

SLM HILL COUNTRY EROSION FUND STAGE 2 APPLICATION FORM (2007/08)



The purpose of the Stage 2 application is to provide more detail on the proposal, with a focus on: the definition of the problem; how the programme will be implemented; consideration of alternatives; the level of support and how the proposal relates to local and central government policies and rules.

The application must not exceed 15 pages.

CHECKLIST FOR SUBMITTING YOUR STAGE 2 APPLICATION

- Complete the application form.
- Attach copies of correspondence (letters or emails) from proposed co-funders acknowledging the status of any funding requested or under negotiation. Please note, funding need not be confirmed by the submission date, but evidence that discussions with potential co-funders are progressing is required.
- E-mail the application and attachments to: john.greer@maf.govt.nz by Thursday 24 April 2008. Put the Project Number and Short Title in the 'Subject' line of your email.

1. PROJECT TITLE [Maximum 10 words]
Wellington Regional Erosion Control Initiative (WRECI)

2. APPLICANT NAME
Greater Wellington Regional Council

3. CONTACT DETAILS
Contact name: David Cameron
Telephone: 06 370 5662
Fax: 06 378 2146
Email: dave.cameron@gw.govt.nz

Address:
Greater Wellington Regional Council
P.O. Box 41
Masterton

4. SLM HILL COUNTRY EROSION FUNDING REQUESTED (INC GST)

2008/09	2009/10	2010/2011	2011/2012	Total Funding
\$289,688	\$374,063	\$458,438	\$458,438	<u>\$ 1,580,625</u>
Proposed start date: 1/7/2008		Proposed end date: 30/6/2012		

5. PROJECT TEAM COMPOSITION			
Designation	Name	Organisation/job	Phone/e-mail
Project manager	David Cameron	Manager, Land Management, Greater Wellington	06 370 5662
Member 1	Peter Gawith	Farmer, Chair, Wairarapa Hill Country Advisory Committee	06 372 7743
Member 2	Emily Crofoot	Farmer, Member Wairarapa Hill Country Advisory Committee	06 372 6455
Member 3	Don Bell	Team Leader Planning Land Management Department, Greater Wellington	06 370 5641
Financial manager	Stephen Hill	Divisional Accountant, Greater Wellington	06 370 6544
Science / technology / extension providers	Lachie Grant	LandVision, Land Management Consultants	021 526 478
Others: Doug Hicks			

6. EFFECTIVENESS OF PROPOSAL

Refer to Assessment Criteria A1 in the Evaluation Framework

Clearly identify:

- o status of target land in the proposal;
- o the estimated rate of uptake over length of proposal;
- o expected implementation on the land;
- o why the proposal is a effective solution.

The targetted land is contained within five catchments (see attached plan) and isolated hotspots within the Wairarapa hill country. Landcare Research sediment modelling indicates that these catchments and isolated hotspots contain 20,000 hectares of land that generates more than 5,000 tonnes of sediement per km² per year, i.e. atotal of more than 100 million tonnes per year. This rate of sediement generation is considered high on a national scale. There is an additional 55,000 hectares in these priority catchments that produce moderate levels of sediment on an annual basis. On a regional basis the proposal will target 65% of the highly eroding land within the region.

The Land Use Capability (LUC) classes for each catchment have been analysed. 70% of the catchments contain land with the potential for moderate to severe erosion, land that is currently prioritised for farm plans under existing regionally funded programmes. This figure relates very well with that generated from the sediment discharge model and will enable a spatial map to generated for priority purposes.

A summary of each priority catchment is as follows;

Opouawe - 38.4% erodible land

Awhea - 71.4% erodible land

Flat Point - 81.3% erodible land

Whareama - 68.8% erodible land

Taueru - 78.7% erodible land

Vegetation cover has not been taken into account with this data, however a large percentage of each

catchment is actively farmed. Some of the land in these catchments will have a reverted scrub or bush cover that would provide long term protection against accelerated erosion. This is particularly so in the Opuawe catchment. Additionally some of the eroding pasture land in each of the catchments will have implemented works over the 30 years since the LUC database was released.

Existing regionally funded programmes contain a mix of Sustainability Plans and Conservation Plans. There is clear evidence since Sustainability Plans were introduced in 1998 that a significant increase in farm budgets is required for this type of work over the traditional Conservation Plans. As an example Kotu Station in the Whareama catchment has increased its annual plantings of poplar and willow poles from 150 poles per annum to 350 poles per annum. Additionally it has established 30 hectares of new forestry. Manawa station in the same catchment has similar figures since the Sustainability Plan was prepared in 2000.

