 2000-2010

1. Purpose

To provide an overview of the Landcare Division draft Business Plans, 2000-2010, for consideration by the Landcare Committee

2. Introduction

The Landcare Business Plans reflect all the work and consideration of ideas through the various Committee and Council processes leading up to the 9 December Policy and Finance Committee resolutions. This created the fiscal envelope to prepare draft Business Plans; based on the LTFS projects listed on what we call the Landcare “One Pager” (linked to the original *Facing the Future* “thermometer of affordability”).

A high level financial summary of the Landcare functional areas is Attachment 1. The Divisional “bottom-line” shows a small deficit for the first three years, increasing then declining again in the outer years. These fluctuations reflect increased operating costs plus variations to the project and capital budgets. Some additional smoothing may yet be possible.

3. Key Themes

The number one Long-term Financial Strategy priority within Landcare is 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. The next three years will consolidate the asset management regime with an associated review of overall service levels. This then forms the platform for the next full review of the Long-term Financial Strategy, 2003/04.

There are several new positions recommended across the ten years of the proposed Business Plans. This has to be seen against the LTFS programme and a background of increased responsibility these last three years, particularly in Regional Parks, plus the need to implement Asset Management Plans. The LTFS projects represent a significant stepping up and broadening of activity within the Division, especially when compared to the role set for us in 1996. The proposed additional staff across the first three years are still below the full 1995 complement.

The Landcare Business Plans now cover two functional areas: ***Parks and Forests*** and ***Flood Protection***. Parks and Forests is an amalgam of the previous Regional Parks and Natural Forestry Departments. This represents several years moving towards a holistic management regime for Council lands covering the core *Signature* values: environment, recreation and heritage. While the change to Parks and Forests is relatively innocuous, it should sit well within a broader branding and marketing thrust.

The Flood Protection group structure and focus is unchanged. Though, of course, the draft Business Plans incorporate the asset management and renewal programme, the major Floodplain Management Plan implementation proposals, and a growing environmental role. I still have a proposal to rename Flood Protection, ***River Environments***. I seek Committee members' views on that.

4. **Functional Area Overviews**

Parks and Forests

Operations

Asset Management Emphasis

The zero based assessments of asset maintenance and renewals are now built into the Operation's Business Plan from 2000/01. This includes a clear audit trail of asset management activity and expenditure through Annual Plan Performance Indicators.

The initial focus is on bridges, buildings and roads. To facilitate this, a new position of Construction Team Leader has been created from 2000/01, with Asset Management Plan implementation responsibilities. This will increase our in-house capabilities and incorporates the new, post Cave Creek, hazard management methodology and audit processes. We acknowledge Councillor McQueen's special knowledge in this area.

Structure Now Too Flat

The Regional Parks/Natural Forestry integration exercise necessitated a review of the strained Operations flat structure. While a good model for 1997, additional responsibilities for Queen Elizabeth Park, Forest Lands, and the Water Collection Areas, plus upgraded Asset and Hazard Management obligations, make the current structure unstable for the medium term. Therefore, it is proposed to create a new Senior Ranger position to provide additional professional support for the expanded Ranger Services team and to oversee the extra asset and hazard management work.

Should the Council agree to the proposed enhancements to East Harbour Regional Park and the two proposed new parks, a second Senior Ranger is proposed from 2004/05. The Operations structure will then split geographically into two areas; a similar model to Flood Protection Operations and at Auckland Regional Council.

At this stage, the final Operations structure is still being finalised and requires the General Manager's approval. However, for planning purposes the above positions have been built into the proposed Parks and Forests Business Plan.

Integrate and Disestablish

The Regional Parks/Natural Forestry integration has not delivered the hoped for operational saving, though it will provide increased environmental management capacity. A critical mass situation means that whole positions can not be eliminated without reducing services. We should be able to recruit a broader range of skills in the future. For now, the benefits will apply to improving current capabilities.

