



Report: 03.59
Date: 20 February 2003
File: E/6/18/3

Committee Policy, Finance and Strategy
Author Jane Bradbury, Divisional Manager, Environment

Environment Division: Proposed Operating Plans 2003 - 2013

1. Purpose

To seek approval of the proposed Business Plan for the Environment Division, including any amendments approved by the Council.

2. Overview

As with the last three years, the Division's ten year budgets (2003-2013) have been driven by the following:

- The Regional Policy Statement and regional plans. We have an obligation to carry out the methods contained in these documents, especially as they were developed in close consultation with the community. We also have to review the plans periodically to ensure that they are still relevant, efficient and achieving the desired environmental outcomes
- The environmental education/communication strategy. This strategy has three components: *Take Action* which focuses on schoolchildren; *Take Care* which involves the community in practical environmental programmes; and *Take Charge* which works with small to medium businesses to improve environmental practices. *Take Action* and *Take Care* are progressing well, but the *Take Charge* programme has not really got off the ground as staff resources have been taken up by our pollution response work.
- State of the environment reports. These can be described as our "school report" as they show us where we are doing well with environmental care - and where we need to do better. They also highlight areas where we simply do not have enough information to make a judgement.

- Our statutory requirements e.g. consent processing. We aim to provide a high quality service and so have developed processes that are sometimes above and beyond the statutory requirement.
- Iwi relationships. The Division has responsibility for assisting the Council to develop mutually beneficial relationships with Iwi.

3. Budget Implications

3.1 Environment Division

The regional rate requirement for the next three years is as follows:

| | Proposed Operating Plan \$000's | Projected Budget LTFS \$000's | Difference \$000's | Actual Budget 2002/03 \$000's |
|----------------|--|--|-------------------------------|--|
| 2003/04 | 7,640 | 6,963 | 677 | 7,085 |
| 2004/05 | 8,057 | 7,168 | 889 | |
| 2005/06 | 8,063 | 7,004 | 1,059 | |

There are three material increases to the expenditure line outlined in last year's projected budgets.

- Personnel costs. These have increased by \$214,000 for existing staff. This provides for market related salaries, especially for experienced staff
- Insurance costs (beyond our control) have increased by \$53,000
- Our share of corporate overheads has increased by \$243,000

At the Councillors' Workshop at Solway Park (November 2002), our estimates for 2003/4 for existing personnel and insurance increases were \$201,000 and \$32,000 respectively, both of which are lower than actual requirements. Also, at Solway Park we had not yet been informed of the corporate overhead figure. These material increases total \$510,000 without any changes to our current work programmes. They have been significant extra costs to bear when developing our budgets.

The following outlines the changes for each department for the next three years:

3.2 Environment Co-ordination Department

The regional rate requirement for the next three years is as follows:

| Environment Co-ordination | Proposed Operating Plan \$000's | Projected Budget LTFS \$000's | Difference \$000's | Actual Budget 2002/03 \$000's |
|----------------------------------|--|--------------------------------------|---------------------------|--------------------------------------|
| 2003/04 | 1,177 | 579 | 598 | 508 |
| 2004/05 | 1,160 | 534 | 626 | |
| 2005/06 | 1,187 | 578 | 609 | |

However, comparisons with previous years are not meaningful as a restructuring this year resulted in three staff members, with their attendant budgets, being transferred from the Resource Policy Department.

Only relatively minor proposed changes in service levels have been proposed.

Most of the programmes for the Council's education strategy are located in Environment Co-ordination. *Take Action for Water* (schools) is entirely driven by this Department. The programme is proving to be very popular and we are finding that staff are fully committed in running the trails with the schools. Additional schools can be accommodated to do *Take Action* self guided. However, our ability to support these schools through training and help with parts of the programme is limited. Consequently, we have provided for an extra half staff member to cope with this workload (\$25,000).

The Department has cut its projected budget by \$20,000 for the *Take Action* web site.

We have previously been in receipt of \$50,000 pa from the Utility Services Division as a contribution to our *Take Action for Water* work. That Division now holds the view that its contribution to the new programmes proposed by corporate communications through the overhead charges is sufficient to cover its corporate "public good" responsibility.