Since the inception of Sustainability Plans there has been increasing demand for the product. Under current resourcing and funding provided through GW's Annual Plans only 2 or 3 Plans are prepared each year. This causes a level of frustration with landowners who are wishing to accelerate their investment in erosion control programmes. An important part of the proposal is the provision of a designated person to co-ordinate the planning aspects and the mapping and preparation of the Plans using consultants. The designated person will engage in one-on-one consultation with landowners and have an ability to leverage a works programme that will be significant in size. It will also enable landowners and GW to significantly reduce the time to achieve the long term targets of the land stability programme.

It is envisaged that the uptake over the length of the proposal will increase rates of uptake experienced over the last ten years, especially when additional external funding will leverage increased work programmes. The programme has been deliberately set at 25 new Sustainability Plans per year so that implementation and planning are well integrated to ensure maximum uptake. The existing timeframe of 2050 to complete the programme should be reduced by 20 years to 2030. The rate of implementation is difficult to predict given the vagaries of climate and farm returns. The quicker progress will be reliant on the complementary existing regionally funded programme addressing soil erosion and operating outside the five catchments and isolated hotspots. This will involve work on 100 complementary Conservation Plans.

The primary objective is to target catchments with high percentages of erosion prone land. While four of the five targeted catchments have good coverage of existing farm plans, there exist some challenges in the fifth catchment. This catchment is the coastal Glenburn/Flat Point area. A large property within this catchment presents a significant challenge for engagement. Staff will target this landowner at the beginning of the project with a view to completing the Sustainability Plan by the end of Year 2. An important link to achieving this will be information regarding the PFSI, AGS and forestry ETS options.

The HBRC study in the Pakuratahi catchment and the combined work of I McIvor/G Douglas into poplar and willow associations strongly support existing land treatments. The Soil Conservation Technical Handbook 2001 (MfE & MAF) contains a range of land stabilisation techniques using close planting of forestry species and wide spaced planting of poplars and willows in a pastoral setting.

7. MIX OF PROPOSED TOOLS

Refer to Assessment Criteria A2 in the Evaluation Framework

Identify and justify the mix of tools that are proposed for the SLM Hill Country Erosion funds.

Greater Wellington, and its predecessor the Wairarapa Catchment Board has a long history of working with private landowners on the control of soil erosion. The success of this work is based on the preparation of farm plans, the service delivery through a comprehensive advisory service, and the application of regional grants (and national grants to 1989). The cessation of national grants did slow the programme down significantly however this was offset by the increasing value placed in the advisory service. This service, which basically is a one-on-one relationships which places Greater Wellington in a very strong position to gain maximum traction with landowners under the new proposal.

Greater Wellington currently has 4 FTE's servicing farm plans throughout the Wairarapa hill country and the wider region. The majority of landowners within the five selected catchments have at some stage engaged in the farm plan process. Many have existing relationships with GW land management staff. The process of engagement is therefore relatively straightforward and only in a small number of situations will the customers be considered as 'difficult'. Other communication methods will include regular articles in the local newspapers and in GW's 'Rural Services Newsletter'. Good relationships also exist with local advisory service newsletters (Baker and Associates) and also Meat and Wool New Zealand's Regional e-letter.

There is no need to alter any provisions relating to land use in the Combined District Plan or any of GW's regional plans. The Regional Policy Statement is currently under review and will provide adequate provision for the present suite of land management activities to continue.

The content of Sustainability Plans has been developed over the last ten years. They contain information on the land resource (1:10,000 LUC survey), pasture production estimates for each LUC unit, forestry growth modelling, economic analysis of the forestry regimes, recommended work programmes in 10 year blocks, and regional grants for applicable works (fencing, planting, conservation structures, tree maintenance). Planting covers a range of species from open planted poplars and willows, conservation woodlots using *P.radiata*, eucalypts, acacias, and assisted scrub reversion. These Plans have been developed as decision support tools. The history within the Wairarapa is that they are suited to the environment and the landowners alike. GW's current ability to prepare new Sustainability Plans is limited to 2 or 3 per year. The proposal aims to complete 100 over 4 years. This will rapidly meet the needs of the five selected catchments and local hotspots. They are estimated to cost \$7,500 per Plan. While this is short of Plans prepared under the Horizons application, a proportion of the 1:10,000 LUC mapping is already in place.

