

Report 08.429
Date 20 June 2008
File WO/03/40/10

Committee Council
Author Dave Cameron, Manager, Land Management

Wellington Regional Erosion Control Initiative – Request for Funding

1. Purpose

To present to Council the Wellington Regional Erosion Control Initiative (WRECI) and the request for Council funding, noting that this report supersedes report 08.367 presented to Council on 10 June 2008.

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

In September 2006, following a very wet winter, Wairarapa Federated Farmers called a public meeting over landowner concerns that Greater Wellington's (GW's) commitment to funding and staff resources for land management programmes was not meeting the community's desire to increase the rate of implementation of these programmes. Three agreed outcomes resulted from that meeting. They are as follows:

- GW appoints an additional Land Management Officer – this was achieved in January 2008.
- Additional poplar and willow poles are out-sourced – a four year agreement was secured with the Aokautere nursery in Palmerston North until 2010.
- GW establishes a Wairarapa Hill Country Advisory Committee – this was achieved in October 2007.

The long term “Land” targets contained in the 2006-16 LTCCP under the activity of “promote sustainable land management” are as follows:

- An additional 4,500 hectares of erosion prone land planted using sustainable land management practices
- Communities protected from major damage or harm caused by flooding and erosion
- Maintenance of the overall health of our soils
- Maintenance of the water quality in our key rivers and streams.

The Ministry of Agriculture and Forestry’s (MAF) Hill Country Erosion (HCE) fund was established in 2007 as part of the Government’s Sustainable Land Management package. A total of \$12 million was set aside for projects targeting the catchment partnerships leading to the control of severe hill country erosion. The catalyst for the development of the funding policy was a series of severe rainfall events, including the catastrophic Manawatu storms of February 2004.

In November 2007 MAF approved \$5.873 million over four years for Horizons Regional Council. The balance of the fund (\$4.127 million) was therefore available for other applications. An application for funding has been prepared and is with MAF. (see **Attachment 1**) This will enable GW to substantially advance its sustainable land management programmes in targeted catchments in the Wairarapa – the WRECI proposal.

The previous report (08.367) was presented to Council on 10 June 2008. It was left to lie on the table subject to further discussions with MAF officials.

4. WRECI Proposal

4.1 Hill Country Erosion Fund

The HCE fund requires regional authorities to present new initiatives over and above the existing level of regional investment. The WRECI proposal focuses on five selected catchments and isolated hotspots (see **Attachment 2**). The catchments and local hotspots are solely located in the Wairarapa hill country and have been selected on the basis of rates of sediment discharge and percentage of erosion prone land.

The new initiative will focus on the development of community partnerships, the preparation of 100 new Sustainability Plans across the selected catchments and isolated hotspots, as well as a works implementation phase. The initiative proposes financial contribution from central government, GW and landowners. The commitment of central government as a funding partner will enable landowners to receive higher incentive rates for works implementation.

Sustainability Plans have been prepared by GW since 1998. In the last ten years 27 Sustainability Plans have been prepared, the small number reflecting the cost and time taken to put the plans together. Sustainability Plans are comprehensive. They contain land resource information, an assessment of erosion risk, a targeted programme of works implementation, and an assessment of the economic impact on the business. These plans compare very favourably with the planning approach

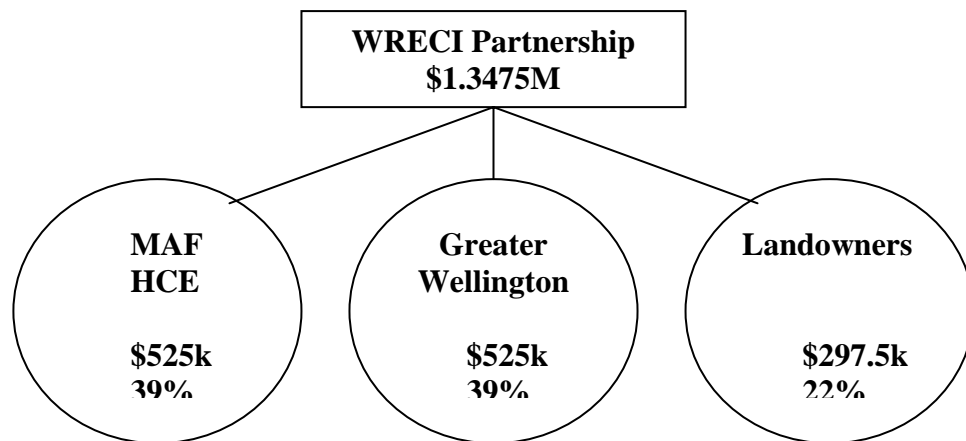
recently developed by Horizons Regional Council and subject to government support through the HCE fund.