The demand for, and uptake of, our *Take Care* programme (care groups) has also exceeded expectations. Although pleasing, it has proved to be resource intensive in terms of staff time. As I explained at the Councillors' workshop at Solway Park, our experience is *the more we engage the public, the more the public responds, and the greater the demands on us!*

As mentioned at Solway Park, we had considered employing two part time care group co-ordinators (\$24,000) to assist us, but budgetary constraints have prevented us from doing so.

Throughout the year, we have reported to the Environment Committee that we are not making the progress we would like with the *Take Charge*

programme. This programme is being developed in conjunction with pollution response staff in the Resource Investigations Department. However, these staff have been fully committed with pollution response work and, unfortunately, the *Take Charge* programme has lagged behind. We have therefore included extra resources to run the *Take Charge* programme (see Resource Investigations).

The Department also delivers part of the Council's biodiversity programme, in particular the private land protection programme, in association with the QEII National Trust. The demand for this service has increased considerably, and an additional \$15,000 has been provided. In addition, \$25,000 has been included to provide these landowners with advice on the management of their covenants and help with pest control.

The Department's proposed budget is relatively constant for the next three years.

In summary, the proposed 2003/04 budget for the Department has the following modifications to the projected budget:

- +\$25,000 for *Take Action*. This provides for an extra half staff person.
- -\$20,000 for *Take Action*. This had been intended for development of the web site.
- -\$50,000 for *Take Action*. This relates to previously promised revenue from the Utility Services Division which has now been withdrawn.
- +\$40,000 for private land protection.

3.2 Resource Policy Department

The regional rate requirement for the next three years is as follows:

| Resource Policy | Proposed Operating Plan \$000's | Projected Budget LTFS 000's | Difference \$000's | Actual Budget 2002/03 \$000's |
|------------------------|--|------------------------------------|---------------------------|--------------------------------------|
| 2003/04 | 1,765 | 2,017 | (252) | 2,059 |
| 2004/05 | 1,859 | 2,044 | (185) | |
| 2005/06 | 1,966 | 2,1640 | (198) | |

However, comparisons with previous years are not meaningful as a restructuring this year resulted in three staff members, with their attendant budgets, being transferred to the Environment Co-ordination Department.

At Solway Park several additional budget items were mooted.

First, an environmental information management system (\$150,000 spread over three years) was proposed. Such a system would assist people to access and interrogate state of the environment information via the web. However, budgetary constraints have precluded us from including this item and, to a certain extent, this issue is being taken up by Corporate Communications.

Second, funding for the riparian management strategy and wetlands action plan was sought (\$45,000). As we had already culled a total of \$35,000 from the proposed budgets contained in these strategies/plans, we have retained the \$45,000 and actually added \$5,000 to the wetlands budget to enable some hydrological investigations. In our view this is the minimum funding to allow us to progress with this work in a meaningful way.

Third, we proposed \$25,000 for cleaning up the Kaiwharawhara Stream. This proposal related to the *Take 10* target of cleaning up our five most polluted streams/rivers. The intention is to concentrate on one stream for five years before moving on to another. However, in an effort to reduce our budgetary needs, we have deferred the Kaiwharawhara project for one year. We are already doing some work on this stream with Wellington City Council, CentrePort Ltd and the community.

In response to interest from some Councillors, we did raise the issue of marine management – an area which is only given scant attention at this time. Councillors suggested that we should concentrate of educating the public about the marine environment. However, we have not allocated any funding at this stage.

The proposed budget is relatively constant for the next three years. We have newly provided for the State of Environment report, a six-yearly comprehensive review of the Region's environmental health to commence in 2004/05 (+\$15,000) and conclude in 2005/06 (+\$95,000). A review of the Regional Policy Statement (+\$25,000) is also planned for 2005/06. Although we did have some budgetary provision for these items, our cost estimates have been revised based on our past experience.

Finally, we now consider that legal expenditure is adequately provided for and so have reduced our legal reserve by \$50,000.

