



SUSTAINABLE LAND USE INITIATIVE (SLUI)

1. OVERVIEW

- 1.1.1 The purpose of this report is to update Council on the Sustainable Land Use Initiative activities carried out under the Annual Plan, Ministry for Primary Industries (MPI) contract, and Operational Plan for the period 1 July to 15 August of the (current) 2019-20 financial year. The report is presented in four sections:
1. Activity over the last reporting period and upcoming activity;
 2. Report on progress against the Annual Plan, contract and Operational Plan outputs;
 3. Whole Farm Plan production and activity; and
 4. Work completed life-to-date, year-to-date and against targets.
- 1.1.2 The Annual Plan and contract targets are agreed, with the latest MPI contract signed in August 2019. This commits MPI funding of \$6.4 million over four years until 30 June 2023. The overall budget for this programme exceeds \$30 million, consisting of funding from Horizons, MPI and landowners.
- 1.1.3 Operational Plan targets for 2019-20 have yet to be approved. The Land Management activities link to the Council's Long-term Plan 2018-28 and to the non-regulatory methods of the One Plan (Chapter 5, Policies 5-1 and 5-5).
- 1.1.4 Land Management activities under this report relate only to the Sustainable Land Use Initiative, which has a focus on treating hill country erosion in order to reduce the amount of sediment entering the region's waterways. The programme uses Whole Farm Plans and land resource mapping to identify work areas. Works are then implemented in an incentive programme with individual landowners. Priority works are targeted and the rate of incentive is greater where top priority land will be treated.

2 ACTIVITY

2.1 ACTIVITY DURING LAST REPORTING PERIOD

- 2.1.1 The winter period has been relatively mild. July was unseasonably warm and dry, but August has seen a return to more normal rainfall patterns.
- 2.1.2 June, July and August is traditionally a busy time for land staff. This time is spent coordinating planting programmes including afforestation and space planting. Poplar and willow pole distribution began in June and continued through to early August. Poles are delivered to farmers or available for pick-up from depots. Staff provided advice, coordinated contractors and demonstrated pole sighting and planting techniques.
- 2.1.3 Access onto properties has been good and tree planting activities have proceeded to plan.
- 2.1.4 As part of the Provincial Growth Fund project, 20 forestry appraisals were prepared in the last financial year. Staff have continued to follow up with landowners around the outcomes and potential for afforestation projects. Landowners of 11 of the 20 forestry appraisals prepared (55 per cent) have indicated they are proceeding, or likely to proceed, with forestry planting.
- 2.1.5 Claims have continued to be processed for work programmes (jobs) that were not completed by the end of June 2019.
- 2.1.6 A number of new jobs have been added to the grant allocation process for 2019-20 works, and numbers will continue to increase as staff move from pole delivery to farm visits.

2.2 ACTIVITY OVER THE NEXT THREE MONTHS (AUGUST–OCTOBER)

- 2.2.1 Over the next three months (August–October), staff will:
- Continue to complete claims for fencing programmes;
 - Deliver any remaining WFPs from 2018-19 and discuss work programmes with landowners;
 - Implement the new MPI Hill Country Erosion Fund (HCEF) contract;
 - Complete the procurement process for WFP mapping as the current contract has now expired;
 - Complete follow-up visits with landowners who received forestry appraisals, discuss issues and formulate planting plans for next winter if required; and
 - Complete poplar pole planting.
- 2.2.2 There will be fewer on-farm inspections undertaken over this period as lambing will be in full swing.