Expected operating cost savings have been less than anticipated. Rationalising various long standing arrangements for managing the Upper Hutt Depot, flushed out the last of the cross-subsidies but have not produced hard savings - the reverse for Landcare. Previous client departments will shortly consider a serviced facility plan for depot management with the Council's property consultants.

Personnel savings from disestablishing the WRC Rural Fire District add to the increased environmental management capacity. However, direct savings (materials) are mostly off-set by Plantation Forestry removing a \$32,000 per annum contribution to Ranger Services for Forest Lands.

The disestablishment of the WRC Rural Fire District should be beyond the point of no return by the time the Council adopts the final Long-term Financial Strategy. Accordingly, the Rural Fire Contingency Reserve has been absorbed into the proposed WRC Rate line. However, sufficient operational funds have been retained in Landcare to continue an in-house fire suppression capability as part of our asset management portfolio.

Catchment Management

Water Group have agreed to continue with Landcare's vegetation management operation for the Current Catchments, \$158,000 p.a., via an annual service contract. They will also maintain the \$50,000 cash contribution towards forest health activities in the Future Catchments. These activities will be managed by Parks and Forests to existing service levels. Water Group will also benefit from our developing Environmental Asset Management expertise.

Similarly, Parks Operations will continue to provide the difficult, though successful, Catchment Ranger service for the Wainuiomata/Orongorongo Water Collection Area. This function remains 30 percent "public good" funded from Regional Rates.

Bottom Line Struggles

Combined, the above create a funding deficit for Parks and Forests, above the projects approved by Policy and Finance for developing Business Plans. That is, \$62,517 in 2000/01, rising to \$242,798 in 2004/05, decreasing slightly thereafter through the rest of the ten-year plan.

While significant, this increase must be seen against the need to review the management structure to accommodate significant accumulated additional responsibilities, and the fixed cost disbenefits of the Regional Parks/Natural Forestry integration. Then there are the lost revenues from Plantation Forestry and the Depot Management rationalisation affecting Parks Operations.

Strategy and Marketing

Asset Management Plan Capex (Attachment 2)

The asset renewal capital programme is the responsibility of Strategy and Marketing. These projects need to be carefully managed because of location sensitivities and the need to address cultural and heritage issues. This programme is likely to occupy one staff member more or less full-time; though it may be contracted out.

Council Lands Environmental Projects

Several environmental projects (Attachment 3) targeting the Council's Regional Parks, forests and rivers, will contribute to implementing the Regional Policy Statement's ecosystem provisions, facilitate aspects of the Environmental Education Strategy, and begin to implement Environmental Strategies for the Western river corridors.

These projects dovetail existing environmental enhancement activities, though the proposals here are a significant step forward and the first major, non-operational, ecological initiatives in the Western river corridors. Many projects will require close liaison with communities, interest groups and the creation of Care Groups. Therefore, a new position of Volunteers Co-ordinator is proposed, from 2000/01.

New Parks

The Parks and Forests Business Plan proposes to develop East Harbour Regional Park and two new parks staggered across the ten year plan as set out below:

- **East Harbour Regional Park:** The proposal is to introduce a resident Ranger service from 2003/04 and develop environmental, education, recreation and heritage opportunities.
- **Lake Wairarapa Wetlands Park:** Investment is needed to facilitate further environmental protection and enhancement as well as realising the significant educational, recreation and tourism potential. There are currently no Regional Parks in the Wairarapa. The proposal is to introduce a resident Ranger service and other developments, in association with other agencies, from 2005/06.
- **Whitireia Park.** The proposal is to consider a small annual "holding" contribution (\$20,000) before introducing a resident Ranger service from 2007/08 and developing further environmental, education, recreation and heritage opportunities.

These initiatives will necessitate additional planning resources. As well, Regional Parks must review all parks management plans under the Local Government Act. We will also be developing Environmental Management Plans. Therefore, it is proposed to appoint a further Parks Planner, from 2001/02.

Looking Further Afield

Through various Landcare Committee discussions, it was proposed to undertake a first principles review on managing all the open space, recreation opportunities and other values across the Region. This became the “Regional Parks Visioning Exercise”. However, for this Business Plan, the scope has reduced to an overarching policy review of Council lands management and park management plans.