The appointment an additional staff resource to manage the planning aspects of the proposal will provide clear opportunity to have a designated advocate within GW. While some of the implementation will be carried out by existing Land Management Officers, there will a key focus on the engagement, information transfer, and plan preparation by the project manager.

Using consultants to complete the mapping and preparation of the Sustainability Plans will ensure good progress is made with this project. This will also allow the newly appointed staff member and the 4 FTE's to complement the works in an integrated manner.

8. CATCHMENT(S) LEVEL - IMPACTS OF PROPOSAL

Refer to Assessment Criteria A3 in the Evaluation Framework

This proposal will result in:

- The rapid protection of erosion prone land
- A reduction of sediment discharged into waterways
- Improved water quality
- Improved biodiversity protection
- Integration of pest control
- A hill country farming community resilient to adverse climatic and economic events

Total Catchment Management (TCM) has been adopted by GW as the preferred approach to management of natural and physical resources. TCM is being advanced currently by GW and will form the framework of the upcoming LTCCP. Catchment management is not new in the Wairarapa hill country environments. Catchment Schemes have been in place in the Whareama and Awhea catchments for more than fifty years. Four other schemes exist and some of the hotspots contained within the proposal fall in these other scheme areas.

Catchment schemes are an integrated approach to the management of on-farm soil erosion, floodplain management and infrastructure protection. These schemes are administered by GW staff and use a local Advisory Committee to liaise with in relation to scheme objectives, annual works programmes and scheme rating classifications. The Awhea and Whareama Catchment Schemes have been active since the 1950's and have achieved considerable success in that time.

This proposal is built around the control of hill country erosion on a prioritised catchment approach. Priorities are determined by sediment discharges and classification of erosion prone land. There is then clear linkages between the source of the problem (erosion prone land) and the effect (sediment levels in rivers and streams). The outputs of Sustainability Plans are linked to the outcome of land treatment, which in turn is linked to the protection of community infrastructure.

Recent storm events within the Wairarapa hill country, most notably Tinui 1991 and Kaiwhata 2005 caused significant damage to individual properties (deposition, fence damage, soil loss and access disruption) siltation of waterways and community infrastructure (roads and bridges). The implementation component of the proposal is therefore a strategic approach to mitigating against further damages. Where this risk is high there will be complementary works undertaken as part of the annual catchment scheme works programme. In relation to the protection of local infrastructure this predominantly involves willow clearance, flood debris clearance and bank protection.

Control of hill country erosion will have a long term benefit on current river aggradation rates. In the Awhea catchment the monitoring of stream bed levels since the afforestation of Stoney Creek (GW owned land) indicates a significant reduction in sediment levels and therefore a reduction in risk to roads and bridges as a result of bed level rise.

9. FINANCIAL SUPPORT FOR THE PROPOSAL

Refer to Assessment Criteria A4 in the Evaluation Framework

A summary of the financial and in-kind support for the proposal is to be provided in section 15 page 16.

In this section provide any supporting commentary relating to all funding sources and in particular evidence that there is no duplication of funding.

There are three contributors to the funding of this project. They are:

1. Landowners 18%
2. Greater Wellington Regional Council 23%
3. The Government 59%

There is strong support for this project. Previously the hill farming community, in 2006, held a public meeting to voice their concern about the level of funding being applied to manage hill country erosion. Following this meeting GW has recently established the Wairarapa Hill Country Advisory Committee (WHCAC). WHCAC is an excellent forum which has established strong landowner support for the proposal. A letter of support from Peter Gawith, Chair of WHCAC is attached as part of this application. The WHCAC has been heavily involved in the strategic development of the proposal to date and continues to provide excellent support for the initiative. It clearly sees value in the partnership approach and endorses the principles contained within the application. Additional to the letter of support from WHCAC is one from the Wairarapa branch of Federated Farmers. This group initiated the public meeting to discuss the rate of progress will soil erosion programmes and have supported the development of the proposal since that time.

Sustainability Plans were introduced by GW in 1998 in an effort to increase the level of activity on properties that contained a high percentage of eroding soils. The increase in regional grant from the traditional Conservation Plan by 10% has stimulated many properties to increase their annual spend by up to 50%. Such is the partnership between GW and the hill country landowners that there exist little doubt that the support indicated by WHCAC will manifest itself into individual farmer action.

The proposal sets out some clear objectives around works implementation. In Years 2 - 4 a anadditional 25,000 polar and willow poles and 500 hectares of seedling planting (conservation woodlots) will be established. The costs associated with this work will be shared by the three partners. The Fund will contribute 40%, and GW and landowners will both contribute 35%. This cost sharing is based on a subjective assessment of benefit.