3 REPORT ON PROGRESS

3.1 ANNUAL PLAN AND CONTRACT TARGETS (2019-20)

3.1.1 The Annual Plan and HCEF contract targets for 2019-20 are shown in Table 1 below.

Table 1: Annual Plan and HCEF contract targets 2019-20

MEASURE	ANNUAL PLAN	HCEF CONTRACT	TARGET	YTD	PREDICTED RESULT
Erosion reduction works programmes in targeted SLUI catchments (ha)	3,100	3,440	3,440	41	
Whole Farm Plan properties mapped per year (ha)	20,000	22,500	22,500	na	
Farm or paddock assessments mapped per year (ha)	-	1,000	1,000	na	
Case study completed (number)	-	1	1	0	
Feasibility reports (number)	-	6	6	0	

3.1.2 The breakdown of erosion reduction work targets by work type for 2019-20 is shown in Section 5.2.

3.1.3 The Operational Plan targets have yet to be approved. They may be modified from these targets in later reports.

Table 2: Operational Plan targets 2019-20

Contract Management
<ul style="list-style-type: none"> ▪ Complete milestone reports to Te Uru Rakau as contracted. Reports due in November, March, May and June. ▪ Provide shape files to Te Uru Rakau. ▪ Invoice Te Uru Rakau upon satisfactory completion of targets.
Farm Plans
<ul style="list-style-type: none"> ▪ Increase targeting of new farm plans and works (within catchments and within farms) to improve erosion control effectiveness, targeting "top" and "high" priority land. ▪ Implement new tools including SLUI whole farm maps (WFM) and SLUI paddock maps (PM) to improve flexibility when targeting priority land and widen the pool of land available to SLUI funding. ▪ Recognise Whanganui Catchment Strategy Plans as SLUI Plans and utilise SLUI funding on these farms, allowing more works to be funded. This will bring 40 farms and 22,000 ha into the SLUI programme. ▪ Maintain high level of active plans through periodic reviews and customer contact.
Grant Administration
<ul style="list-style-type: none"> ▪ Implement new SLUI limits on funding for whole farm afforestation as approved by Council in June 2019. ▪ Implement reclassification changes of some hill country riparian fencing projects to retirement projects, clarifying grant rates for the different types of plan (Whole Farm Plan, SLUI Whole Farm Map or SLUI Paddock Map). ▪ Implement new work programmes for lifecycle management of poplars and willows on farm, including grants for poplar pruning and removal of "old man poplars". These programmes will be carried out within a set funding limit. ▪ Review and increase auditing of works to deliver on contract targets and proof of establishment. Supply an annual report on this work. ▪ Assist with landowner applications to the One Billion Trees (1BT) programme where they align with the goals of the SLUI programme. Look for complementary funding with 1BT and SLUI. ▪ Monitor grant programme for effective delivery and targeting, provide feedback to staff and council and look for continuous improvement.
Information Management and Forest Management Systems
<ul style="list-style-type: none"> ▪ Upgrade information management to improve reporting processes and connectivity between the various sources of information in the programme, such as field information, SLUI database, financial reporting and Council/contract reporting and compliance. ▪ Maintain the work programme within the Joint Venture forests. ▪ Complete annual audit and valuation of Joint Venture forests. ▪ Effective management of SLUI reserves. ▪ Effective contractor management, including mapping contractors (let a new four year contract for WFP mapping).
Advice Services
<ul style="list-style-type: none"> ▪ Increase provision of advice for forestry appraisals to ensure environmental requirements of right tree, right place. ▪ Promote best practice in forestry to minimise environmental concerns. ▪ Complete case studies and support the compliance function around forestry management (National Environmental Standard for Plantation forestry, forestry harvesting etc). ▪ Increase alignment with other Natural Resources and Partnerships (NRP) teams to deliver on integrated catchment management outcomes. This will include alignment with biodiversity and biosecurity (weed and pest) functions.

4 WHOLE FARM PLAN (WFP) PRODUCTION

4.1.1 WFPs are a tool for bringing new land into the programme and for allocating grants to the various land types (priority land). An important part of maintaining the momentum of SLUI is the ability to bring new farms, new land and new work into the programme. This table shows the plans completed in SLUI's life-to-date (LTD) and progress with bringing new plans on board.

