

Soil Conservation Service Division Report

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59



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The Soil Conservation Service Division (SCS) is a soil conservation and environmental consulting business within the Department of Lands (Lands) specialising in environmental protection, rehabilitation and land management services to both rural and urban clients. SCS offers competitive and cost effective services and consultancy to land users for the assessment, development, implementation and promotion of best practice land and water use systems. Maintenance of state government assets on behalf of other government entities are also undertaken by SCS.

Aims and objectives

- Provide a cost-effective conservation earthmoving service to protect and conserve the soil and water resource of NSW.
- Set the industry standard for conservation earthworks design and construction.
- Provide a specialist consulting service in environmental protection, resource planning and assessment, environmental engineering and training in soil and water conservation.
- Assist Lands to meet its objective of managing the natural resource of NSW in a sustainable manner.

Services

Conservation Earthworks (Works)

Through its plant hire scheme Works, SCS offers a cost competitive earthmoving service to design and implement soil and water conservation earthworks, setting the industry standard for quality. Services include:

- extensive conservation broadacre banking and waterway systems used to contain and divert runoff to

stable disposal areas. These works complement conservation farming practices such as reduced and no-tillage to provide effective control of sheet, rill and gully erosion

- conservation earthworks include dams, catch banks, waterways, contour banks and integrated watershed soil and water conservation schemes to harvest and store water for domestic use
- grade reducing structures, gully head control, shaping and filling to stabilise actively eroding flow lines
- mine restoration works, access tracks, poly pipe laying, sand dune shaping and other specialist works
- specialist works, such as concrete or rock lined chutes, pipe installation and revegetation.

Projects are undertaken on either a fixed fee or hourly rate basis. Subcontractors are often engaged to assist with the provision of specialist equipment such as excavators, scrapers and rollers.

Soil Consulting (Consult)

Consultancy and contracting services are offered on a fully commercial basis in a broad range of areas associated with environmental protection, rehabilitation and education. Many of the consultancies undertaken involve the works teams and enable SCS to offer clients a complete package from planning, designing and layout through to final implementation. The work is founded on a thorough understanding of what is practical and cost effective and at all times is concerned with the protection of the environment. These practical skills and knowledge have also been packaged to provide well recognised training programs to the construction industry.

Services offered have expanded and include the following areas:

- project management, rehabilitation and revegetation of degraded areas
- resource planning and assessment
- soil surveying and landscape mapping
- soil and water testing services
- catchment and property planning
- erosion and sediment control on infrastructure developments
- design and construction of soil and water conservation works
- groundwater mapping and salinity control
- flood detention basins, drainage works and artificial wetlands
- training in urban erosion and sediment control, access track construction and rehabilitation techniques
- coastal dune stabilisation and beach reclamation.

Consult services are supported by National Association of Testing Authorities (NATA) registered soil and water testing laboratory at Scone and a hydroseeder/hydromulcher unit at Bathurst.

Operations

Services included under this category relate to maintenance of NSW State Government assets on behalf of other government entities on a full cost recovery basis.

- Riverworks – includes maintenance of assets constructed for flood mitigation and prevention under the *Hunter Valley Flood Mitigation Act 1956*. Under Memorandums of Understanding, SCS is offered the work in this program as well as that involved in the construction of new flood mitigation works funded from the Natural Disasters Relief Fund, for repairs to assets damaged

by flooding. Works in the Upper Hunter are funded through the Hunter Central Rivers Catchment Management Authority. Funding for the maintenance of assets in the Lower Hunter continue to remain with the Department of Environment and Climate Change. This group also tenders for river type projects on a commercial basis as resources permit.

- Great North Walk - established in the 1988 bicentennial year as a 250 kilometre walking track from Sydney to Newcastle. The route includes Sydney Harbour, Lake Macquarie and the Newcastle coastline. The walk is managed by SCS with cooperation and assistance of Forests NSW, Department of Environment and Climate Change (DECC) and 14 local councils. The physical on-ground maintenance works are undertaken by divisional staff.
- Dam Foreshores - SCS is currently responsible for operational management of the dam foreshores at Glenbawn, Glennies Creek, Lostock, Split Rock, Chaffey, Keepit and Copeton Dams. These 50,000 hectares are managed in accordance with management plans, ensuring their continued long-term stability and environmental protection. SCS staff are engaged in pest and weed control, asset maintenance, fire control and agistment management on a full recovery cost basis on behalf of NSW State Water.

