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Committee Policy, Finance and Strategy
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Wairarapa Division : Proposed Business Plan 2003-2013

1. Purpose

To seek approval of the proposed Business Plan for the Wairarapa division, including any amendments approved by the Committee.

2. Overview

The current activities of the Wairarapa Division are very well aligned with the Council's goal of working towards a sustainable region. The Division contributes to many of the "Take 10" success measures with the more significant contributions being in the Biodiversity, Water, Land, Safety/Hazards and Community categories.

The Operating Plans for the departments set out the proposed activities and budgets for the next ten years from the 2003/04 financial year. These Operating Plans are largely based upon a continuation of the present level and scope of activities. Our current programmes are working successfully and are supported by our stakeholders. Provision has been made for increased costs that have arisen since the last Long Term Plan.

The majority of the proposed new items revolve around water, as this is the natural resource in the Wairarapa that is most under stress. Items have been included in the proposed budgets to allow progressive implementation of the Council's Riparian Strategy and an increased level of activity with our groundwater and freshwater monitoring and advisory work.

The proposed Business Plan for the division includes the following proposed Operating Plans:

- Biosecurity
- River Management
- Land Management

- Planning and Resources

It also incorporates the Wairarapa Division Business Units Operating Budget 2003 – 2013.

These plans have been previously distributed to Councillors and will be tabled at the meeting on 4 March 2003.

The following sections outline the significant changes from the 'soft' numbers in the earlier Long Term Financial Strategy.

3. Biosecurity

This department is now operating under the requirements of the Council's new Regional Pest Management Strategy for Plant and Animal Pests, and also the new National Pest Management Strategy for Bovine Tb.

The Key Native Ecosystems programme is being broadened by including a \$20,000 allowance for KNE work on dunes and escarpments. At the same time the KNE work on low land bush areas has been reduced by \$50,000 to help contain cost increases.

The proposed Bovine Tb budget for 2003/04 is based upon completing 348,000 hectares of vector control work. This represents 43% of the total land area of the Region and as well as the economic benefits, this work will have a very beneficial effect on the Region's biodiversity.

Similar total areas for vector control are planned for subsequent years. However, it needs to be noted that these areas comprise a mix of new operations and maintenance every few years of existing ones as we steadily build to an overall target of possum control over 80% of the Region.

An additional \$72,000 above the previous 'soft' number is required in 2003/04 to undertake the proposed vector control programme as discussed with the Animal Health Board (they pay 87% of the costs). \$65,000 is required in the 2004/05 year and there is a \$32,000 reduction in 2005/06.

The Bovine Tb rate reserve is currently close to \$1M. It is planned to continue using this reserve to hold the Bovine Tb rate at its current level of 30 cents per hectare on rural land over 10 hectares. However, this reserve is scheduled to be fully utilised by 2009/10 and a substantial rise in the Bovine Tb rate will probably be required at that time.

4. River Management

River management expenditure on the eleven Wairarapa Schemes is programmed at similar levels to recent years. All programmed work is discussed with the Scheme Advisory Committees before items proceed.

The programme for Scheme reviews is now focused on the Lower Wairarapa Valley Scheme following the successful reviews of the Waiohine, Waipoua,

and Upper Ruamahanga Schemes. The Lower Valley Scheme review is expected to take approximately three years because of the size of the Scheme; this being one of the largest flood protection schemes in New Zealand. An additional \$30,000 per annum has been budgeted for the next three years for this review.

It is expected that an increase in maintenance expenditure for the Lower Valley Scheme will be recommended from the review and therefore an additional \$75,000 per annum has been budgeted for the “soft” years from 2006/07.

The “soft” numbers from the current Long Term Financial Strategy included capital expenditure for reconstructing stopbanks on the Waiohine River. This work can not proceed until the State Highway 2 bridge has been replaced with a bridge of adequate waterway capacity. Consequently, the proposed capital expenditure has been reprogrammed into later years resulting in small savings up to 2008/09.

5. Land Management

Sustainable land management activities have been budgeted at similar levels to previous years. It is planned to continue with the new Farm Environment Awards, as these have been very successful in promoting sustainability with the farming community.

A new item is the progressive implementation of the Riparian Strategy, which was approved by Council last year. This strategy focuses on providing practical advice to property owners with stream frontages. There will also be limited financial assistance to encourage planting alongside selected priority streams. Costs are \$60,000 in Year 1; \$90,000 in Year 2; and \$120,000 in Year 3 and beyond. This work will fit in well with a growing interest in this subject from the farming community.

Limited soil monitoring is undertaken in conjunction with the Environment Division and \$20,000 has been included in 2003/04 to sample soil intactness (loss of topsoil).

6. Planning & Resources

This budget provides for a continuation of our present consents & compliance, planning and environmental monitoring work. Provision of \$20,000 has been made in 2003/04 to complete the Wairarapa Coastal Strategy project in conjunction with the District Councils and Wairarapa iwi. There is also a \$15,000 p.a. provision for continuing hazards investigation work in the Wairarapa.

Our resource investigations work has not been keeping pace with the increasing demands on Wairarapa water resources. There are currently moratoriums on further abstractions of water from nine streams and three groundwater aquifers because of a lack of knowledge of the resource. Groundwater quality is also becoming an important issue with a steady increase in dairy herd sizes and stocking intensities.

Additional groundwater monitoring and groundwater quality expertise is proposed at \$110,000 p.a. together with work on a sustainable groundwater model at \$50,000 p.a. from 2004/05.

The freshwater quality baseline monitoring for the Region has been comprehensively reviewed and an increase in Wairarapa sites is proposed with a reduction in western sites. This requires an additional \$65,000 in the Wairarapa budget plus there is a need for an additional technician for the freshwater and hydrology programmes from 2004/05.

Several small projects totalling \$30,000 from 2004/05 are proposed to increase the efficiency of irrigation water use. Many farmers are believed to be applying too much water and significant efficiencies should be able to be achieved provided we are able to supply proven information.

There is no provision made for any further contributions to the Wairarapa Irrigation Study. Stage 2 of this major investigation is programmed for completion in June and the future direction of this study is not yet known.

7. Business Units

There are no particular issues to highlight in relation to the Akura Conservation Centre and Workshop Business Units. Both of these units are expected to generate their annual dividend payments to Council.

The debt level in the Reserve Forestry Business Unit is steadily rising. This has been exacerbated in the last year by the lack of access to the mature trees in the Tauanui Soil Conservation Reserve. This situation is expected to be resolved before 2003/04 and therefore there will be some revenue from logging again next year.

Debt levels relative to asset values are projected to be high during the next ten years before the newer Hiwinui plantings come on-stream. There is no provision made for any payments to recognise the soil conservation benefits of this forestry, which is constrained by being located on severely eroding land.

8. Changes to the proposed business plan recommended by officers

Nil.

9. 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 Wairarapa division includes proposed operating plans for the following departments:*

- *Biosecurity*
- *River Management*
- *Land Management*
- *Planning and Resources*

It also incorporates the Wairarapa Division Business Units Operating Budget 2003 – 2013.

- (3) *note that officers are not recommending any changes to the proposed business plan for the Wairarapa division.*
- (4) *approve the proposed business plan for the Wairarapa division (including any amendments approved by the Committee) for inclusion in the Council's Proposed Long term Council Community Plan 2003-2013 (incorporating the Council's 2003/04 Annual Plan).*



Colin Wright
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