Table 3: WFP production (life-to-date)

No. of Plans	Hectares	Comments
745	552,067	WFPs completed in SLUI to 30 June 2019
5	1,139	Less plans completed but not yet delivered to landowners (from 2018-19)
0	0	Plus plans completed in 2019-20 and delivered to landowners
740	550,928	Equals landowners/hectares able to be engaged in SLUI WFP implementation
6	3,356	Plans/ha mapped in 2019-20 but yet to be delivered to landowners (overflow plans from last year)
8	2,732	Plans allocated to contractor for 2019-20, yet to be mapped
14	8,683	Landowners committed to a plan and on the list for 2019-20 yet to be allocated

4.1.2 Of the 45 plans completed last year, 40 have been delivered to landowners and, at this stage, 17 have agreed to a work programme. This number will rise as staff move from pole delivery to contacting landowners about work programmes.

4.1.3 There are 8 plans allocated to the contractor in 2019-20. The tender process for Whole Farm Plan production is underway.

4.1.4 There are 12 plans totaling 6,258 ha with documentation returned. These plans will be the first allocated to the 2019-20 programme.

4.1.5 We are awaiting the return of information/documents from a further 40 farms and more than 23,000 ha. Those still with paperwork outstanding have been prioritised by: having existing plans; being on top and high priority land, and the Oroua Catchment; and the likelihood of doing works.

4.2 WHOLE FARM PLAN IMPLEMENTATION (2019-20)

4.2.1 The implementation rate of WFPs provides a measure of uptake of work during the year. The number of landowners in a position to undertake works, the amount of work completed to date, and the projections for work this year are shown in Table 4.

Table 4: WFP implementation (current year to date 2019-20)

No. of Plans	Hectares	Comments
740	550,928	Plans completed by 30 June 2019 have been delivered and the landowners have had time to consider and start their works programmes this year (see Table 1)
6	41	Work completed and claimed through the grant process (6 claims)
-	1,093	Indicative commitment to works 2019-20 (329 claims)

4.2.2 Six jobs have been completed and entered into the system and a further six are waiting processing. These jobs are predominantly fencing projects rolling over from the last financial year.

4.2.3 At this stage there are 329 jobs in the system totaling 1,093 ha of works. This will increase as staff contact landowners and confirm their work programmes.

4.2.4 The estimated number of plans with works being carried out and hectares of work to be completed will change throughout the year as staff are in contact with farmers to keep up to date on progress.

4.3 WHOLE FARM PLAN ACTIVITY

4.3.1 While contract targets focus on the number of plans completed, the activity of individual plans is another measure of SLUI activity. The number of plans active in any one year can and does change. Table 5 tracks the number of plans that have had no activity at all in terms of implementation of grant works. This measure is complicated by new plans coming into the programme during the year.

Table 5: WFP activity (life-to-date)

No. of Plans	Hectares	Comments
740	550,928	Landowners able to be engaged in SLUI WFP implementation (see Table 3)
620	37,292	Active plans completed; 3,627 individual claims or an average of 5.85 claims per plan

4.3.2 At the time of this report there are 620 active plans involved in the work programme (Table 5) and this is increasing as more plans are completed and previously inactive plans have works carried out. There were 540 active plans at 30 June 2017 and 620 in June 2019.

4.3.3 The ratio of active to inactive plans has improved considerably. In 2010 there was approximately one active plan to one inactive plan, but by the end of June 2018 this had improved to more than four active plans for every inactive plan. At the end of June 2019 there were nearly five active plans for every inactive plan.

4.3.4 In the early part of every financial year we expect a slight rise in the number of inactive plans as the new plans are delivered and there is a lag before the work programmes commence.