Customers

SCS clients include the landholders of NSW (primarily farmers and graziers), government agencies that include Catchment Management Authorities (CMAs), Department of Primary Industries – Mineral Resources, Sydney Catchment Authority, Roads

and Traffic Authority, DECC - Parks & Wildlife Division, Telstra, TransGrid, local government, conservation groups and commercial companies. (see Table 1 for customer breakdown)

Principal officers

Paul Jones, General Manager BEng (civil), Certified Professional Erosion and Sediment Control (CPESC)

Garry Chapman, Area Manager Northern, DipAgr, CPESC

Michael Fletcher, Area Manager Eastern, DipAgr, CPESC

Col Adams, Area Manager Central, DipAgr, CPESC

Guy Van Owen, Area Manager, Southern, BSc (Hons) MSc, DipAgr, CPESC

Aims and objectives for 2006/07

- Provision of a range of practical environmental services to work with agencies in the implementation of the NSW Government's State Plan, in particular Environment for Living priorities:
 - E1: A secure and sustainable water supply for all users
 - E4: Better outcomes for native vegetation, biodiversity, land, rivers and coastal waterways
 - to a lesser extent priorities:
 - E2: A reliable electricity supply with increased use of renewable energy
 - E8: More people using parks, sporting and recreation facilities, and participating in the arts and cultural activity

- To develop a broader commercial recognition of the SCS through contract and partnering agreements with government agencies.
- Develop strong working relationships with CMAs to assist in their catchment plans, particularly in the area of degraded land management and rehabilitation.
- Work closely with Crown Lands Division in the program areas of fire trail maintenance, bushfire hazard reduction and minor dams project management.
- Through the business planning process demonstrate to Treasury the viability and need of an ongoing plant replacement program. Decrease operational costs and increase revenues to improve financial viability and demonstrate SCS's commitment to stated business plan financial targets.
- Monitor customer satisfaction and continue ongoing review of SCS's quality management system to ISO9001:2000. Increase the number of external accredited offices.
- In recognition of SCS's age profile, identify and fill key staff positions ensuring mentoring to retain workforce knowledge. Recruit additional Consult staff to meet an increasing work demand.

Performance highlights

- Marketing consultant engaged and worked with staff to develop a division marketing strategy. Field days at Henty, Mudgee, Orange and Agquip (Gunnedah) were attended to promote Lands services and local operations. Poster series developed for field days and promotional Lands displays.

Soil Conservation Service Division Report



Table 1 - Percentage of customers by group

Customer group	Works (% of customers)		Consult (% of customers)		Operations (% of customers)		Total
	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2006/07
Landholders	67.5	68.6	1.6	2.9	30.4	17.6	27.3
State government	11.4	17.2	76.7	68.8	67.2	71.7	52.9
Local government	4.0	3.5	10.0	7.9	2.4	2.8	5.3
Corporate	16.3	9.3	11.5	20.2	-	7.8	14.0
Other	0.7	1.5	0.2	0.2	-	-	0.5
Total	100	100	100	100	100	100	100

- Eleven service agreements with government agencies operated during the year providing preferred supplier status won through public tender or through direct negotiations with SCS clients. A further four agreements are in negotiation.
- CMAs relationships have developed well over the year. CMAs are now a major client for professional services and project implementation with 32 projects directly for CMAs totalling \$1.726m. A large number of CMA funded projects were also directly undertaken for landholders in excess of \$0.5m.
- A revised SCS 2005-2010 Business Plan was submitted to Treasury in August 2006. Financial targets identified in the plan for 2006/07 were exceeded.
- A customer survey was undertaken over December 2006 to April 2007, with questionnaires included with all final invoices for both Works and Consult clients (further details available in Appendix 5).
- A range of major environmental rehabilitation consultancies and conservation earthworks undertaken for the year included:

- Department of Primary Industries, Mineral Resources – rehabilitation works at 15 derelict mine sites across NSW to the value of \$585,000
- Department of Environment and Climate Change, Parks and Wildlife Division – 31 projects including access and fire trail rehabilitation works valued at \$1.22m
- Sydney Catchment Authority – six projects including drainage work, access track repairs and fire trail maintenance to inner catchment areas valued at \$494,000
- Roche Mining, Baal Bone Colliery progressive rehabilitation of mine area including design and construction works, earthworks and revegetation \$772,500
- Department of Education and Training, Public and Private Schools – projects including design, planning, drainage, earthworks and revegetation of degraded school grounds. The Entrance Public School emergency asbestos remediation \$312,000 was one of 64 projects totalling \$1.49m

- conservation and rehabilitation earthworks to Whitehaven and Namoi coal mines in the Northern Tablelands \$84,000
- design and construction of farm water supplies, pipe installation and access track work for W Montague, Tumbarumba \$268,600
- project management of Moore Creek Dam safety works for Lands \$759,000
- RTA Hume Highway Duplication provision of site soil conservation services to plan, monitor and assess erosion mitigation works \$152,000
- Transgrid access track maintenance within Central/Metropolitan area \$293,500
- Sydney Metropolitan CMA erosion and sediment control bushland areas project management \$200,000.

