

# NORTHLAND REGIONAL COUNCIL Agenda

For an Ordinary Meeting of the Council to be held in the  
Council Chambers, 36 Water Street, Whangarei,  
on Wednesday, 16 June 2010 commencing at 1 pm

## File D2.2

**Recommendations contained in the Council agenda are NOT Council decisions.  
Please refer to Council minutes for resolutions.**

## Opening Prayer

## Apologies

## Declaration of Conflicts of Interests

## OPEN MEETING

Item	Page
<b>PRESENTATIONS</b>	
1. Presentation on Environmental Risk Management Authority – Manuka Henare	1
2. Presentation by Royal Forest and Bird Protection Society on Draft Minimwhangata Rahui Tapu Application	2
<b>COUNCIL AND PROJECT INFORMATION</b>	
3. Confirmation of Minutes of Ordinary Meeting held on 19 May 2010	3
4. Confirmation of Notes of Draft Annual Plan Hearing Meetings held on 24 and 25 May 2010	12
5. Chairman's Report to the Council	17
6. July Council Meeting	20
7. Chief Executive Officer's Report to the Council	21
8. Rodney District Council Local Bill Notification	42
9. NRC Submission on Unitary Authority Proposal	45
10. Proposed Funding Contribution to the Paparoa to Pahi Walkway	51
11. Update on Request for Drought Relief – Rural Support NRC	52
<b>ADOPTION OF DRAFT ANNUAL PLAN 2010/2011</b>	
12. Annual Plan 2010/2011	54
13. Annual Financial Plan 2010/2011	60
14. Charging Policy 2010/2011	71
15. Bylaw Charges Made Pursuant to Section 684B of Local Government Act	82
16. Rates for Year 1 July 2010 to 30 June 2011	89
<b>FINANCE AND IT</b>	
17. Financial Report – 31 May 2010	99
18. Investment Schedule and Performance – Financial Report to 31 May 2010	117
19. Paid Accounts for Approval – May 2010	121
20. Lease Transactions	122
21. Documents Sealed	123
<b>OPERATIONS</b>	
22. Consents Decisions, Notified Applications in Process, Objections & Appeals	124
23. Report on Environmental Monitoring for the Period 1-31 May 2010	129
24. Hatea River Channel Working Group	139
25. National Water Quality	141
<b>STRATEGY AND PLANNING</b>	
26. Setting Operative Date for Plan Changes 2 (Marine 1 Review - Whangarei Harbour) and 3 (Mangroves) to the Regional Coastal Plan for Northland	143
<b>Business with the Public Excluded</b>	<b>144</b>
<b>IN COMMITTEE</b>	
27. Authorisation to Enter into a MOU with Ministry of Economic Development	145

# **Environmental Risk Management Authority**

## **File E1.92**

Dr Manuka Henare, Board Member, ERMA will make a presentation to the Council on the work of the Authority.

E:\COUNCIL\COUNCIL AGENDAS\2010 COUNCIL AGENDAS\JUNE 2010\ENVIRONMENTAL RISK MANAGEMENT AUTHORITY.DOC

## **Draft Mimiwhangata Rahui Tapu Application**

### **File D2.2**

The Chairman has agreed to Mark Bellingham, Royal Forest and Bird Protection Society of New Zealand Inc and Carmen Hetaraka of Te Uri O Hīkīhīki making a presentation to Councillors on the draft Mimiwhangata Rahui Tapu Application.

E:\COUNCIL\COUNCIL AGENDAS\2010 COUNCIL AGENDAS\JUNE 2010\DRAFT MIMIWHANGATA RAHUI TAPU APPLICATION.DOC

## NORTHLAND REGIONAL COUNCIL COUNCIL MEETING

---

Minutes of the Ordinary Meeting of the Council held in the  
Council Chambers, Northland Regional Council, 36 Water Street, Whangarei  
Wednesday, 19 May 2010 commencing at 1.00 pm

---

### File D2.2 (105.2)

#### Present

Cr Mark Farnsworth, Chairman  
Cr Ian Walker, Deputy Chairman  
Cr John Bain  
Cr Craig Brown  
Cr Joe Carr  
Cr Lorraine Hill  
Cr Peter Jensen  
Cr Bill Rossiter

#### In Attendance

Deputy CEO/Operations Director  
Strategy and Planning Director  
General Manager - Finance and IT  
General Manager - Projects and Information  
Community Relations Manager  
Infrastructure Senior Programme Manager  
Communications Senior Programme Manager  
Monitoring Senior Programme Manager  
Consents Senior Programme Manager  
Minute Taker (David Jones)

#### Apology

The Chief Executive Officer was in Wellington on Council business and was therefore unable to attend the meeting

#### Opening Prayer

The Chairman asked that during the prayer Councillors remember Derek Collier a former Whangarei City Councillor who died on 15 May 2010.

The Minute Taker David Jones read the opening prayer.

#### Declaration of Conflict of Interest

##### File D1.6 (100.1.2)

The Chairman gave members the opportunity to declare an interest on any item of business on the agenda for the meeting. Cr Bain gave notice of his interest in a matter involving land at the Port near to where the NEST site is situated. In the event, the Council declined to discuss the matter in question.

## **Leave of Absence**

### **D2.2**

#### **Moved (Farnsworth/Jensen)**

That Cr Hill be granted leave of absence from 17 June to 8 July 2010.

**Carried**

## **Items of New Business**

### **D2.2**

#### **Moved (Farnsworth/Jensen)**

That the Council agrees to consider the following items of new business for the reasons shown:

#### **OPEN MEETING**

1. **AUDIT REQUIREMENTS FOR THE 30 YEAR TRANSPORT STRATEGY (INCORPORATING THE REGIONAL LAND TRANSPORT STRATEGY)**

This report supplements information already contained in Item 16 of the Agenda and was not available at the time the agenda was compiled.

2. **RECEIPT AND ADOPTION OF MINUTES OF REGIONAL TRANSPORT COMMITTEE MEETING HELD ON 18 MAY 2010**

Additional to Item 19. The Agenda gave notice that the Minutes would be tabled at this meeting.

3. **REQUEST FOR DROUGHT RELIEF – RURAL SUPPORT NORTHLAND**

The information contained in this report was not available when the Agenda was prepared. The reason for urgency is that a decision on the recommendation is required before the next Council meeting so that the District Councils can take the necessary steps to provide for rate deferrals should they decide to do so, and it is in the public interest that a decision is made at the earliest possible date.

4. **RECEIPT AND ADOPTION OF MINUTES OF ENVIRONMENTAL MANAGEMENT COMMITTEE MEETING HELD ON 19 MAY 2010**

Additional to Item 20. The Agenda gave notice that the Minutes would be tabled at this meeting.

**Carried**

## **Councillor Forum**

At this stage of the meeting the Chairman adjourned the meeting for 15 minutes to report on the announcement of the Minister of Railways on KiwiRail.

## **Northland Drought**

The Deputy CEO/Operations Director also made a powerpoint presentation to update Councillors on the current drought situation and the ongoing support provided to and by the Drought Relief Committee.

The meeting resumed at 1.30 pm.

## **1. Confirmation of Minutes of Ordinary and Confidential Council Meetings held on 21 April 2010**

**File D2.2 (105.2)**

**Moved (Jensen/Rossiter)**

That the minutes of the Ordinary and Confidential Meetings of the Council, held on 21 April 2010 be confirmed.

**Carried**

## **2. Chairman's Report**

**File D2.2.2 (105.4)**

**Report from Chairman Mark Farnsworth dated 7 May 2010.**

**Moved (Farnsworth/Rossiter)**

That the Chairman's report dated 7 May 2010 be received.

**Carried**

## **3. Response to Councillor Forum on Electricity**

**File D2.2**

**Report from Infrastructure Senior Project Manager Vaughan Cooper dated 4 May 2010.**

**Moved (Carr/Rossiter)**

That the report from the Infrastructure Senior Project Manager dated 4 May 2010 be received.

**Carried**

## **4. Chief Executive Officer's Report**

**File D2.2.1 (105.3)**

**Report from Chief Executive Officer Ken Paterson dated 7 May 2010.**

**Moved (Brown/Carr)**

That the Chief Executive Officer's report dated 7 May 2010 be received.

**Carried**

**5. Update on Official Information Request – McKinlay Douglas Report on Local Government Options for Northland**  
**File D1.1**

Report from Chief Executive Officer Ken Paterson dated 6 May 2010.

**Moved (Farnsworth/Brown)**

That the report from the Chief Executive Officer dated 6 May 2010 be received.