Table 6: Trend of active vs. inactive plans over the life of SLUI

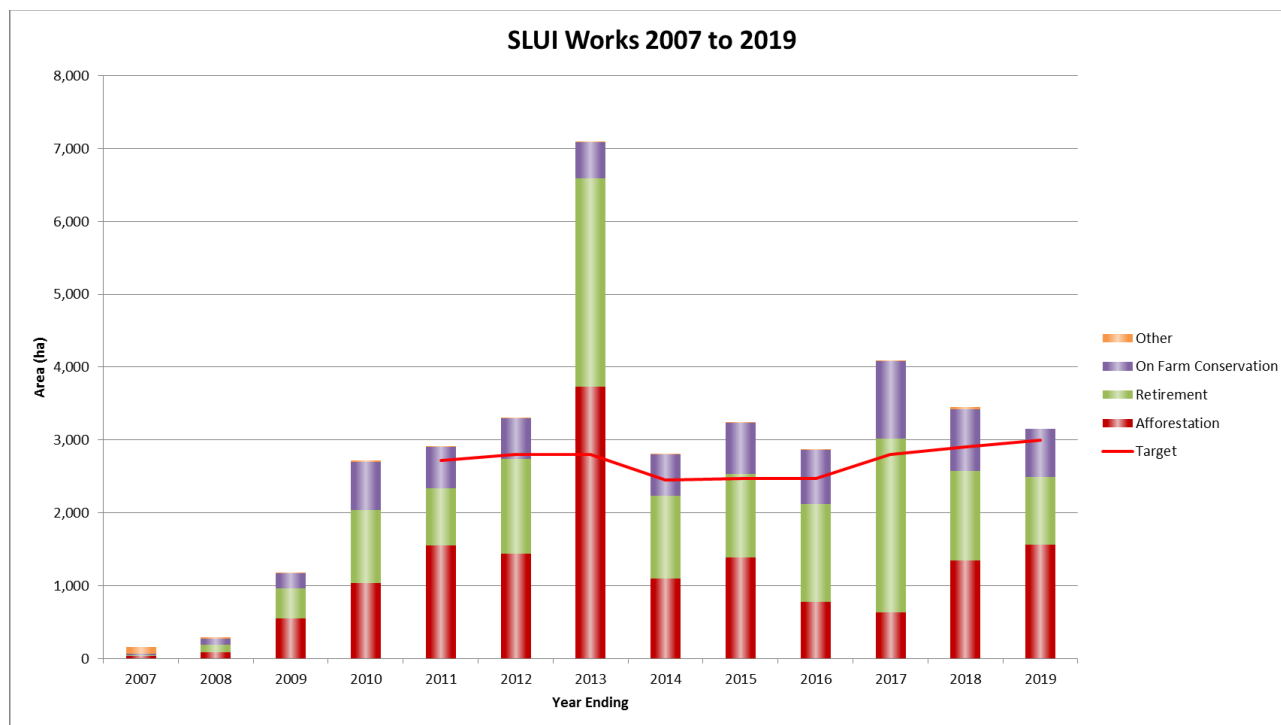
Age of Plan	Total Plans	Active	Inactive	% Active
<2 years	38	13	25	34%
2-5 years	109	82	27	75%
>5 years	599	525	74	88%
Total	746	620	126	83%

- 4.3.5 The data in Table 6 (620 active plans) shows 23 newly active plans since the last report to the Catchment Operations Committee.
- 4.3.6 There are 25 inactive plans that are less than two years old. This includes the plans completed in 2018-19. We would expect the majority of these plans to become active over the next 12 months.
- 4.3.7 The continuing trend is for one to two plans older than two years to go from inactive to active every two months.