The proposal will also require in-kind contribution from both GW and the landowners. GW contribution will result from complementary work by each of the present 4 FTE's. In many cases their existing clients will receive advice and information in relation to the initiative. Additionally they will be required to brief the consultants on the characteristics of the property and accompany them on at least one visit. This will be outside of their normal activities. This is calculated to involve GW in 400 additional hours of work each year in association with the preparation of 25 Sustainability Plans (16 hours per plan @\$50 per hour).

Landowner in-kind contribution will also be associated with the preparation of Sustainability Plans. This is especially so during the initial consultation with GW staff but also during the plan development phase when various scenarios for inclusion are being discussed. Farmer interest is high as a result of ongoing relationships with GW, recent adverse events and the threat of climate change. Thus there is widespread interest in the development of new Sustainability Plans.

The AGS will be used as a complementary tool alongside the development of new Sustainability Plans. Any new plantings would allow the landowner to include them as qualifying forests under the ETS. As a grant scheme the AGS would not be applied to plantings receiving financial assistance under WRECI.

10. COMMUNITY SUPPORT FOR THE PROPOSAL

Refer to Assessment Criteria A5 in the Evaluation Framework

In this section provide:

- details of stakeholder consultation;
- evidence of support from the local authority, farmers and the wider community.

Consultation has taken place with WHCAC through all stages of the process. Support for the proposal is covered off by letters from WHCAC and Federated Farmers. WHCAC in particular will provide a forum for ongoing feedback and consultation. WHCAC includes a representative from the three Wairarapa District Councils. The demand for Sustainability Plans through the current regionally funded programmes would indicate that any programme with even higher rates of assistance will gain significant landowner support.

Greater Wellington's contribution and support is still to be finalised. The Catchment Management Committee has received a copy of the Stage 1 application, and is awaiting notification of approval before considering the regional funding component of the final application. This Committee has been supportive of the bid recognising the importance of the land management programmes to the rural community. The issue for GW is the approval of the funding in years 2, 3 and 4 of the proposal. This contribution has not been covered off in the LTCCP. This requires a meeting of full Council to consider options relating to funding.

Two options will be put before Council on 10 June 2008. Option one will be to commit to the funding for all years of the project. Option two will be to reserve the decision and allow funding consideration as part of the LTCCP process. The outcome of the LTCCP process will not be known with any surety until June 2009. This proposal in relation to the cash contribution from GW is therefore subject to Council consideration of the two options. This will occur after the final date for Stage 2 applications and after the date set aside for the MAF panel evaluation (advised as 5th June 2008). GW will notify MAF as soon as the Council decision is known.

11. ALTERNATIVE OPTIONS CONSIDERED

Refer to Assessment Criteria A6 in the Evaluation Framework

Outline the reasons for selecting the proposed methods in this application compared with other options.

Hill country erosion (soil conservation) and the powers vested in GW in relation to mitigation and control are contained in the Soil Conservation and Rivers Control Act 1941. Under this Act regional councils have a range of powers to mitigate against the effects of soil erosion. They cover the powers relating to regulation, advocacy and financial incentives. The history of the Wairarapa has been one of advocacy and financial incentives. In recent years, under the RMA, a Regional Soil Plan has been operative. It deals mainly with soil disturbance and vegetation clearance on erosion-prone land. It therefore does not deal directly with requiring erosion control measures on eroding pasture land, rather it deals with roading and tracking and vegetation clearance. By its nature it has a strong focus on forestry operations and the clearance of scrub for pasture development.

Under the status quo the protection of erosion prone land will take until 2050. This is too long to leave this class of land untreated especially with the predicted climate change scenarios of an increase in adverse events.

A stronger regulatory approach is not favoured because the existing suite of incentives and education options is working well. The effectiveness of the farm plan approach is as much about building a strong conservation ethic as it is about providing advice, education and incentives.

Financial incentives are seen as the key platform to speed up existing programmes. The value of financial incentives is supported by recent research (A McKay AgResearch). Minimum incentive levels for land stability programmes range from 25-40% according to the research findings. This indicates the cost neutral position to engage land owners in programmes that will achieve regional outcomes at a much faster rate requires a top-up of these indicative incentive rates.

Voluntary methods used in isolation are very slow to achieve desired outcomes. They rely heavily on strong economic performance by the sector and generally involve small numbers of enthusiastic landowners.