**Carried**

**6. Draft Submission - McKinlay Douglas Report on Local Government Options for Northland**

Report from Chief Executive Officer Ken Paterson dated 11 May 2010.

**Moved (Bain/Rossiter)**

That the report from the Chief Executive Officer on the Draft Submission – McKinlay Douglas Report on Local Government Options for Northland, dated 11 May 2010, be received.

**Carried**

**7. Update on the Office of the Auditor General's Enquiry into the Northland Events Centre**

**File T5.5.1**

Report from the Chief Executive Officer Ken Paterson dated 5 May 2010.

**Moved (Walker/Bain)**

That the report from the Chief Executive Officer Ken Paterson dated 5 May 2010 be received.

**Carried**

**Further Moved (Farnsworth/Jensen)**

That the Council seeks written assurance from the Whangarei District Council that the commitments made by the Regional Council in its LTCCP that the Events Centre will be run as a multi-events centre operated and maintained by an independent trust with all assets remaining in public ownership, will be honoured.

**Carried**

## **8. Financial Report – 30 April 2010**

**File C4.12**

**Report from Financial Accountant Kim Harvey dated 6 May 2010.**

**Moved (Rossiter/Hill)**

That the Financial Report to 30 April 2010 from Financial Accountant Kim Harvey dated 6 May 2010, be received.

**Carried**

## **9. Investment Schedule and Performance – Financial Report – 30 April 2010**

**File C4.12**

**Report from Financial Systems Administrator Kym Ace dated 5 May 2010.**

**Moved (Brown/Bain)**

That the Investment Schedule and Performance Financial Report to 30 April 2010 dated 5 May 2010, from the Financial Systems Administrator Kym Ace, be received.

**Carried**

## **10. Paid Accounts for Approval**

**File C4.30**

**Report from Payments Officer Rachel Hills dated 30 April 2010.**

**Moved (Hill/Jensen)**

That the report from the Payments Officer Rachel Hills dated 30 April 2010, be received and the payments for April 2010 be confirmed.

**Carried**

## **11. Lease Transactions**

**Files L007**

**Report from General Manager Finance and IT Lisa Aubrey dated 4 May 2010.**

**Moved (Rossiter/Jensen)**

That the lease transactions and the use of the Council seal outlined in the report from the General Manager Finance and IT, Lisa Aubrey, dated 4 May 2010, be approved.

**Carried**

## 12. Documents Sealed

Files: CON20070609701

Report from General Manager - Projects and Information Linda Stansfield dated 7 May 2010.

Moved (Carr/Rossiter)

That the use of the Council seal outlined in the report from the General Manager - Projects and Information dated 7 May 2010, be approved.

Carried

## 13. Consents Decisions and Applications in Process, Objections and Appeals

File E2.1

Report from Consents Senior Programme Manager Dr Rob Lieffering dated 7 May 2010.

Moved (Hill/Bain)

That the report from the Consents Senior Programme Manager Dr Rob Lieffering dated 7 May 2010 on resource consent decisions and applications in process, objections and appeals, be received.

Carried

## 14. Appointment of Hearings Committees

File D2.13

Report from the Consents Senior Programme Manager Dr Rob Lieffering dated 7 May 2010.

Moved (Jensen/Walker)

1. That the Council revoke its previous appointment of Mr Alan Watson to hear and decide resource consent application **CON20080838526** lodged by **Far North Holdings Limited** for a resource consent associated with a proposed pile berth extension to the Opuia Marina, effective immediately.
2. That Mr Conway Stewart be appointed to hear and decide resource consent application **CON20080838526** lodged by **Far North Holdings Limited** for a resource consent associated with a proposed pile berth extension to the Opuia Marina.
3. That Cr Hill, acting as Chairperson, Dr Bruce Graham, and Dr David Sinclair be appointed to hear and decide resource consent application **CON20090706202** lodged by **Juken New Zealand Limited** to discharge isocyanates to air from a Triboard and Strandboard Mill.

4. That Mr Doug Arcus, acting as Chairperson, Mr Hamish Lowe, and Mr John Smart, as the Minister of Conservation's nominee, be appointed to hear and decide resource consent application **CON20010752101** lodged by the **Whangarei District Council** for a replacement consent to discharge untreated wastewater to the Whangarei Harbour (Hatea River) from the Okara Pump Station.
5. That Mr Doug Arcus, acting as Chairperson, and Mr Hamish Lowe be appointed to hear and decide resource consent application **CON20090435202** lodged by the **Whangarei District Council** to change Condition 16 of resource consent 20040435202 to allow additional wastewater to be discharged to Limeburners Creek from the Whangarei Main Wastewater Treatment Plant during extreme wet weather.

**Carried**

## **15. Warrants of Appointment: Resource Management Act 1991**

**File C1.3, C6.2**

**Report from Deputy CEO/Operations Director Tony Phipps dated 30 April 2010.**

**Moved (Farnsworth/Carr)**

1. That the report Warrants of Appointment: Resource Management Act 1991 from the Operations Director Tony Phipps dated 30 April 2010, be received.
2. That pursuant to section 38 of the Resource Management Act the officer named below is authorised to exercise and carry out the functions and powers as set out in sections 22, 332, 333 of the Act:

Sandrine Le Gars                      Hydrology and Groundwater Monitoring Officer

3. That pursuant to section 38 of the Resource Management Act the officer named below is authorised to exercise and carry out the functions and powers as set out in sections 322 and 325(a) of the Act:

Michael Nager                      Environmental Monitoring Officer, Opuā

**Carried**

## **16. Approval of 30 Year Transport Strategy Supplementary – Approval of 30 Year Transport Strategy**

**File R2.2**

**Reports from Infrastructure Senior Project Manager Vaughan Cooper dated 3 May 2010 and 14 May 2010.**

**Moved (Bain/Carr)**

1. That the report from the Infrastructure Senior Project Manager, dated 14 May 2010, on the Audit Requirements for the 30 Year Transport Strategy for Northland, be received.

2. That the 30 Year Transport Strategy for Northland (incorporating the Regional Land Transport Strategy), subject to the amendments identified above, is acknowledged as being lodged with the Regional Council by the Regional Transport Committee
3. That the Northland Regional Council approve the 30 Year Transport Strategy for Northland.

**Carried**

## **17. Moorings in High Priority Mooring Areas**

**File E1.20**

**Report from Policy Specialist Ben Lee dated 6 May 2010.**

**Moved (Brown/Jensen)**

That Council supports the following approach:

1. Affected mooring holders will be sent a letter advising of the situation prior to 30 June 2010.
2. No action taken over affected moorings for not having resource consent. This will be re-evaluated when the new management regime for moorings has been, or is near to being put in place.
3. Advise mooring owners that there is a small risk to them if resource consent is not obtained.
4. Design a streamlined and discounted consent process for those mooring holders that do want to apply for resource consent (approximately \$100 excluding GST – to cover administration costs).
5. Consents will be granted for a short term (eg five years) in line with the estimated time it will take to finalise a new mooring management regime.
6. Highlight to affected mooring holders the key issues likely to be considered in the mooring management review, such as the escalating price of moorings in high demand areas

**Carried**

## **18. Receipt and Adoption of Minutes of Audit and Finance Committee Meeting held on 28 April 2010**

**File D2.10**

**Moved (Jensen/Rossiter)**

That the Minutes of the Audit and Finance Committee meeting held on 28 April 2010, including the confidential items, be received and adopted.

**Carried**

## **19. Receipt and Adoption of Minutes of Regional Transport Committee Meeting held on 18 May 2010**

**File D2.12**

### **Moved (Bain/Carr)**

That the Minutes of the Regional Transport Committee meeting held on 18 May 2010 be received and adopted.

**Carried**

## **20. Receipt and Adoption of Minutes of Environmental Management Committee Meeting held on 19 May 2010**

**File D2.11**

### **Moved (Brown/Bain)**

That the Minutes of the Environmental Management Committee meeting held on 19 May 2010 be received and adopted.

**Carried**

## **Request for Drought Relief – Rural Support Northland**

**File C8.3**

**Report from General Manager Projects and Information Linda Stansfield dated 17 May 2010.**

### **Moved (Carr/Brown)**

That the report from the GM Projects and Information on the Request for Drought Relief - Rural Support Northland, dated 18 May 2010 be received, that the matter be discussed with the District Councils and that the request be considered as a submission to the Draft Annual Plan.