5 WORK COMPLETED

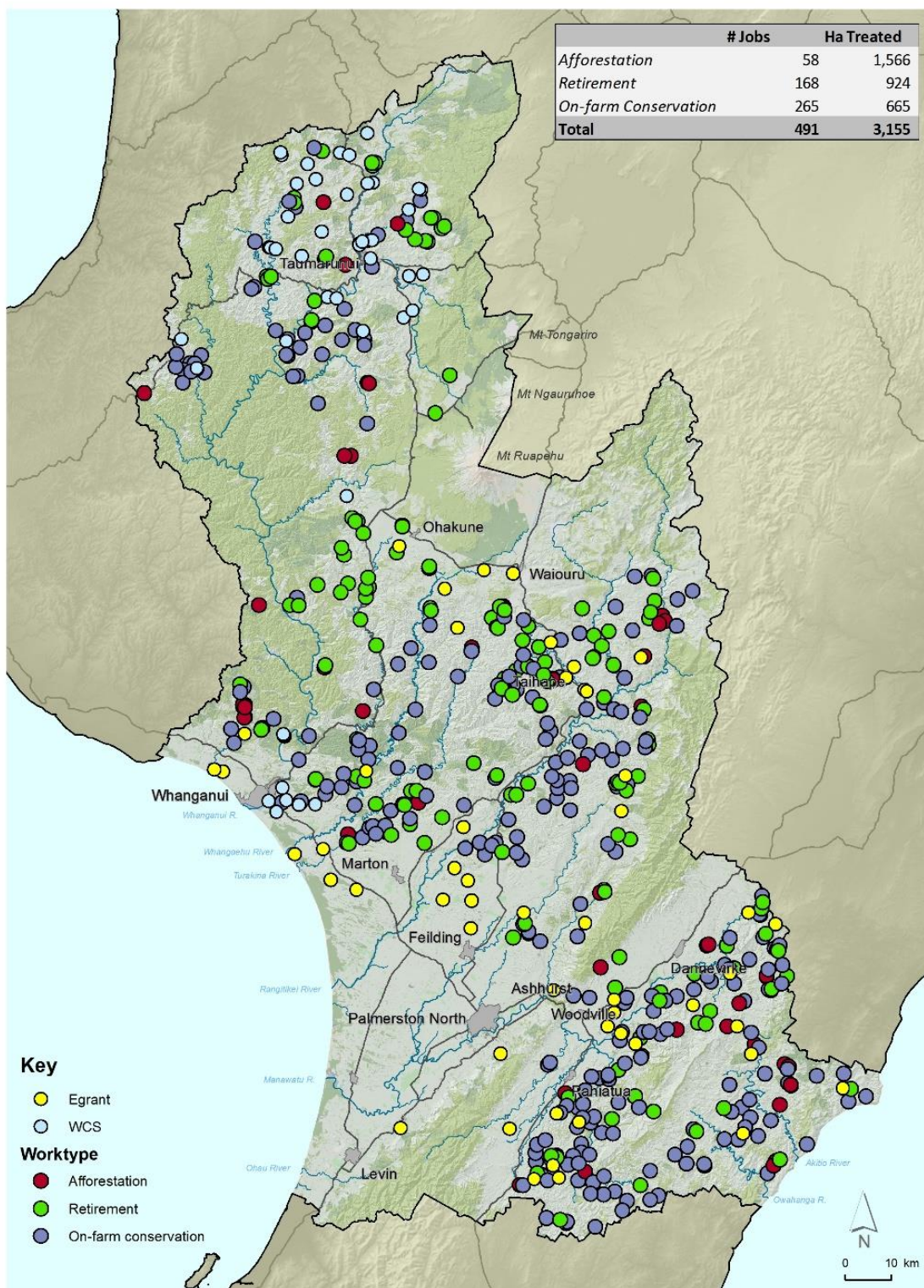
5.1 SLUI LIFE-TO-DATE

Graph 1: SLUI works completed by work type during the life of the programme against annual contract targets (red line)



