

Activity Planning -2012-2022 Ten Year Plan Safeguarding the Environment - Land Drainage

The main matter that the Council is being asked to consider is....

- What will Council's ongoing role (if any) be in the Land Drainage activity.

1. Council direction

The direction provided to staff by the Council in December 2010 was to:

- Retain existing levels of service
- Explore options to exit or consider alternative delivery of this activity.

2. What the activity does

The Land Drainage Activity is specific only to the three Land Drainage Committee areas, south of Thames (Kopu, Matatoki and Wharepoa). All other areas are covered under the Stormwater Activity.

Council's role for this activity is an administrative role involving the collection of rates revenue and distributing funds back to works recommended by the Drainage Committees.

It should be noted that no works are carried out directly by Council in this activity. (Council largely issues works orders to contractors or suppliers on the basis recommendations of Drainage Committees)

3. What the legislations says

Land Drainage Committees (formerly Drainage Committees) were set up in predominately rural communities under the provisions of the Land Drainage Act 1908, and Section 442 of the Local Government Act 1974 (both pieces of legislation have now been repealed under Section 266 of the Local Government Act 2002).

There is no longer any legislative requirement for land drainage committees. Council's involvement at the moment is limited to an administrative role involving the collection of revenue and ensuring these funds are distributed back to the three Drainage Committees just south of Thames (Kopu, Matatoki and Wharepoa).

4. Proposed activity objective

The proposed activity objective for the Land Drainage activity is:

To safeguard the environment, including land and buildings, through the provision and maintenance of an effective and efficient drainage system in the geographic districts included in the schemes.

NB: This is the same objective stated in the 2009-2019 Ten Year Plan.

5. How this activity currently would contribute to the Council Outcomes

The activity will contribute to the achievement of the Council Outcomes as follows:

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Council Outcome	The Land Drainage activity...
A prosperous district	<ul style="list-style-type: none"> Helps create an environment that enables our economy to grow by avoiding reduced productivity of agricultural land at risk of flooding.
A liveable district	<ul style="list-style-type: none"> Encourages community responsibility through promoting good land management practices.
A clean and green district	<ul style="list-style-type: none"> Helps provide protection for our unique environment by improved catchment management and flood prevention.

6. Things to be aware of

- There is a level of concern that the rural areas in the last few decades have generated changes to the original gazetted areas with some properties being rated, but with questionable benefit, and other properties do receive a benefit and are not rated.
- Considering a more independent approach to management it would seem advantageous both in cost and management that Waikato Regional Council, who already hold responsibility for the Waihou outlet of the drainage system, to include the management of these three drainage areas as well. While the operation might incur a greater maintenance cost of the drainage systems, this would be partly offset by the reduction of the TCDC overheads and an overall holistic approach to flood management.
- The Council does not physically clear the drains but relies on Land Drainage Committee(s) advising what is needed and arranging the work. The Council's role is administrative. Council staff have little control on how much or what the money is spent as the land drainage committees organise and authorise contractors to do the work independently of the Council.
- The Kopu system could be incorporated into the Kopu stormwater system. It could be prudent to carry out a cost/benefit analysis to see how much this would cost.
- The Council does not own or control any of the drainage assets utilised in this function, as the drains are in common ownership on private land.

7. A word from our community....

The impact of development and other factors changing over time is demonstrated by the divergent positions taken by two drainage committees. Whereas both the Kopu and Matatoki Committees both object to the high overhead cost of the activity, the Matatoki Committee appears informally support the 'status quo' as 'it works for them' whereas the Kopu Committee advocates the Council exits the activity as development has overtaken the need for an essentially rural land drainage activity.

8. Strengths, weakness, opportunities and threats

- A weakness is the cost to administer such a small activity attracts large overhead allocations. Over half the amount rated goes into overheads. This means that the activity is relatively high-cost in relation to the work carried out.
- The Council does not provide the drainage clearance service directly. This is often organised by the Land Drainage Committee and Council merely collects the rate and pays the bills. If the Land Drainage Committees stopped identifying

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maintenance needs and organising the clearing of the drains, this could exacerbate the potential for flooding.

- A weakness is the possibility that some land drainage ratepayers may be paying twice for a similar service e.g. ratepayers in the Kopu area paying for both stormwater and land drainage, while other properties receive a benefit without being rated for it.
- There is a risk that if Council did not target rate for the three areas, adequate funding may not be available from affected land owners. If the land owners didn't have sufficient funds, and the drains were not cleared regularly, there would be the potential risk of flooding.
- There are opportunities to:
 - Extend existing 'stormwater' activities to include land drainage areas (and cease 'land drainage' as an activity);
 - Incorporate the land drainage activity into the stormwater activity at Kopu; or
 - Have the rural land drainage systems integrated into the Waikato Regional Council schemes.

9. Proposed levels of service options

The following options are proposed regarding Council's future involvement in the Land Drainage activity:

Option 1: Maintain existing levels of service

This means...