In summary, the proposed 2003/04 budget for the Department has the following modifications to the projected budget:

- +\$40,000 for the Wetland Action Plan
- +\$10,000 for the Riparian Management Strategy
- -\$25,000 for Kaiwharawhara Stream clean-up. This has been deferred for one year.

- -\$50,000 for reduction in legal reserves.

3.3 Consents Management

The Regional rate requirement for the next three years is as follows:

| Consents Management | Proposed Operating Plan \$000's | Projected Budget LTFS \$000's | Difference \$000's | Actual Budget 2002/03 \$000's |
|----------------------------|--|--|-------------------------------|--|
| 2003/04 | 1,116 | 1,091 | 25 | 1,062 |
| 2004/05 | 1,157 | 1,089 | 68 | |
| 2005/06 | 1,161 | 1,089 | 72 | |

This Department's budget is little changed. However, we are expecting to receive more external revenue as we have revised our estimate of the number of notified resource consents to be received.

Also, we consider that legal expenditure is adequately provided for and so have reduced our legal reserve by \$50,000.

3.4 Resource Investigations Department

The regional rate requirement for the next three years is as follows:

| Resource Investigations | Proposed Operating Plan \$000's | Projected Budget LTFS \$000's | Difference \$000's | Actual Budget 2002/03 \$000's |
|--------------------------------|--|--|-------------------------------|--|
| 2003/04 | 2,533 | 2,360 | 173 | 2,500 |
| 2004/05 | 2,764 | 2,513 | 251 | |
| 2005/06 | 2,608 | 2,162 | 446 | |

Total proposed direct operating expenditure for this Department for 2003/04 is \$2,247,000 – a \$63,000 reduction on the 2002/03 year.

As signalled at Solway Park, two budget cuts have been made. A sum of \$192,000 for the unwanted household hazardous waste collection has been taken out as the territorial authorities have agreed to take up this work since this Council undertook the collection of unwanted agricultural chemicals. In addition, \$8,000 has been saved after a review of our water monitoring programme resulted in a reduced number of sites in the western part of the region.

At the beginning of the last three year planning cycle, Council made the decision to enhance our environmental monitoring capabilities. The State of the Environment Report revealed that we simply do not have enough knowledge in some areas to be able to gauge environmental health or our environmental management performance. Increased

resources were provided to enhance our ability to monitor air, soil and water quality.

All monitoring programmes have been progressing well. For example, the air quality monitoring programme – which was carefully staged over a ten year period – is proceeding according to plan.

At Solway Park, there was some concern about the level and relevance of our monitoring programmes, especially our air quality programme, and so a follow-up workshop was held. Councillors seemed to be comfortable with our approach of continuing to implement existing strategies. Consequently, the additional monitoring budget requirements mooted at Solway have been retained.

An additional \$120,000 was included for air quality monitoring – comprising one additional staff member and support for asset management. At present our existing air quality technician is unable to cope with the workload, in spite of working many additional hours. An additional amount has been included (\$85,000) for undertaking some air quality monitoring for the Transport Division, consistent with the Regional Land Transport Strategy. This is recoverable from the Transport Division but can only be undertaken with the additional staff resource. In future years, another air monitoring station has been included (\$120,000 in 2008/09). This is consistent with the strategy but was not included in the soft numbers as the strategy had not been approved (approved July 2000) at the time those numbers were set.

Also, at Solway Park, an additional \$15,000 was included for the soil monitoring programme. This sum was requested to meet the shortfall in Ministry for the Environment funding. We now find that it was already included in our projected figures.

At Solway Park an additional \$133,000 was mooted for the *Take Charge* programme. This is referred to in the Environment Co-ordination Department summary. It provides for an additional staff member and vehicle in our pollution prevention section so that the workload can be spread better between pollution response and *Take Charge*. Provision for a second staff member in 2004/05 (\$100,000) has been included at this stage, but, following discussion at the Councillors' Workshop on 25 February 2003, it is recommended that this be deleted.