**Carried**

## **Conclusion**

The meeting concluded at 2.22 pm

## Northland Regional Council

Hearing of Submissions to Draft Annual Plan 2010/2011  
held in the Council Chambers, Northland Regional Council  
on Monday, 24 and Tuesday, 25 May 2010

### File C8.3

### DAY ONE, MONDAY, 24 MAY 2010 COMMENCING AT 10 AM

**Present:** Crs Farnsworth, Jensen, Brown, Carr, Hill, Rossiter and Walker

**Apology:** An apology for absence was received from Cr Bain.

**In Attendance:** **Full Meeting**  
Chief Executive Officer  
General Manager - Projects and Information  
General Manager - Finance and IT  
Secretary (David Jones)

**Part Meeting**  
Strategy and Planning Director  
Consents Senior Programme Manager  
Infrastructure Senior Programme Manager  
Policy Specialist (Jonathan Gibbard)  
Public Passenger Transport Officer

### Declarations of Conflicts of Interest

#### File D1.6

Crs Farnsworth and Brown declared an interest in items concerned with Aquaculture and took no part in discussions on that subject.

### 1. Submissions on the Draft Annual Plan 2010/2011

#### File C8.3

Report from General Manager – Projects and Information Linda Stansfield dated 20 May 2010.

**Moved (Hill/Jensen)**

That the submissions received during the period of public consultation be received.

**Carried**

## **2. Late Submissions to the Draft Annual Plan 2010/2011**

**File C8.3**

**Report from General Manager – Projects and Information Linda Stansfield dated 20 May 2010.**

### **Moved (Brown/Rossiter)**

That the late submissions contained in the "Late submissions" booklet be received and considered by Council as part of the deliberations on the Draft Annual Plan 2010/2011.

**Carried**

## **3. Hearing of Submissions**

**File C8.3**

The Council heard verbal presentations from the following submitters:

- Warren and Patricia Slater
- Donald M Hedges
- Sushila Ajani
- Kaipara District Council, Mayor Neil Tiller and CEO Jack McKerchar
- Bream Bay Action Group, Margaret Hicks
- Mrs Margaret Hicks
- Royal Forest and Bird Society (Northern Branch), Bev Woods
- Far North District Council, Mayor Brown and CEO David Edmunds
- A W Agnew
- Kerikeri Organics, Zelka Grammer
- David Lourie
- Northern (Te Hiku) Community Board, Fiona King
- Kevin J King
- F G King
- Far North Environment Centre, Rickard Robbins
- Kevin Matthews
- Shaun Reilly
- Jim Wintle
- Princes Road Residents, David Baylis
- Martinus Bakker

A further 14 submitters who had indicated a wish to be heard, did not appear.

The meeting adjourned at 4.50 pm

## Northland Regional Council

Hearing of Submissions to Draft Annual Plan 2010/2011  
held in the Council Chambers, Northland Regional Council  
on Monday, 24 and Tuesday, 25 May 2010

### File C8.3

### DAY TWO, 25 MAY 2010 COMMENCING AT 9 AM

**Present:** Crs Farnsworth, Jensen, Brown, Carr, Hill, Rossiter and Walker

**Apology:** An apology for absence was received from Cr Bain.

**In Attendance:** **Full Meeting**  
Chief Executive Officer  
General Manager - Projects and Information  
General Manager - Finance and IT  
Secretary (David Jones)

**Part Meeting**  
Strategy and Planning Director  
Consents Senior Programme Manager  
Monitoring Senior Programme Manager  
Finance Manager  
Infrastructure Senior Programme Manager  
Policy Specialist (Jonathan Gibbard)

### Declarations of Conflicts of Interest

#### File D1.6

Crs Walker declared an interest in items concerned with the Cancer Unit and took no part in discussions on that subject.

## 1. Hearing of Submissions

### File C8.3

The Council heard verbal presentations from the following submitters:

- Michael Mansell
- Farmers of New Zealand, Bill Guest
- Transition Whangarei, Jeff Griggs
- Whangarei District Council, Mayor Semenoff and CEO Mark Simpson
- Paul Berks
- Brian Plunkett
- Surf Lifesaving – Northern Region, Steve Johns
- Rural Support Trust, Julie Jonker
- Enterprise Northland, Jo Douglas
- Water Safety New Zealand, Avon Polo
- Sue Fordyce
- Terry Ward

A further nine submitters who had indicated a wish to be heard, did not appear.

## **2. Deliberations**

### **File C8.3**

Following the hearing of submissions, Councillors considered all submissions providing staff with their responses to those submissions which did not result in changes to the draft Annual Plan and agreeing to the following changes to it.

#### **REGIONAL GROWTH PROGRAMME**

**Agreed:** That the budget for the Regional Growth Programme is reduced from \$450,795 to \$350,795 by carrying forward unspent monies from the current year.

#### **WATER QUALITY INITIATIVES**

**Agreed:** That the proposed budget of \$112,500 be approved.

#### **MANGROVE REMOVAL AND SEDIMENT MANAGEMENT**

**Agreed:** That the proposed budget of \$135,000 be approved. It was also agreed that the possibility of applying for a resource consent in the Council's name under which community groups could remove mangroves, at their expense, under Council's direction, should be examined as a priority.

#### **RUGBY WORLD CUP PRE-PLANNING**

**Agreed:** That this project not be funded from rates. Rugby World Cup pre-planning is to be funded from the Northland Regional Council Community Trust Fund acknowledging that while the goal to re-establish the NRC Community Trust funds to original levels will be maintained, the funding of the Rugby World Cup project may delay the achievement of that objective by one year.

#### **PROPOSED CANCER UNIT (PROJECT PROMISE)**

**Agreed:** Due to details of this proposal not being included in the draft Annual Plan, no financial provision will be made to support this project this year. However Councillors and staff will look at how, and to what extent the Council could support the project and prepare a Statement of Proposal to submit to the community as a separate consultation exercise to gauge public support for the Council's future involvement.

## **WAITANGI CONFERENCE AND EVENTS CENTRE**

**Agreed:** That a decision on whether or not to contribute any funding to this project is delayed until a prioritised list of infrastructure projects is developed against which the project can be assessed.

## **MINERALS**

**Agreed:** That a \$100,000 budget provision be made to contribute to mineral investigations and/or assessments. This will be funded from the Forest Equalisation Reserve Fund.

## **AQUACULTURE**

**Agreed:** That no financial provision be made to investigate and evaluate aquaculture until appropriate legislation is in place.

## **REGIONAL NEWSPAPER**

**Agreed:** That staff further investigate this proposal and that \$50,000 from existing reserves be set aside to undertake a three month trial should this be deemed necessary.

## **GENETIC ENGINEERING**

**Agreed:** That the \$10,000 contingency fund for making applications to EMRA set aside in the 2009/2010 budget be carried forward to 2010/2011 and that the Council's precautionary policy in respect to GE be reviewed in the next LTCCP review.

## **Moved (Walker/Brown)**

That the decisions made at this meeting and recorded above, be confirmed.

**Carried**

## **Conclusion**

The meeting finished at 3 pm.

# Chairman's Report

## File D2.2.2

Report from Chairman, Mark Farnsworth, dated 1 June 2010.

### INTRODUCTION

The month was dominated by the Annual Plan process. The council received just over 500 submissions with hearings being held at Whangarei followed by Council deliberations. Given the limited number of submitters wishing to be present their submission a deliberate decision was made to hold the hearings in Whangarei. It was recognised at the time that this decision would attract criticism as in recent years the Council has held hearings around the region. The Council's decision was validated as almost half the submitters who indicated that they would be appearing failed to attend. The Council was appreciative of those submitters who made the effort to inform the Council that they would not be making an appearance.

### MEETINGS/EVENTS ATTENDED

During the period I have attended the following meetings/events/functions:

- Meetings attended with the Council's CEO, Ken Paterson:
  - Presented NRC's submissions to Far North, Kaipara and Whangarei District Councils on their Annual Plans.
  - Hon Gerry Brownlee, Minister of Economic Development and Doug Gordon, CEO, New Zealand Minerals Industry Association – Potential Mineral Resources.
  - Northland Port Corporation Chairman Geoff Vazey, and General Manager, Jim Smillie.
  - Meetings with Tony Davies-Colley – Port Nikau.
  - Ross Blomfield, Colliers International – Property.
  - Basil Morrison and Ian Brown, Civic Assurance.
  - Project Promise – Crs Craig Brown and John Bain also attended.
- Local Government in Northland
  - Meeting with Whangarei District Council. Ken Paterson and Crs Ian Walker, John Bain and Craig Brown also attended.
  - Meeting with Paul Dell.
  - I was invited to speak to the Probus Group and U3A Hatea (University Third Age).
  - Meeting of Mangawhai Residents and Ratepayers.
- Pouto 2F Trust
  - Rawson Wright – Windfarm Update.
  - Pouto 2F Trust meeting.
  - Windfarm Working Group.
- Local Government New Zealand
  - Zone1 and and Zone 2 Joint Meeting, Paeroa.
  - Regional Affairs Committee, Wellington.
  - National Council Meeting, Wellington.
- Mayor Neil Tiller, Kaipara District Council.
- Debrief for staff on the joint meeting with Environment Waikato and Environment Bay of Plenty on mangrove management.