Report on operations Works

Works income at \$7.9 million was an improvement on last year's income and just exceeded the budgeted income of



Table 2 - Cash receipts by customer group

Customer group	Works (sales \$000)		Consult (sales \$000)		Operations (sales \$000)		Total
	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2006/07
Landholders	4,382	5,002	156	305	938	883	6,190
State government	743	1,253	7,676	7,151	2,071	3,591	11,996
Local government	262	252	1,001	822	73	139	1,214
Corporate	1,056	676	1,149	2,105	-	391	3,172
Other	47	107	25	16	1	2	125
Total	6,490	7,292	10,007	10,399	3,083	5,006	22,697

\$7.8 million. Increased fixed cost plant hire and fuel levy income contributed to this improvement. This was a good result as operational costs also came in beneath forecast by 10.5%. Chargeable plant hours at 1,053 hours per unit, improved on 2005/06 (930 hours) but still well below the annual target of 1,300 hours (19%↓). CMA funded projects and Lands' bushfire management projects accounted for this improvement in hours rather than traditional landholder works. Plant hours were again impacted by the ongoing widespread drought conditions for the majority of the year. With the apparent improvement in drought conditions with widespread rains in June, an improvement in chargeable hours may still be 12 months away. Operational units remained at 39 bulldozers and two excavators. Approximately 24,150 hectares of land was treated with conservation earthworks including broadacre banks/waterways, dams and sediment detention structures. There was again a strong demand during the fire season for staff and plant to attend bushfire emergencies. SCS attended seven major fires across the state at the request of the Rural Fire Service and local government, often operating 24 hour days.

Consult

Total Consult income for the year at \$11.5 million exceeded budgeted income of \$10.9 million (5%↑). Importantly, Consult contract acceptances totalled \$11 million (12%↑), an outstanding result for existing staff resources, and again provides a solid workload to commence the new year. The unit successfully bid for a number of preferred contractor and project tenders including work for SMEC, Parks and Wildlife (DECC), Mineral Resources (DPI) and RTA. Commonwealth funded environmental programs also provided a number of project opportunities through CMAs in the Murray, Murrumbidgee, Southern Rivers, Lachlan, Central West, Hunter and Border/Gwydir Rivers areas to undertake works for rural landholders. Four preferred service agreements were arranged with CMAs and a further four are being negotiated reflecting the increasing importance of this client area. With the large consult demand evident, three of four new consult staff positions were filled early in the year at Wollongong, Nowra and Parramatta, the fourth position at Orange only recently being filled. With major new projects a further three new staff positions were filled and located at Coffs Harbour, Moss Vale and Henty.

Operations

Hunter Valley flood mitigation works, Great North Walk and dam foreshore programs were completed during the year to the value of \$4.5 million. Riverworks teams had a very strong year, successfully sourcing eight additional projects to ensure full operational costs were met and significantly improving revenue, up 62% on 2005/06. Two projects of note being the Stroud Fishway construction for Mid Coast Water \$178,000 and Hunter River, Hexham design and construction of river bank stabilisation works for Newcastle City Council \$382,500. Riverworks teams were also involved in emergency call outs during the Hunter floods in June 2007, operating and clearing flood mitigation structures and emergency sand bagging. Extensive damage occurred to the Great North Walk during the Newcastle June storms resulting in closure of sections of the walk to repair washouts and remove fallen timber. Earlier in the year staff assisted Oxfarm in another very successful charity walk event on the track. Dam foreshore staff management works during the year were commended by our client, NSW State Water.

Soil Conservation Service Division Report

Future focus

SCS will work to expand services to CMAs and natural resource agencies with a view to implementing the NSW Government's State Plan 'Environment for Living' priorities, through the provision of technical advice and a range of cost effective practical solutions to environmental issues.

Consult operations continue to provide a substantial stream of income for the division and again showed a strong increase in sales for the year. The division will look to further expand these operations to improve overall financial position.

Works plant operation continues to experience excessive fleet repair costs due to the ageing fleet. There was no progress during the year on fleet replacement, delayed by ongoing negotiations with Treasury on the future of this important service to rural NSW. The cost of providing conservation earthmoving services, previously assisted by the payment of a community service obligation, are higher than the revenue gained. The government's intention that the division maintains soil conservation services in rural NSW requires a financial recognition of the community benefits provided.

These challenges will continue to be addressed in 2007/08.