



Report **04.99**
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Committee **Policy, Finance and Strategy**
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Environment Division: Proposed Business Plan 2004 - 2013

1. Purpose

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

2. Overview

The Division's budget is driven by the following:

- The Regional Policy Statement (RPS) 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 are also required to review the RPS and regional plans every ten years, as well as preparing five yearly efficiency and effectiveness reports. In 2004/05 we will be preparing technical reports on our major natural resources which will feed into a comprehensive state of the environment report in December 2005. This, in turn, will provide the basis for the RPS review. A draft RPS will be developed for public consultation in December 2006. Thereafter, the regional plans will be reviewed.
- The environmental education 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, either across the region or in one particular area, to improve environmental practices.
- 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.

Copies of the Divisional Business Plan have already been provided to Councillors and will be tabled at the meeting on 4 March 2004.

3. Environment Division Summary

The regional rate requirement for 2004/05 is as follows:

	Proposed Business Plan	Projected Budget LTCCP	Difference
	\$000's	\$000's	\$000's
2004/05	8169	7957	212

3.1 Input changes from LTCCP (2004/05 year)

There are three material increases to input costs outlined in the projected budget for 2004/05:

- Personnel costs: These have increased by \$182,000 and provide for market related salaries.
- Insurance costs: (Harbours Dept. navigation aids etc) have increased by \$106,000.
- Our share of corporate overheads has increased by \$57,000.

In addition, we face increased accommodation costs because we have rented a storage shed from CentrePort Ltd. (\$19,000) to store all equipment associated with our environment education programmes. We did not have sufficient space in the Regional Council Centre. Parking costs for our Harbours' vehicles have also increased (\$9,000).

Partially offsetting these increased costs are savings resulting from changing our supplier of laboratory services associated with the freshwater programme (\$65,000).

3.2 External influences

There are a number of external influences that have influenced the Division's 2004/05 budget:

- Port and Harbour Safety Review – Maritime Safety Authority. This review is being undertaken as a result of the recent accidents that have taken place in NZ harbours and coasts, as well as a perceived need for nationally consistent standards and common interpretation of roles and responsibilities. It is highly probable that the review will result in a requirement for us to undertake a risk assessment for our harbours and develop a harbour safety plan. These may reveal that improvements are called for. Consequently, we have allowed for the risk assessment and the development of the safety plan in the 2004/05 and increased our capital expenditure budget for the following two years.
- Insurance costs for our harbour activities have increased as a result of the recent accidents in NZ (for example, Jody F Millennium) and 9/11.
- CDEM Group – The Council is the administrative authority for the newly formed Group and is currently serving as the Emergency Management Office. Further, we are project managers for the development of the CDEM Group Plan. This has resulted in a few increased costs. In the near future the Group will decide how it is going to share costs between the constituent authorities. It is likely that such cost sharing will be applied once the CDEM Group Plan is finalised (May 2005).
- We are facing increases in licence fees for GIS.

3.3 Project changes from LTCCP (2004/05 year)

Some project costs have been amended. Budgets for certain projects have been increased as follows:

- + \$30,000 in Harbours Dept to provide for expert help in carrying out the risk assessment and harbour safety plan resulting from the Port and Harbour safety review.
- +\$35,000 in Harbours Dept for upgrade to our navigation aids at Pencarrow (\$10,000) and Somes Island (\$25,000). The Harbourmaster considers that it is prudent to carry out these upgrades, particularly in view of central government's focus on harbour safety.
- +\$15,000 in Emergency Management Dept for expert advice for required upgrades to our communication system.

In order to defray some of these increased costs, the following cuts have been made to project budgets:

- - \$5,000 for a targeted investigation into groundwater in the Kapiti area. We consider that we can achieve planned outputs with a reduced budget.
- - \$30,000 for soil monitoring. This sum was carried over from 2002/03 year to the current year and it is expected that we will be in a position to carry over a similar sum from the current year to 2004/05 year.

- - \$5,000 for marine protection. Until we have the results of our pilot study, we cannot develop a programme for this work. We consider that the remaining budget is adequate.
- - \$20,000 for plan maintenance. We do not think that anticipated plan changes are required and consider that any unplanned changes can take place within the existing budget.
- - \$10,000 for air quality expert advice. We consider that we can achieve planned outputs with a reduced budget.

3.4 Revenue changes from LTCCP (2004/05)

The following changes in revenue have been incorporated:

- +\$20,000 from the Maritime Safety Authority as part of its contribution to Harbours Department's oil spill response service.
- +\$30,000 from CentrePort Ltd. This is an increase to CentrePort Ltd's annual contribution for our forthcoming security and safety upgrades in Wellington Harbour.
- -\$10,000 from Tranz Rail. This is a reduced contribution to the operation of the wave rider buoy to recognise that the fast ferry does not operate year round.
- +\$20,000 for consent applications. The business continues to grow and therefore we anticipate higher revenue.

3.5 Reserve Draw-down

We have reviewed the amount of the reserve that we have set aside for potential legal claims. At June 2004, we anticipate the reserve to be \$271,000. We consider that \$200,000 is a prudent reserve and, therefore, have budgetted to reduce the reserve by \$70,000 in 2004/05.

4. Financial implications across the remaining eight years

Funding required is relatively flat over the period.

5. Changes to the proposed Business Plan recommended by officers

Officers are not recommending any changes to the proposed Business Plan.

6. Communication

Any communication opportunities will be dealt with as part of the overall communication of the Annual Plan.

7. 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. **approve** the proposed Business Plan for the Environment Division (including any amendments approved by the Committee) for inclusion in the Council's proposed 2004/05 Annual Plan.

Report prepared by:

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