- Mayor Stan Semenoff, Whangarei District Council.
- Cr Craig Brown and I met with Richard and Betty Johns – Marsden Point Rail Link.
- Manuka Henare – ERMA.
- Joe Bull.

### NETWORKING

- Meetings, as requested, with residents and ratepayers;
- Councillors;
- Media.
- Cr Ian Walker and I participated in a radio interview with Rongo Bentson in Kaitaia.

### CORRESPONDENCE

During the month I sent out the following correspondence:

<b>Date</b>	<b>Addressed To</b>	<b>Subject</b>
03.05.10	Jeremy Busck	Environment Fund
04.05.10	Russell Shaw CEO, Top Energy Ltd	Security of Supply to Kaitaia
04.05.10	Deborah Harding Trust Services Manager Environs Holdings Ltd	Integrated Kaipara Harbour Management Group
06.05.10	Nelson Boustead NIWA Animal Welfare Office	NRC Nominee to NIWA Animal Ethics Committee
06.05.10	Mangawhai Business Development Association	Local Government Services for Northland
06.05.10	Hon Gerry Brownlee Minister of Economic Development	Potential Mineral Resources
12.05.10	Charles Webster	Bereavement Letter
18.05.10	Mayor Stan Semenoff Whangarei District Council	Northland Local Government
18.05.10	Alan Dormer	District Plan Hearings
19.05.10	Alan Watson	District Plan Hearings
19.05.10	Julian Jackson Ministry for the Environment	District Plan Hearings
19.05.10	Doug Arcus	District Plan Hearings
19.05.10	Doug Arcus	Code of Conduct for Hearing Commissioners
19.05.10	Bruce Rogan	Mining in National Parks
28.05.10	Local Government Structures Consultation Far North District Council	Submission – McKinlay Douglas Report on Local Government Options for Northland
28.05.10	Local Government Options for Northland Whangarei District Council	Submission – McKinlay Douglas Report on Local Government Options for Northland

**Recommendation**

That the Chairman's report dated 1 June 2010 be received.

**COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009-2019 Long Term Council Community Plan and as such are in accordance with the Council's decision making process and sections 76 to 82 of the Local Government Act 2002.

## **July Council Meeting**

### **File D2.2**

Mayor Wayne Brown has invited the Northland Regional Council to hold a joint workshop with the Far North District Council on the Regional Policy Statement and has also suggested that the Northland Regional Council hold its July meeting at their offices, Memorial Drive, Kaikohe.

However, as the FNDC Council chambers are not available on Wednesday, 21 July, Councillors are asked to note the following changes to meetings and dates in their diaries.

#### **Tuesday, 20 July at 10 am**

Joint Workshop with Far North District Council on the Regional Policy Statement at FNDC Offices, Memorial Avenue, Kaikohe

#### **Tuesday, 20 July at 1 pm**

NRC Ordinary Council meeting at FNDC Offices, Kaikohe.

#### **Wednesday, 21 July at 10 am**

Environmental Management Committee Meeting at NRC offices, 36 Water Street, Whangarei.

# Chief Executive Officer's Report to Council

File D2.2.1 (105.3)

Report from Chief Executive Officer Ken Paterson dated 4 June 2010.

## PROJECTS AND INFORMATION

### ANNUAL PLAN

Submissions to the Annual Plan closed on 10 May with just over 500 submissions received. Hearings were held on 24 and 25 May followed by deliberations. As a result a number of changes have been made to the Plan which is due to be adopted by the Council at its June meeting. In accordance with the requirements of the Local Government Act 2002, all submitters will receive a letter informing them of the Council's decisions in relation to the issues raised in their submission. It is anticipated that the final plan will be printed and circulated during July.

### DOCUMENT MANAGEMENT PROJECT

The contract for services was signed with Objective during May. The project is now moving into its implementation phase commencing with the development of business process maps. A wide range of staff from throughout the organisation will be involved at various stages of the project.

### DISTRICT COUNCIL UNITARY AUTHORITY PROJECT

The closing date for submissions on the district council led proposal to form two unitary authorities in Northland was 31 May. The Regional Council made a submission by this date, and has also requested that the district councils provide full details of all costs incurred to date. This would include not only the costs of the report itself but the costs of the Peter McKinlay roadshow, further consultation by both the Whangarei and Far North District Councils, printing and distribution of colour brochures, radio and newspaper advertising. Total Costs are expected to be substantial. Minister of Local Government Rodney Hide has recently restated his long held view that there will be no reorganisation of local government in Northland in the near future, and questions the district councils continued expenditure of ratepayer funding in this regard.

### STAFF MATTERS

#### Leaving

Sophie Tweddle, Environmental Monitoring Officer – SOE Reporting and Susie Osbaldiston, Groundwater Management Officer both commenced parental leave on 3 May 2010.

Rebecca Ireland, Biosecurity Officer finished her fixed term employment on 14 May 2010. Rebecca left to take up a position at Opus.

#### Appointments

Frank McCall commenced employment as GIS Officer on 17 May 2010.

#### Vacancies

An offer of employment has been made for the position of Democracy and Legal Services Manager with a proposed start date of 8 June 2010.

The position of Consents Officer was advertised internally and externally during the month with applications closing on 20 May 2010. Short listing of applicants for interview is in progress.

## STAFF ESTABLISHMENT

Status	May 2010	May 2009	April 2010
Full Time Permanent	121	118	120
Part Time (FTE)	11.8	9.4	11.8*
Fixed Term (incl Part Time)	5	6	6
Students/TFG	3	3	3
Vacancies	5	6	6
<b>TOTAL FTE</b>	<b>145.8</b>	<b>142.4</b>	<b>146.8</b>

Note: \* Some part time staff were reported as full time in previous reports

## TRAINING

### External Training

Training Course	Dates 2010	Venue	Attendees
Road Safety Engineering Workshop	2-8 May	Christchurch	I Crayton-Brown
ALGIM Web Symposium 2010	3-5 May	Wellington	D Welsh, J Dawson, T Morris
National Environmental Monitoring Forum	11 May	Wellington	R Carter
NZ Stormwater Conference	13/14 May	Auckland	B Howse
Essential Facilitation Skills	14 May	Whangarei	F Morgan, J Trewin M Day
Social Media Marketing Conference	17 May	Auckland	J Dawson, T Morris
IBPN Workshop	20/21 May	Palmerston North	M Nager
2010 LG Communication Forum	24 May	Wellington	J Dawson, J Yeoman

## HEALTH AND SAFETY

There are no significant incidents to report.

## COMMUNITY RELATIONS

### PUBLIC COMMUNICATIONS

Northland's media was monitored for items of interest to the Council. Media releases were sent to appropriate media concerning the following:

- One week left to comment on Draft Annual Plan
- Independent Commissioners set marine farm bonds
- Drought not over despite weekend rain
- No Tutukaka Harbour 'greeblies' great news

Additionally, an expanded eight-page Regional Report was produced and distributed to more than 60,000 properties throughout Northland. The issue included a special double-page pullout outlining NRC'S views on the current unitary authorities' debate.

The Chairman's 'Northern Matters' column covered the need for Northland to take a rational and objective approach to the use of its mineral wealth.

'From Where I Sit' covered the recent alcohol related deaths of several teenagers and the discussion we, as a nation should be having about the impact of alcohol on our society.

## WEBSITE

### Monthly Usage:

	May 2010	April 2010	March 2010	February 2010	January 2010
Visits <sup>1</sup>	14,359	13,752	16,030	14,618	13,136
Page views <sup>2</sup>	48,765	45,639	49,843	50,530	44,469

1. **Visits** represent the number of individual sessions initiated by all the visitors to your site.
2. **Page views** shows the total number pages viewed on our website

### Most popular pages in May 2010:

- Rainfall data
- River flows data
- CityLink Bus Service
- Job vacancies
- Environment section

## EDUCATION

### Northland Regional Council Environmental Curriculum Award

Northland Regional Council's (NRC) \$20,000 Environmental Curriculum Awards opened on 19 April. A record number (twenty applications) were received by the 4 May application deadline. These were submitted from schools around Northland.