This is because the Landcare Committee seemed accepting of a continued asset management focus for the next ten years, an environmental emphasis on Council lands, plus significant opportunities to develop the least accessible of the existing Regional Parks plus two new ones.

However, should the Committee wish to revisit the full visioning exercise, then this is the time to do it. Costings, based on similar exercises, including public consultation, undertaken by ARC and Wellington City, suggest a two-year project of around \$140,000 per annum.

Flood Protection (River Environments)*Operations*

As with Parks and Forests, the emphasis for the next ten years in Flood Protection Operations is to bed-down the Asset Management Plans. Again, the same enhanced accountability disciplines will apply for Annual Plan Performance Indicators. Above all, there is a very serious wish for no major floods (almost annual event since 1994) to return some normality to maintenance operations.

Flood Protection Operations will stay with their current complement of six Riverhands for routine maintenance activities, supported by contractors and temporary staff as required. However, anticipating the increased workload from the asset management programme, one temporary Riverhand position converts to a permanent position in 2001/02.

The Business Plan proposes establishing a Hutt River Ranger from 2002/03. This will be a professional Ranger supplied by Parks and Forests. The initial brief is in many respects similar to the Catchment Ranger role: public safety, security, and community relations. The Ranger will also manage the popular Hutt River Trail. Later, the position will facilitate aspect of the Environmental Strategy implementation.

Strategy and Assets

Following the Policy and Finance Committee meeting, the draft Flood Protection Business Plan incorporates an average annual capital spend of \$2.1 million per annum, or just over \$21 million for the 10 years (including projects from the current 10 year Business Plan). This is to implement the western rivers Floodplain Management Plans across their nominal forty-year life: \$78 million for the Hutt River and \$14.2 million for the Kapiti Coast (Otaki and Waikanae Rivers).

Attachment 4 shows the major packets of work. The distribution across the ten years is based on priorities established through the Floodplain Management Plans using a pro-rata for the works remaining to be completed, an approximate 70/30 split of the annual capital resource between the Hutt River and the Kapiti Coast.

The spread of works is not totally even across the ten years. There is an initial ramping-up of physical works from 2000/01. This acknowledges that work is ongoing to complete the Hutt FMP and to prepare for the important non-structural measures. The first of the Hutt construction projects will also be demanding in terms of planning, co-ordinating other agencies, and for Consent processes. This, combined, with lower interest rates since the programme was first developed, reduces financial costs across the ten years below earlier projections.

At this stage, “savings” have been applied to increases from redistributed Corporate Charges (\$53,000), and then across the Division’s total funding envelope.

It must also be noted that the Hutt River Floodplain Management Advisory Committee recommended to the Landcare Committee that it consider an annual rate for capital expenditure for the Western rivers Floodplain Management Plan implementation of \$4 million per annum. The Landcare Committee noted this (Report 99.679), but asked officers to model the Business Plan capital spend at \$2 million per annum. However, the schedule of works for the \$4 million option is available for discussion and community consultation, as appropriate.

Water Courses Important Too

Flood Hazard Assessments are proposed for the Waitohu River and the Mangaone Stream. These are long standing Business Plan projects. However, a number of recent flood events in these watercourses, difficulties with Consents, and stretched maintenance budgets, are increasing pressure on Flood Protection to complete these reviews. Therefore, while relatively minor projects in the total picture, their importance to the affected communities can not be understated.

5. **Recommendations**

- (1) *That the report be received and the contents noted.*
- (2) *That the following proposed Operating Plans be approved in principle:*
 - *Flood Protection;*
 - *Parks and Forests.*
- (3) *That the proposed Operating 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 Council’s 2000/01 Annual Plan).*

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Attachment 1 : Variance Reconciliations

Attachment 2 : Regional Parks Capital Works Programme : Capital Expenditure

Attachment 3 : LTFS : RPS Ecosystems

Attachment 4 : Flood Protection Capital Expenditure