The ideal is therefore a mix of all three, with heavy focus on an incentivised programme, that incorporates strong elements of advice and education, backed up by provisions in regional plans and statutory provisions.

Sustainability Plans are the ideal mechanism for providing the incentives and ensuring a consistent advisory and education service.

12. CONSISTENCY WITH OTHER GOVERNMENT POLICIES

Refer to Assessment Criteria A7 in the Evaluation Framework

The proposal is consistent with the range of sustainable land management policies, many of which have been released under the framework of Climate Change. Outside of the Climate Change initiatives there are clearly consistencies with the Water Programme for Action and Flood Risk proposals with TCM being a central component of both programmes to achieve sustainable hill country development. While the focus is clearly on control of hill country erosion, there are added benefits of water quality, carbon sequestration, flood protection, creating a resilient community and biodiversity.

The Sustainability Plan approach enables programmes such as PFSI and ETS to be considered by landowners thereby assisting with requirements under Kyoto.

13. COSTS AND BENEFITS OF APPLICATION

Refer to Assessment Criteria A8 in the Evaluation Framework

Identify

- the costs and benefits of the application proposal;
- public and private benefits;
- beneficiaries and exacerbators.

Note: A detailed cost benefit analysis (NPV / I RR) is not required.

The proposal recognises the benefits accruing at the national, regional and local and splits the contribution in a balanced way. The public benefits (regional and national) include infrastructure protection, flood mitigation, water quality (especially recreational purposes) biodiversity and pest control.

The private (local) benefit is the creation of a sustainable farming business within the region which is important for social wellbeing and community viability. Other private(local) benefits include stabilising land for long term business resilience, protection of on-farm infrastructure (tracks, dams, fences) and resilience against adverse events such as floods and drought.

Exacerbators include adverse climatic events and the ongoing inappropriate use of highly erosion prone land for farming. Such events have the potential to require expensive remediation works

14. MILESTONES

Detailed milestones will be developed for successful applications at time of contract preparation.

No.	Description [List the major activities and outcomes of the project.]	Due Date (mm/yy)	Est. Cost (\$000)	
			SLM fund	Total
1	Appoint Project Co-ordinator - annual contribution for 4 years, appointment planned to be made by 10/08	6/12	280	400
2	Prepare 25 Sustainability Plans	6/09	187.5	187.5
3	Complete 2009 planting programme	12/09	75	250
4	Prepare 25 Sustainability Plans	6/10	187.5	187.5
5	Complete 2010 planting programme	12/10	150	500
6	Prepare 25 Sustainability Plans	6/11	187.5	187.5
7	Complete 2011 planting programme	12/11	150	500
8	Prepare 25 Sustainability Plans	6/12	187.5	187.5

15. PROJECT BUDGET – ALL FIGURES SUPPLIED MUST BE INCLUSIVE OF GST

Note: All applicants must complete the following detailed project budget table that accounts for both cash and in-kind contributions.

Note: The table on the next page is based on an *Excel* spreadsheet. To enter your figures, double click on the table. When you have completed the table, click outside of the table to return to the application form.

16. STATUS OF CASH CONTRIBUTIONS			
SOURCE	Confirmed Yes/No	Pending Yes/No	In Discussion Yes/No
Other Central Government Funds:			
Source 1: Greater Wellington - cash		Yes	
Source 2: Greater Wellington - inkind	Yes		
Source 3: Landowners		Yes	

17. APPLICATION CONFIRMATION		
Duly authorised agent of the community of interest / applicant group:	Name: David Cameron	Date: 8 May 2008
<p>By completing and submitting this application, the agent certifies and understands that:</p> <ol style="list-style-type: none"> 1. All information provided is up to date, true and correct; 2. The project is believed to be eligible for a SLM Hill Country Erosion grant; 3. If a grant is given, a contract will be entered between the Applicant/Grantee and the Crown; 4. Summary information about the application and any resulting grant (including applicant name, project title, and a précis of the proposal, its progress and results) may be made publicly available.; 5. The signatory has the authority to commit the Applicant / Grantee to this application / contract; and 6. The assessment of projects will be a subjective and relative process, and that MAF has final decision-making authority in this process. 		

Please email this application to: john.greer@maf.govt.nz by **Thursday 24 April 2008**, together with:

- Confirmation of cash / in-kind support, or its stage in negotiation; and
- List of any references for further information.

No other attachments will be considered, nor will applications be accepted if received after this date.

For any further queries please phone 03 943 1706.