### Northland Regional Council School Visits

More than 240 students and nine teachers were involved in May school visits focussed on Whangarei Primary and Ngunguru schools. Topics covered included sustainable management of local landforms and coastal-based environmental education.

## ENVIROSCHOOLS

### Primary Sector Teacher Workshop

On 26 May, the first Enviroschools Primary Sector Workshop for 2010 was held in Whangarei. Participants included teachers new to environmental education from Ahipara, Kamo Primary, Otaika Valley, Ruakaka, Whangarei Primary and Whangaruru Schools and Te Kura o Otangarei. The programme incorporated exploring the links between the NZ Curriculum, the Guidelines for Environmental Education in NZ Schools and the Enviroschools Programme. Participants also investigated practical planning ideas for integration into their school curriculum.

### Secondary Teacher and Student Workshop Series

The secondary teacher and student workshops, held in both Whangarei and the Mid/Far North, involved teachers and students working together over two days, two weeks apart. In Workshop One, participants took stock of what is happening in environmental education at their schools, reflected on the meaning of 'sustainability' and explored a marine theme. In Workshop Two, participants investigated the links between environmental action, NCEA Education for Sustainability Achievement Standards and the Enviroschools programme. Whangarei participants carried out re-baiting of both mice and stoat traps on Limestone Island, whilst Mid/Far North participants carried out riparian planting at Northland College.

Schools at the workshops included Kamo High, Mangakahia Area School, Northland College, Opononi Area School, Tikipunga High, Te Kura Taumata o Panguru and Te Wharekura Maori o Te Rawhitiroa.

The workshops were run in conjunction with the Enviroschools Foundation and the Department of Conservation.

### **School Visits**

In addition to the Enviroschools workshops, facilitators worked with Hurupaki, Kamo Primary, Kamo Intermediate, Mangakahia Area School, Pouto, Te Kura Kaupapa Maori o Taumarere and Whangarei Intermediate Schools and NorthTec.

### **IWI LIAISON**

During May the Office of Treaty Settlements invited NRC to meet with members of the Te Hiku Treaty Settlement Forum (based in the Far North) along with other agencies, to discuss the role of NRC and each respective agency. This meeting will be followed by a meeting in June between the governance members and senior managers of NRC and the Te Hiku Forum. The intention is to ensure workable relationships, understanding of the role of respective organisations and knowledge of the settlement package and redress tools.

The Northland Region Maori Advisory Hui (Te Ope Matatu o Te Tai Tokerau) was hosted by NRC during May. The intent is to utilise Whanau Ora as a catalyst for closer working relationships across government and local authority organisations. One of the key issues discussed was water quality and supply due to the Northland drought.

The Northland Events Centre was formally blessed at the end of May. Tangata Whenua from the Whangarei district provided the blessing and subsequent handover of the centre to the Events Manager. The blessing was attended by Councillor Peter Jensen, NRC staff and representatives of Enterprise Northland. Four Councillors and staff from the Whangarei District Council also attended.

## **FINANCE AND INFORMATION TECHNOLOGY**

### **FINANCE**

Year to date, Council is showing a surplus before extraordinary items of \$370K against a budgeted deficit of \$810K. The variance is primarily due to expenditure tracking behind budget as a result of budget phasing. We continue to expect expenditure to come in close to budget.

### **FORESTRY**

#### **Forest Harvesting**

- The harvest of the 1977 area (26 ha approximately 13,000 tonnes) over summer 2009/2010 has continued.
- The harvest operation has now had four full months of production (February-May).
- Total harvest to date is 11,962 tonnes or 91% of total estimated for block.
- Main harvesting was completed by the second week in May and the last few areas are being tidied up and last logs being trucked. This has taken nearly three weeks due to the wet weather and need to manage the road carefully.
- Actual costs for May and the harvest to date are in line with the net return estimates.

- When NRC agreed (October 2009) to harvest in the 2009/2010 summer, the net return estimate from Northland Forest Managers (NFM) [the contracted Harvesting and Marketing Agent for the 1977 harvest area] was \$440,000. The current estimated net return is \$510,000.
- There remains now only the final tidy up and road works (ie water tables, water controls, silt traps, culverts, etc) to complete. This will be started next week.
- Council's forest Consultant Chandler Fraser Keating is handling the contract administration with NFM on our behalf.

### **Forest Development Programme**

- Forest development programme for the 2009/2010 year started in April with the second prune [(VLP(2)] of the 2002 area (37 ha).
- As soon as harvest is complete, the re-planting of the harvested 1977 area will have to be planned, particularly the cutover assessment and site preparation required prior to planting in winter.

## **INFORMATION TECHNOLOGY**

### **IRIS**

The IRIS (Integrated Regional Information System) Project is continuing to progress as planned. This Council continues to take an active role in the project. Completing the documentation for the first phase of the Consents module has taken slightly longer than expected with sign-off now expected mid June. Significant work has been undertaken to review and improve the user interface to ensure the application is easy to use. These changes are currently being implemented in the Contacts and Locations modules with the participating Councils scheduled to complete testing of the changes by mid June. This Council will continue to take an active role throughout the design and development of the Consents and Compliance Monitoring modules.

## **STRATEGY AND PLANNING**

### **RESOURCE MANAGEMENT PLANNING**

#### **Regional Policy Statement (RPS) – 10 Year Review**

Staff continued to develop and refine the issues and options for inclusion in the discussion document on the content of the new RPS. Progress is on track to meet the Council's direction to have the Issues and Options discussion document ready for public release prior to Council elections.

Individual meetings with key stakeholders continue to occur. This month meetings have been held with Meridian Energy, Department of Conservation, Federated Farmers, Environmental Defence Society, Rodney District Council and Auckland Regional Council.

A very productive workshop was also held between Council and Kaipara District Council (KDC) councillors to discuss the development of the new RPS, including the process, timeframes and KDC involvement. Councillors also workshopped the key regionally significant issues with overwhelming agreement that the top three issues are water quality, infrastructure and regional growth. Similar workshops are currently being scheduled with Whangarei District Council and Far North District Council.

Further workshops and meeting are anticipated as we progress the draft Issues and Options discussion document and RPS.

Work has commenced by external consultants to review the robustness of Northland's current landscape assessments and to develop a Section 32 Methodology specifically looking at ways of assessing the economic impact of policy approaches. A contract has also been signed engaging resource management experts from Northland's seven iwi authorities and our two settlement partners to provide input into the draft Issues and Options discussion document from a Maori perspective.

Staff visited a number of councils that are more advanced in the development of their second generation RPS to learn from their experiences, share information and best practice, acquire evidence, and to address cross boundary concerns. The benefits of the trip are already being realised. The advice, expertise and the information we have obtained will increase the effectiveness and efficiency of our RPS development process and enable better evidence, objectives, policies and potential methods for addressing regional issues to be presented to Council (and others), which will enhance future decisions and decision making.

### **Plan Change 2 (Animal Effluent Discharges) to the Regional Water and Soil Plan**

As previously reported, a consent order to resolve all outstanding points of appeal on Plan Change 2 (Animal Effluent Discharges) was filed with the Environment Court prior to Christmas. The presiding judge raised concerns surrounding the subjective nature of one of the proposed amendments to permitted activity rule 16.01.01. Agreement has finally been reached between all parties on specific wording to be proposed to address this concern. This agreement will be presented to the Plan Change 2 Subcommittee, comprising of Councillors Brown, Carr and Hill, on 16 June 2010 for their consideration. The Subcommittee has been kept informed of progress on this matter and it is anticipated that they will approve the amendments. It is our goal to have Plan Change 2 operative for the start of the FDE monitoring season in late August.

### **Regional Coastal Plan Change 1 (Mooring and Marinas)**

Council approved the initiation of a variation to this plan change to do away with Mooring Management Plans (February 2010 meeting). Consequently a request was made to the Minister of Conservation to put on hold her approval of the plan change. Key stakeholders have been notified of the intended variation. Councillors have indicated that they have a range of issues they would like staff to consider. The councillor workshop on issues and options initially indicated for June 2010 will be held in July 2010 once staff have completed their analysis of the issues and options.