- 5.1.1 Each year since 2010 the contract target for hectares of works completed has been exceeded.
- 5.1.2 The amount of work completed was relatively stable from 2010 to 2016. However, 2013 was an exceptional year with 3,224 ha of afforestation. This was due to uptake of the Afforestation Grant Scheme and retirement projects in association with Ngā Whenua Rāhui.
- 5.1.3 The 2017-18 year was the third largest work year largely due to an increase in the afforestation category with an increase in mānuka planted.
- 5.1.4 Up until June 2019 afforestation (red) made up approximately 41 per cent (15,268 ha) of the work completed and retirement/riparian retirement (green) was 39 per cent (14,641 ha). These two work types account for the bulk of the hectares of work completed during the life of the programme.
- 5.1.5 The on-farm conservation (purple) is predominantly space planting and gully planting with poles but also includes structures and earthworks. It makes up 19 per cent (7,208 ha) of the work by area to 30 June 2019. In total, the programme has planted more than 218,000 poplars with 28,414 ha planted in 2018-19. We expect to exceed that number this year with more than 30,000 poles allocated.
- 5.1.6 Overall work completed in 2018-19 was ahead of target but slightly less in hectares than the previous year. Despite this more jobs were completed with 480 SLUI jobs completed in 2018-19 compared to 437 the year before. The higher jobs completed but lower hectares covered is likely to be due to the larger number of space planting projects completed.

Map 1: Location of all grant works completed and claimed from 1 July 2018 to 30 June 2019



2019 Worktype Locations

Map prepared by W McKay, NRP Group on 23/05/2019

5.2 YEAR-TO-DATE ACHIEVEMENTS

5.2.1 Table 7 shows the types of works completed and claimed this financial year.

Table 7: Works year-to-date (completed and claimed, by grant amount and land priority)

Work Type	2019-20				Priority Land Type (ha)			
	Claims	Farms	Grant \$	Total ha	Not Erodible	Erodible	High Priority	Top Priority
Afforestation	2	2	12,185	23	-	-	-	-
Retirement	4	4	27,191	16	-	-	-	-
Riparian Retirement	3	3	8,401	1	-	-	-	-
Wetland Retirement	1	1	8,652	1	-	-	-	-
Managed Retirement	-	-	-	-	-	-	-	-
Space Planting	-	-	-	-	-	-	-	-
Gully Planting	-	-	-	-	-	-	-	-
Structures and Earth	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	10	10	56,430	41	-	-	-	-

5.2.2 Forty-one hectares of works have been completed, claimed and processed this financial year.

5.2.3 There are another six jobs awaiting processing. Four of these are fencing projects.



Photo 1: Recently completed retirement fence; originally planned for completion last financial year. Photo courtesy of Libby Owen

5.3 FORECAST VS ACTUAL (TARGETS VS ACTUAL BY WORK TYPE)

5.3.1 Table 8 shows the forecast figures against target for 2019-20. The work programme is fluid and changes throughout the year. Some of the changes are due to postponements or cancellations and some are due to new plans coming on stream and bringing in new work programmes.

Table 8: Proposed work 2018-19 (contract vs forecast vs actual) and difference between forecast and contract

Work Type	Contract Target Ha	Forecast Ha	Actual Ha	Dif Ha	Dif %	Target \$ x1,000	Forecast \$ x 1,000	Actual \$ X 1,000	Dif. \$ X 1,000
Afforestation	1,460	642				1,097	241		
Retirement	850	191				426	151		
Riparian Retirement ^{*A}	220	102				358	275		
Managed Retirement	90	23				26	23		
Space Planting and Gully Planting	810	119				340	38		
Structures/Earthworks	10	16				30	50		
Other (inc. blank)	-					60			
Total	3,440	1,093				2,337	778		

*A – includes wetland

5.3.2 At this stage proposed works are yet to be fully allocated. Staff will follow up with landowners once pole planting season is completed in order to finalise work programmes.

5.3.3 The afforestation and retirement programmes are uncertain at this stage. A number of landowners have been encouraged to make applications to the One Billion Trees programme, and many are still awaiting the outcome of their application. For some they have not planted and may end up not planting this winter. For others who were committed to works having ordered trees or contractors, if they are not successful in their application to the One Billion Trees programme, they may turn to SLUI for support.

5.3.4 Pole supply is down this year. This is a result of lower production from Woodville nursery during nursery infrastructure works. There is no forecast excess supply from our neighbouring councils as they commit their poles to their own landowners.