Currently, GW funds 100% of the cost of preparing Sustainability Plans and provides a regional grant of 40% for the implementation of these Plans, with land owners contributing the balance (60%). The WRECI programme will reduce the landowner contribution for works to 40%, with the remainder funded by GW (30%) and central government (30%).

The WRECI proposal also provides for 50% government contribution to the plan preparation costs, and also includes 50% government funding for a staff member to act as project manager.

The total cost of the four year HCE project is \$1.3475M.

The partners in the WRECI proposal and their respective share of the total cost of the proposal are presented in the following diagram.



The Stage II application was considered by the MAF assessment panel on 5 June 2008. A number of significant changes were requested necessitating the preparation of an amended application. A copy of the Stage II application and the letter from MAF in response to the Stage I application are included as **Attachments 1, 2 and 3** respectively. The changes requested by MAF following the panel's assessment will be amended to reflect the new funding application.

The landowner contribution is supported by letters from the Wairarapa Hill Country Advisory Committee and Wairarapa Federated Farmers. These are included as **Attachment 4 and 5** respectively.

4.2 Catchment Partnerships Fund

The HCE fund is focussed on the preparation of new Sustainability Plans and the implementation of works. A separate government fund, the Catchment Partnerships Fund (CPF) supports facilitation of new initiatives at the catchment level. While some of the promotion work has been completed to date in two of the selected catchments there is a need to promote WRECI to all stakeholders in each

catchment community. Besides the farming community other stakeholders include recreational users, local businesses, district councils, lifestyle and bach owners.

The CPF will be used to support promotion of WRECI at the catchment level to ensure that there is connectivity between all stakeholders with regard to the initiative. Agreement will be reached on the goals for the catchment enabling monitoring and measurement to be reported. Delivering on the goals will be a collective responsibility, facilitated by the project co-ordinator.

The total cost of the four year CPF project is \$150k. This fund does not require matched funding from either of the other partners.

5. Benefits

A number of benefits accrue as a result of the WRECI proposal, such as:

Achieving sustainable land management objectives at a faster rate. The 2004 Soil Intactness report identified 38,000 hectares of pasture land at risk of eroding. Each Ten Year Plan targets the planting of 4,500 hectares. Allowing for natural reversion and new forestry planting the treatment of 38,000 hectares is likely to take well over 60 years to complete. The WRECI initiative can potentially speed the rate of bringing this land into a sustainable land management programme by a further 3,100 hectares for each Ten Year Plan

Meeting the outcomes set out in the RPS. The draft Regional Policy Statement contains three objectives relating to soil. The key one in respect of the proposal is 'to minimise soil erosion'. The method to achieve this is through soil conservation support to protect erosion prone land with Greater Wellington as the lead authority.

Leveraging on the current works implementation The planning and works implementation programme currently undertaken by Greater Wellington achieves the protection of 4,500 hectares every ten years. The regional rate support for this work is \$4,000,000. The new initiative will protect a further 3,100 hectares over the next ten years with for an additional regional rate cost of \$2,100,000, i.e. an 70% increase in works implementation with a 50% increase in funding

Achieving co-benefits of water quality, biodiversity and flood protection While the focus of WRECI is hill country erosion control, there are additional benefits accruing as a result of the programme. Reductions in sediment will improve water quality and increase flood protection levels. The preparation of Sustainability Plans gives a very good opportunity to assist landowners with native bush protection, riparian management and the creation of carbon sinks from retired land.

6. Options and Funding Implications

This report includes amendments requested by the assessment panel. The amendments were as follows;

- Preparation of a ten year project
- Matched GW and HCE funding in each year.

- Equal funding at year 10 from the three partners

The following table summarises the proposed contribution from each of the partners over the first ten year period.

Activity	Year 1	4 Year Total	4 Year %	10 Year Total	10 Year %
HCE	\$65,000	\$525,000	39%	\$2,100,000	33.4%
GW	\$65,000	\$525,000	39%	\$2,100,000	33.4%
Landowners	\$5,000	\$297,500	22%	\$2,088,500	33.2%
Total	\$135,000	\$1,347,500		\$6,288,500	

The following table summarises the proposed contribution from Greater Wellington over the four year period.