### **Regional Coastal Plan Change 4 (Aquaculture Management)**

As indicated last month, the resolution of appeals is on hold. We have two dates to report back to the Court (29 October 2010 on the progress of the new legislation and 30 August 2010 on Maori specific provisions). We are on track to meet these reporting dates.

### **Methods of Implementation - Review**

As part of our delivery of the Resource Management Planning Levels of Service (as part of the Long Term Council Community Plan 2009-2019) we have reviewed the implementation status of the Regional Policy Statement (RPS) and regional plans, and are, by this work report, reporting the results to Council.

During 2009 the full 10 year efficiency and effectiveness review of the RPS occurred and was adopted by Council at the December 2009 Council meeting. Staff are now concentrating on the development of the new RPS. Therefore the implementation status of the operative RPS remains the same as it was at December 2009.

Staff have, however, made recommendations to the Chief Executive on areas that could be improved while the new RPS is developed, and we are investigating those areas with other staff with a view to agreeing improvements in the next financial year.

Three regional plans were developed to manage Northland's natural and physical resources (the Coastal Plan, the Water and Soil Plan and the Air Quality Plan). In combination they contain a total of 516 Methods of Implementation. (Methods are the means by which policies are implemented.)

The implementation status of these methods has been reviewed and is summarised in the table below. More detailed reports have been developed and are available upon request.

Regional Plan	Methods – Status		
	Implemented	Not Implemented	Implemented In-part
Water and Soil Plan	140	33	8
Coastal Plan	229	36	23
Air Quality Plan	32	11	4

While the majority of methods have been implemented, a few key methods have not. The development of the new RPS has highlighted that a number of the significant issues to be addressed by the operative RPS relied on some of those “not implemented” key methods to achieve the relevant objective and/or policy. For example, two key management approaches aimed at addressing water quality issues were the development of catchment management plans and the setting of water quality standards. Neither of these management approaches has been implemented by Council. While this decision may be appropriate given the surrounding circumstances, alternative approaches have not been substituted. Our analysis suggests implementation of these key management approaches (or appropriate alternatives in light of experience, etc) should have improved Northland's water quality beyond what Northland has managed to achieve to date.

## **OTHER PLANNING MATTERS**

### **Land Use and Subdivision Applications**

During May 2010, 12 resource consent applications were received from the Whangarei, Kaipara and Far North District Councils. The 12 applications received were non-notified. (No notified applications were received.) The Council did not comment on any of the non-notified applications, but made one formal submission (on an application circulated to us in April 2010).

The formal submission made for May 2010 is as follows:

**R McInnes, Glenbervie** – This was an application to subdivide a site of approximately 1ha into four lots. A neutral submission was made regarding the proposed water supply. It was unclear if the dwellings were to have both a rainfall collection and some other form of supplementary supply – and if so where the source of supplementary supply was to come from.

### **District Council Plan Changes**

During May 2010, one plan change was formally received from the Far North District Council (Plan Change 4: Schedule of Notable Trees and Schedule of Historic Sites, Buildings and Objects).

In addition, staff attended two hearings (Whangarei District Council (WDC) Plan Change 92 and WDC Plan Change 78 and formally submitted on two Plan Changes (WDC Plan Change 93 and WDC Plan Change 103).

The two hearings are as follows:

#### **Whangarei District Council Plan Change 92 (Urban Form and Development)**

This plan change was the subject of a hearing on Monday 17 May. We were pleased to see that our submission had made an impact and that our concerns were addressed by the Planning Report to the hearing. Staff therefore attended and indicated to the Hearings Committee (the Committee) that the matters raised in our original submission are now considered to be appropriately addressed. We advised the Committee that the majority of our recommendations have been included in the proposed text of the revised plan change and that we support the changes to the revised text.

#### **Whangarei District Plan Change 78 (Port Nikau)**

Staff have met with representatives from Port Nikau on a number of occasions over many months. We have been presented with a revised plan change that included a number of changes to the Master Plan approach and the associated criteria. This revised plan change was the subject of the reconvened hearing on 19 May 2010.

Staff attended the hearing and advised the Committee that the matters raised in our submission are now considered to be appropriately addressed by the revised plan change.

The formal submissions made for May 2010 are as follows:

#### **Whangarei District Council Plan Change 93 (Urban Transition Environment)**

This plan change proposes rezoning pockets of countryside zone land in the Whangarei district to 'urban transition', which is essentially a new 'rural-residential' type environment. This would allow development to a density of two sites per hectare. The staff submission outlined that the Council is concerned that there is a lack of a robust Section 32 analysis (essentially a cost/benefit analysis) accompanying this plan change, and consequently there is no evidence that this proposed plan change is justified, or that it is the most appropriate way to achieve the purpose of the RMA. In addition, the submission outlined that some of the land proposed for rezoning is located above at-risk aquifers, contains highly productive and versatile soils and that some land is potentially susceptible to flood inundation. Our submission has been acknowledged and we await the summary of submissions.

#### **Whangarei District Council Plan Change 103 (Management Plan Technique)**

This plan change proposes to introduce a new technical method into the Whangarei District Plan to give applicants the opportunity to design a subdivision or development activity without being 'constrained' by the District Plan minimum/average lot size or bulk and location rules. As above, the staff submission recommended withdrawing this plan change because it is not accompanied by an evaluation report as required in terms of section 32 of the RMA. In addition, staff recommended that use of the Management Plan Technique should be accompanied by assessment criteria and rules to provide certainty as to maximum development intensity and/or standards to protect the integrity of the subject environment/zone or policy area. Staff clearly submitted against the Management Plan Technique being used for a de facto plan change via the consent process and stated that the Management Plan should not dictate the consent status of future development activity or subdivision unless it is incorporated in the District Plan in accordance with Schedule 1 of the RMA. Our submission has been acknowledged and we await the summary of submissions.

### Regional Land Transport Strategy

The 30 Year Transport Strategy for Northland (the Strategy) has been approved by the Regional Transport Committee and the Northland Regional Council. The strategy was made operative on 31 May 2010. Staff are now in the process of distributing copies to the appropriate people as well as making the strategy available on the Council website.

## OPERATIONS

### CONSENTS

#### Consents in Process

During May 2010, a total of 113 Decisions were issued. A copy of these decisions are circulated under separate cover. These decisions comprised:

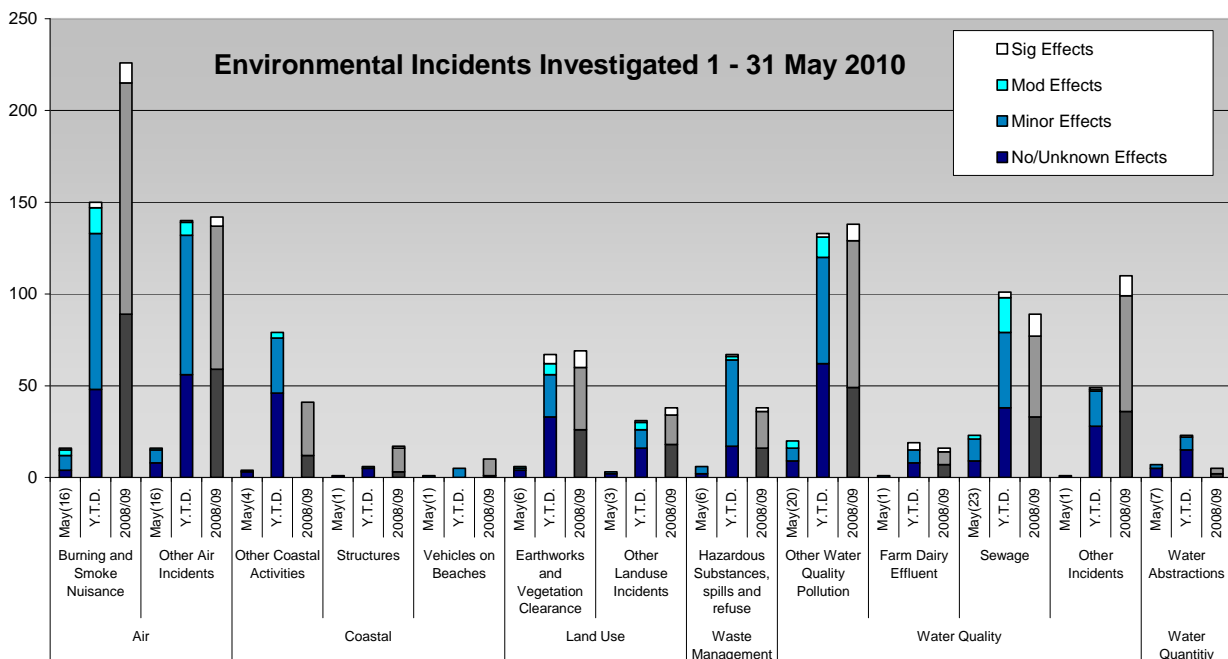
- 16 Moorings
- 11 Coastal Permits
- 2 Air Discharge Permits
- 24 Land Discharge Permits
- 22 Water Discharge Permits
- 14 Land Use Consents
- 14 Water Permits
- 10 Bore Consents
  
- 73 Applications were received.