- Land drainage schemes are run by three drainage committees in Kopu, Matatoki and Wharepoa funded by targeted rates. Drains are maintained so they work effectively and prevent flooding.
- The Council acts in an administrative role with the various committees actually organising and authorising work on the drains – if for any reason this work does not occur there is risk of flooding.

Option 2: A Mixed Approach

This means...

- Transfer Kopu scheme into TCDC Stormwater Activity. Exit the other two schemes.

The benefits of this option are:

- Kopu ratepayers are not being charged twice for the same activity (i.e. once through a targeted rate and once through general for stormwater)
- This would reduce tension about Council overhead costs in the activity.
- There would be a saving in administration cost relating to Kopu being incorporated into Stormwater activity.

The concerns associated with this options are:

- The Kopu drainage committee may resist change – fear of the unknown, plus a loss of control over mitigating flood measures on their own land.
- Extent of work involved in terms of including the management of the system under the Stormwater activity has yet to be quantified.

Option 3: Transfer all three schemes into TCDC Stormwater Activity

This means...

Incorporating all three schemes into TCDC Stormwater Activity

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The benefits of this option are:

- Kopu ratepayers are not being charged twice for the same activity i.e. once through a targeted rate and once through general for Stormwater.
- Overhead costs associated with administering the activity would reduce. This would reduce tension about Council overhead costs in the activity.

The concerns associated with this option are:

- Drainage committees may resist change – fear of the unknown, plus a loss of control over mitigating flood measures on their own land.
- Extent of work involved in terms of including the management of the system under the Stormwater activity has yet to be quantified.

Option 4: Transfer to Waikato Regional Council

This means...

- Transfer all three schemes into Waikato Regional Council land drainage schemes

The benefits of this option are:

- Drainage scheme ratepayers are not being charged twice for the same activity (i.e. once through a targeted rate and once through general for Stormwater)
- Council would no longer be involved in the activity therefore overhead costs associated with administering the activity would disappear. This would reduce tension about Council overhead costs with the drainage scheme ratepayers.
- Cost saving of approximately \$18,000 excluding overhead per annum to Council.

The concerns associated with the option are:

- Drainage committees may resist change – fear of the unknown, plus a loss of control over mitigating flood measures on their own land.
- Extent of work involved in transferring the schemes has yet to be quantified.
- Regional Council's acceptance of the transfer has yet to be explored.

Option 5: Council Exits the Activity

This means...

- Drainage scheme ratepayers manage the activity separate from Council (i.e. through a self-governing body corporate).

The benefits of this option are:

- Overhead savings for ratepayers
- Community ownership and empowerment.

The concerns associated with the option are:

- Drainage committees may resist change –fear of the unknown
- Council may have to lead the way in terms of guiding the transition to a new governing body. This would mean a level of resourcing would be required initially, but then this would disappear.
- Suitable governing body for the schemes has yet to be determined.

There would be minor resourcing to guide the transition, then no further cost to the Council. Potential saving of approximately \$18,000 excluding overhead per annum.

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10. How is this activity managed?

Council's role for this activity is an administrative role involving the collection of rates revenue and distributing funds back to the Drainage Committees. This administrative function is managed by staff.

11. What do we currently spend on this activity?

As a proportion of Council's annual budget for the 2011/2012 year, the Land Drainage activity represents approximately 0.07% of total spend.

2011/2012 Draft Annual Plan	
Operating Expenditure (excluding internal interest cost)	\$0.07m
Capital Expenditure	n/a
Total budgeted spend for Land Drainage for 2011/2012	\$0.07m
Total Budgeted spend for Council for 2011/2012	\$100.97m
Total percentage of budget spent on Land Drainage	0.07%
2009-2019 Ten Year Plan	
Operating Expenditure (excluding internal interest cost)	\$0.55m
Capital Expenditure	n/a
Total budgeted spend for Land Drainage for 10 years	\$0.55m
Total Budgeted spend for Council for 10 years	\$1,295.64m
Total percentage of budget spent on Land Drainage	0.04%

12. How this activity is funded, and why

The Land Drainage activity is currently funded as follows:

Funding rationale summary as outlined in the 2009-2019 Ten Year Plan

As the schemes are very much localised and small in nature it is difficult to see how they provide benefits District-wide. The benefits of these schemes relate specifically to the local communities they are provided for.

The funding mechanisms used to fund operating expenditure are:

General Rates	UAGC	Targeted Rates	Fees & Charges	Grants & Subsidies
		20-39% Land value by area of benefit - 80-100%		

There is no capital expenditure associated with the Land Drainage activity.

Staff recommend no changes to the funding policy used for this activity, however, this will likely be modified depending on the option pursued by the Council.

13. Staff recommendation

- Staff recommend option 2, a mixed approach, where by the Kopu scheme is transferred into the Council's Stormwater Activity and the Council withdraws its involvement in the other two schemes.
- With regards to funding for the Land Drainage activity staff recommend no changes to the funding policy used for this activity, however, this will likely be modified depending on the option pursued by the Council.