Activity	Year 1	Year 2	Year 3	Year 4
Planning	\$40,000	\$60,000	\$60,000-	\$60,000
Works		\$26,250	\$60,000	\$93,750
Coordinator	\$25,000	\$25,000	\$37,500	\$37,500
Total	\$65,000	\$111,250	\$157,500	\$191,250

The total of \$525,000 sought from Greater Wellington is not incorporated in the 2006 – 2016 LTCCP, and would be additional to Council's current core Land Management funding commitment.

The key points for the proposal are:

- For the WRECI proposal to proceed, Council needs to commit to all four years of the programme.
- MAF has indicated that funding beyond 2011/12 is base line government funded and additional funds will be available..

The options available to Council in regards to WRECI are as follows:

- Option 1 - Decline support for the initiative.
- Option 2 - Support the application in principle, but subject to MAF support as currently proposed and GW funding through the 2009-19 LTCCP process.
- Option 3 - Support the initiative, subject to MAF support as currently proposed, and commit the necessary GW funding now.

The HCE fund has been established in direct response to significant devastating storm events in the lower North Island from 2004 to 2006. Government support for hill country erosion has been absent for 20 years. A strategic opportunity exists to make significant progress towards achieving long term sustainable land management objectives.

The Options 2 and 3 clearly take advantage of the opportunity.

Option 2 would delay the start of the project until July 2009 with this project being subject to the normal LTCCP process. MAF has confirmed that if there was to be a delay in securing the regional funding it would be prepared to ring fence

the government contribution until such time as the regional funding came through.

Option 3 would allow the project to start in July 2008. It would lock in the regional contribution outside of the LTCCP process.

At this stage the WRECI project is still subject to approval by MAF of the Stage II application. The MAF assessment panel is meeting again on 14 July to finalise funding.

7. Consideration by Committees

The Catchment Management Committee received a report in March 2008 outlining the Stage I application and noting the potential funding impact. No further reports other than a verbal update have been submitted to the Catchment Management Committee since the Stage II application was forwarded to MAF on 9 May 2008.

The Wairarapa Hill Country Advisory Committee considered the proposal at its 6 December 2007 meeting. The Committee provided comment and advice on the framework for the draft Stage I application. Details of the Stage I application were endorsed at a subsequent meeting held on 4 February 2008. Resolutions included approval in principle and the appointment of project team representatives. A letter of support for the Stage II application has subsequently been forwarded to MAF.

8. Conclusion

There is strong support from the farming community, as represented by the Hill Country Advisory Committee and Federated Farmers, for this initiative to proceed as soon as possible. If Council chooses to support the initiative it is faced with a choice of either committing the necessary funding from 2008/09 for a four period or considering the initiative as part of the 2009-19 LTCCP process.

If Council does make a commitment now, its case for MAF funding will be enhanced. As Crown funding has not been available to support this activity for about twenty years, it is important that Council takes advantage of this opportunity. Given this Crown funding opportunity and the support in the farming community, officers are recommending Option 3 as an appropriate way forward.

9. Communications

The outcome of both Council and MAF consideration of the WRECI proposal will be communicated back to landowners via Wairarapa Federated Farmers and the Wairarapa Hill Country Advisory Committee.

10. Recommendation

That Council:

- 1. Receives the report.*
- 2. Notes that this report supersedes report 08.367*
- 3. Supports in principle the WRECI proposal as outlined in this report.*

4. *Notes that the WRECI proposal requires the commitment of three partners: (Crown via MAF, Greater Wellington, and landowners) to a four year programme of work to deliver a successful sustainable land management outcome.*

Either

- 5.1 *Approves additional funding of \$525,000 for 2009/10 – 2012/13, subject to approval by MAF of the Stage II application and the 2009-19 LTCCP process, so that the WRECI can commence in 2009/10 (Option 2).*

Or

- 5.2 *Approves additional funding of \$525,000 for 2008/09 – 2011/12, subject to approval by MAF of the Stage II application, so that the WRECI can commence in 2008/09 (Option 3).*

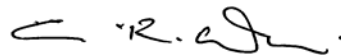
6. *Authorises the Divisional Manager, Catchment Management to enter into the necessary project funding agreement, assuming Stage II application approval.*

Report prepared by:



Dave Cameron
Manager, Land Management

Approved for submission by:



Geoff Dick
Divisional Manager, Catchment Management

- Attachment 1 – HCE Stage 2 Final Application
- Attachment 2 – Selected Catchments Map
- Attachment 3 – MAF letter – Stage 1 application consideration
- Attachment 4 – WHCAC letter of support
- Attachment 5 – Federated Farmers letter of support