Of the 440 applications in progress at the end of May:

- 223 were received more than 12 months ago (most awaiting further information);
- 30 were received between 6 and 12 months ago (most awaiting further information);
- 187 less than 6 months.

## MONITORING

### HOTLINE – ENVIRONMENTAL INCIDENTS



## **COASTAL**

3D hydrodynamic modelling of Whangarei Harbour was completed with various scenarios of sewage spills simulated during small, medium, large and extreme spills and rain events.

Water quality was measured this month in the Bay of Islands, Whangaroa, Whangarei, Hokianga and Kaipara Harbours. Sediment quality was also measured in Whangarei Harbour and the Bay of Islands. The latter programme is undertaken every two years to begin determining contaminant trends over time.

### **Community Consultation**

A meeting with BayCare, as part of the Bay of Islands Maritime Park Inc group, was attended this month to discuss sedimentation issues in Kerikeri and how the group may be able to help in some catchments. One suggestion is to apply for a grant from the Environment Fund to plant and fence areas.

A presentation of the 3D hydrodynamic model of Whangarei Harbour was given to the Kaitiaki Roopu Whangarei, WDC and NDHB and the consequences of using this model for decision making was discussed.

## **WATER RESOURCES**

The telemetry system continued to operate very efficiently during May and was extensively used for low flow management and severe weather monitoring.

After a series of long delays, work is now progressing with the installation of the Kaeo River webcam. Completion is scheduled for the end of June when images of the Kaeo River at Kaeo town will be displayed on the council's website.

As a result of the ongoing drought, new station installations, site maintenance, data processing and archiving are way behind schedule. There is a significant amount of resourcing required to complete this work.

### **Water Resources**

During May there was widespread rainfall across the entire region with some areas getting double the average May rainfall. This signalled the end of drought conditions that have prevailed in Northland over the past eight months.

Significant amounts of rain were recorded along the east coast areas. For example, Kaeo recorded 121mm over five days in mid May resulting in the Kaeo River rising only 1.3m. This amount of rain falling under normal May conditions would result in flooding of the lower river flats of Kaeo River.

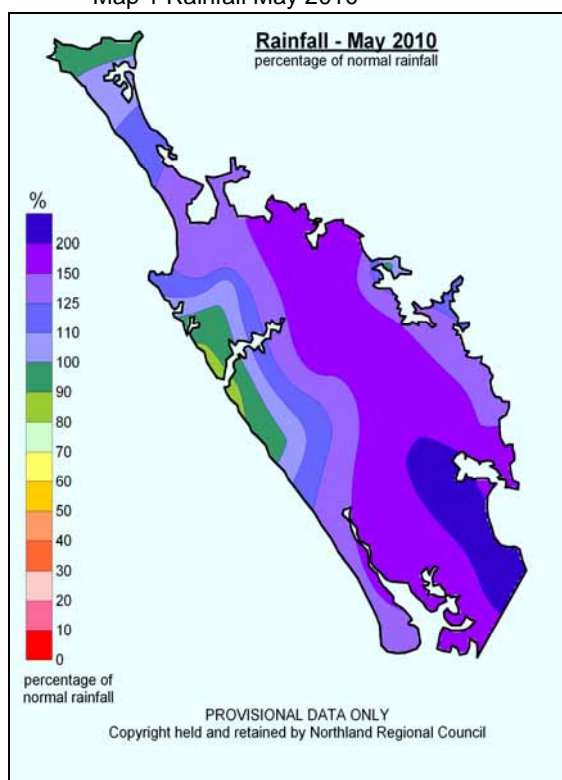
More rain of similar amounts is still required over the next two to three months to reduce the rainfall deficit caused by the drought.

Most river and stream flows have lifted to near normal levels for May, although the Awanui River flows which were below 20% for most of the summer and autumn months are now at 50% of the expected level for this time of year.

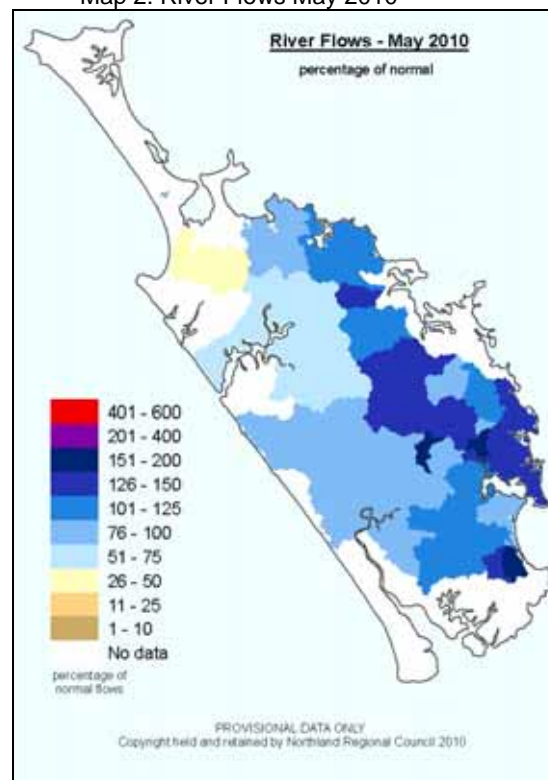
The National Institute of Water and Atmospheric Research has indicated the El Niño conditions that prevailed since winter 2009 have dissipated. Recent trends suggest a La Niña could develop by early spring.

Seasonal rainfall totals are likely to be near normal, while soil moisture levels and stream flows are equally likely to be near normal or below normal.

Map 1 Rainfall May 2010



Map 2: River Flows May 2010



## WASTE MANAGEMENT

### Chemical Collection

No waste chemicals were disposed of this month as the drums were incomplete and therefore not ready for dispatch. All old flares were collected by the Department of Defence for disposal.

### Department of Labour Hazardous Substances Contract

Sixteen sites were visited, along with 11 follow-up visits, of which three are new sites.

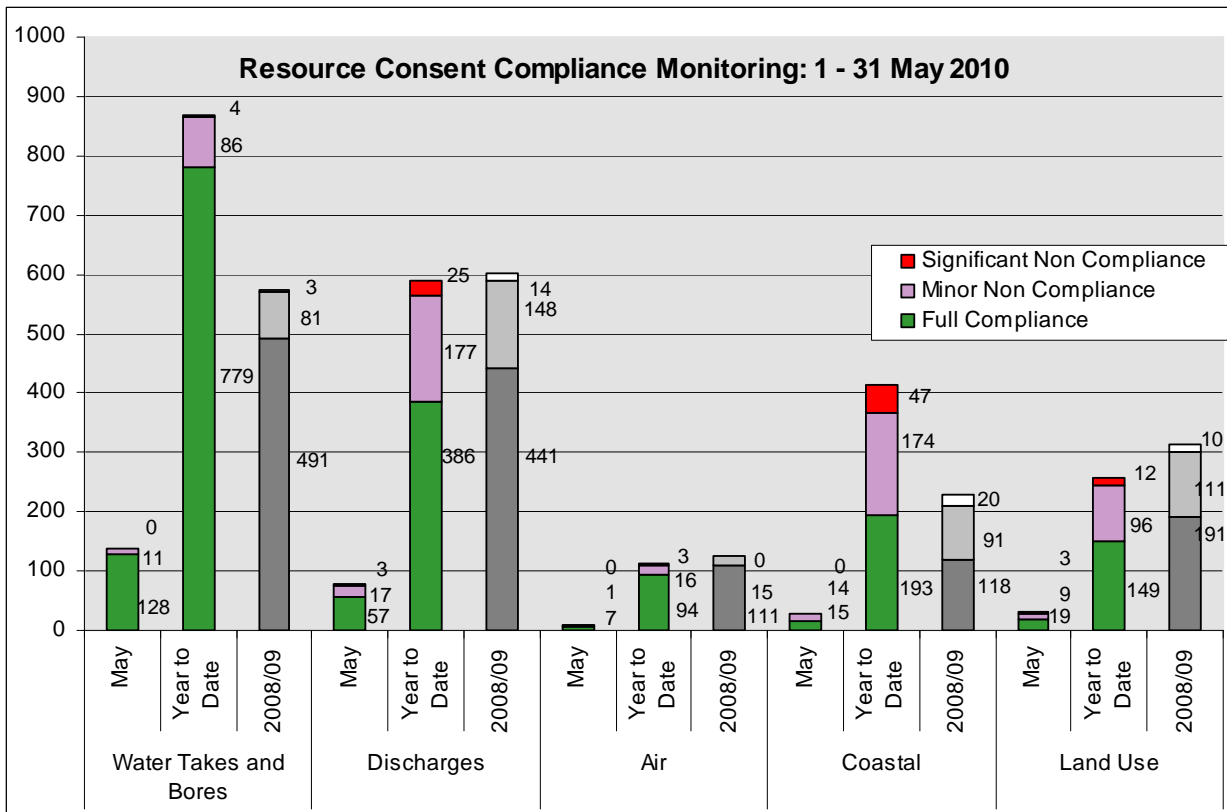
### Hazardous Substances Incidents

Two incidents were responded to during May. An ammonia refrigeration plant was dismantled, releasing some ammonia vapour into the atmosphere.