An additional \$50,000 a year was sought for our stormwater investigations. We have now pushed out this item to 2004/05 and 2005/06 as work in the current financial year has not progressed well enough to allow us to move on to the next component. There is growing interest and concern amongst local authorities in the Region about our management of stormwater, as well as indications that central government is becoming more interested in the issue. It is possible, therefore, that there could be future changes in our approach and projected figures.

At Solway Park a sum of \$65,000 was put up to cover cost increases imposed by NIWA for our strategic floodwarning sites. Negotiations have now been completed and the requested figure has reduced to \$12,000. The sum of \$10,000 for general asset replacement has been retained.

Lastly, a sum of \$20,000 for 2003/4, increasing to \$25,000 for 2004/5 and 2005/6 towards the Kapiti Groundwater model has been retained. The acceleration of this work is a result of the water supply issues facing the Kapiti Coast.

However, the following projects raised at Solway Park have been completely omitted from the budget:

- Marine biosecurity monitoring – Pauatahanui Inlet (\$50,000 every two - three years)
- Marine ecosystem monitoring (\$20,000)
- Kapiti water efficiency (\$20,000 for next three years)
- Hutt groundwater investigation - new bore and telemetering (\$45,000 and \$24,000 respectively)

In summary, the following modifications have been made to the projected 2003/04 budget:

- -\$8,000 as a result of reducing water quality monitoring sites
- -\$192,000 for unwanted household hazardous waste collection
- +\$133,000 for *Take Charge* - additional pollution response staff member and vehicle
- +\$120,000 for air quality monitoring programme
- +\$12,000 for floodwarning sites operated by NIWA
- +\$20,000 towards development of Kapiti Groundwater Model
- +\$10,000 for asset maintenance programme

The budget for this Department, however, does increase in future years because the savings from the household hazardous waste collection and contaminated sites work no longer apply. In addition, the stormwater project has been put back.

3.5 Emergency Management Department

The regional rate requirement for the next three years is as follows:

| Emergency Management | Proposed Operating Plan \$000's | Projected Budget LTFS \$000's | Difference \$000's | Actual Budget 2002/03 \$000's |
|-----------------------------|--|--|-------------------------------|--|
| 2003/04 | 406 | 388 | 18 | 407 |
| 2004/05 | 500 | 482 | 18 | |
| 2005/06 | 505 | 489 | 18 | |

The increase is principally for market related salaries. Otherwise every effort has been made to absorb increasing costs within the projected budget. All other budgeted expenditure has been held at 2002/03 levels.

We have assumed that our responsibilities under the new legislation can be carried out under existing budgets. At present we simply do not know what our role will be.

3.6 Harbours Department

The regional rate request for the next three years is as follows:

| Harbours | Proposed Operating Plan \$000's | Projected Budget LTFS \$000's | Difference \$000's | Actual Budget 2002/03 \$000's |
|-----------------|--|--|-------------------------------|--|
| 2003/04 | 644 | 529 | 115 | 564 |
| 2004/05 | 616 | 505 | 111 | |
| 2005/06 | 636 | 524 | 112 | |

The principal reason for the increases is a rise in insurance costs (\$38,000), a flow on effect from 11 September 2001 and the insurance market generally. In addition, an increase has been made to salaries to reflect market conditions. Otherwise costs have been contained and work programmes are on-going. All other budgeted expenditure has been held at 2002/03 levels. The proposed budget is relatively constant for the next three years.

4. Recommendation

That the Committee recommend to Council that it:

- (1) receive the report and note its contents.*
- (2) note that the proposed Business Plan for the Environment Division includes the following proposed Operating Plans:*

*Environment Co-ordination Department
Resource Policy Department
Consents Management Department
Resource Investigations Department
Emergency Management Department
Harbours Department*

- (3) delete the \$100,000 included for an additional staff member for the Take Charge Programme (2005/06).*
- (4) approve the proposed Business Plan for the Environment Division (including any amendments approved by the Committee) for inclusion in the Council's proposed Long Term Council Community Plan 2003-2013 (incorporating Council's proposed 2003/04 Annual Plan).*

Report prepared by:

Jane Bradbury
Divisional Manager
Environment