Packets containing possum pre-feed was mistaken for feratox at a dwelling. This led to NRC providing training to other agencies with regard to VTA's (vertebrate toxic agents) and the development of an appropriate response protocol.

## COMPLIANCE MONITORING

The results of compliance monitoring for May 2010 are provided in graphical format below. Data is also provided on compliance levels year to date and compared with last year's monitoring results.



**Coastal**

Compliance monitoring of coastal structures, sewage pipelines, capital dredging, mangrove removal and stormwater discharges into harbours was completed. There were no significant non-compliances.

**Water Quality and Discharge Monitoring**

Seventy-four percent of discharges monitored over the period were fully compliant with consent conditions. There were three significantly non-compliant discharges. Two of these were FNDC wastewater treatment plants (Hihi and Kaeo). Upgrade and consenting issues are still being worked through with FNDC.

The Ngawha Peer Review Panel met in May. No significant issues were raised. It has been agreed that tracer testing will be done at the plant. A plan for this testing is currently being formulated; members of the peer review panel are assisting with this.

**Farm Dairy Effluent**

NRC staff have now completed follow-up visits to all farms that were significantly non-compliant at routine monitoring. A large number of upgrades have been agreed and significant works have already been completed. More farmers are installing land application systems to enable irrigation from their ponds when conditions are suitable.

NRC has purchased several low-application irrigation pods for farmers to borrow and trial. These are proving very popular and most farmers who have trialled them have purchased their own pods. These are an alternative to travelling irrigators.

Several meetings have been held with DairyNZ and Fonterra to discuss farm dairy effluent issues. The Council has been involved in the upskilling of DairyNZ staff in effluent management issues.

### **Land Use Monitoring**

There were three significant non-compliances for land use monitoring for May. One of these was for forestry and the other two were for inadequate sediment and erosion controls on subdivision sites.

### **Water Take Monitoring**

The drought continued into early May with water shortage directions being reissued to the FNDC for taking water from the Awanui River (Kaitaia) and the Tirohanga Stream (Kawakawa Moerewa). Also, a water shortage direction was issued to the WDC to allow continued taking of water from the Hatea River as water levels in the Whau Valley Dam continued to drop.

By mid May, sufficient rain had fallen over the region to allow water to be taken under consents rather than the water shortage directions and subsequently the directions were cancelled.

Water use records relating to the 2009/2010 year are now being received by Council and are being assessed for compliance.

## **ENFORCEMENT**

### **Abatement Notices**

Thirteen abatement notices were issued in May. These related to the following activities:

- Burning (4).
- Industrial discharges (3).
- Water takes (2).
- Earthworks.
- Sewage discharge.
- Odour.
- Coastal structure.

### **Infringement Notices**

Seven infringement notices were served during May. These were for:

- Earthworks in the RMZ and discharge to CMA (2).
- Damage to seabed.
- Burning of prohibited materials.
- Sewage discharge.
- Industrial discharges (2).

### **Other Enforcement**

Prosecution action continues against the seven parties relating to discharge deposition of sediment into water and the Mangawhai Harbour. All seven parties have entered guilty pleas. The case is due to be heard in Auckland in August.

Houhora Service Station – an application for an enforcement order has been filed against two parties. Interim enforcement orders for the parties to actively participate in monitoring and investigative work have now been requested. The court has now directed that the parties file submissions and the court will determine the application on the papers.

Three farm dairy effluent prosecutions are in process. Charges have been laid and served on all parties. Not guilty pleas have been entered in one case, while it is understood that guilty pleas will be entered in one other. Court hearing dates in mid June have been set.

The various defendants, apart from the landowner, prosecuted for the deposition of soil and other materials at Ngunguru Ford Road have been discharged without conviction, upon completion of site remediation and matters agreed at the restorative justice conference. The landowner will be sentenced in mid June.

A Land Drainage Act order notice served on an Awanui landowner has been appealed. The notice required the removal of an obstruction from a drain. A hearing of the appeal took place in Whangarei on 28 May but was adjourned part heard. The hearing will resume on 11 June.

## **MARITIME**

### **OIL SPILL RESPONSE AND PREPAREDNESS**

Exercise Bream Bay 2010 was held 12-13 May. The combined desktop and field equipment deployment in response to a fictitious slick of approximately 9,000 litres of oil involved about 40 participants from the Council, Department of Conservation, New Zealand Refining Company, Maritime New Zealand and members of the National Response Team.

An Incident Command Centre was established in the Council's Whangarei office and the subsequent field operations saw a number of firsts for the region. Simulated aerial dispersant and extensive shoreline cleanup operations were undertaken along the Ruakaka coast. National Response Team members also established a decontamination centre, necessary to avoid the contamination of clean areas by personnel and machinery.

The exercise achieved all stated objectives and formed part of the Council's annual marine oil spill exercise programme, which is funded by Maritime New Zealand.

### **NAVIGATION, SAFETY AND MARITIME OPERATIONS**

#### **Port and Harbour Safety**

The results of external hydrographic surveys of Kioreroa Reach and the Hatea River were received and assessed. There was little change to depths between Onerahi and Kissing Point but shoaling of the Hatea River is being further investigated.

Oil industry executives were briefed on the status of the Whangarei Harbour Safety Management Systems and on the ongoing operation of the Dynamic Under Keel Clearance system.

The Whangarei and Bay of Islands Risk Assessments and Safety Management Systems were updated to include newly identified risks and corresponding mitigation factors.

#### **Maritime Incidents**

Twenty incidents were responded to during May. The onset of winter weather contributed to several smaller recreational vessels overturning, sinking or grounding on shore. The inward-bound transits of two super-tankers were delayed until swell conditions had moderated.

There was some cause for alarm when vandals cast a fishing vessel adrift from one of the commercial wharves at Port Whangarei. The vessel's owner was alerted and was able to recover and berth the vessel without further incident.

#### **Aids to Navigation**

New batteries were installed on navigation lights on No 2 (The Sticks) port-hand beacon in the Bay of Islands. Similar work was undertaken on S1 and S3 beacons in the Subritzky Channel, Kaipara Harbour.

Following a report from one of the Kaipara Harbour wardens that S2 and S7 buoys were unstable, investigations revealed that mooring ropes had been cut and lead counterweights stolen. Short lengths of stud link chain were installed to ballast the buoys.

Restoration of the Pakatahi Island beacon was completed after it was destroyed by a poorly navigated launch some months ago.

## TRANSPORT OPERATIONS

### Total Mobility – April 2010

Total clients	No of taxi trips	Monthly Actual Expend	Monthly Budget Expend	Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Variance
1173	2762	\$15,257	\$17,168	-\$1,911	\$161,272	\$171,680	-\$10,408

### City Link Whangarei – May 2010

	Month Actual	Budget	Variance	April 2009
Passenger numbers	23,850	22,500	+1,350	24,487
Farebox revenue	\$50,953	\$60,156	-9,203	\$55,419

(figures include Super Gold Card)

### Road Safety

#### Fatal Crashes for the Northland Region as at Midnight 1 June 2010

Local Body Data (includes State Highways)	Total for all of 2009	At the end of June 2009	Year to date 2010	Annual Average 2005/2009
Far North	15	6	7	13
Whangarei	16	8	4	12
Kaipara	4	2	1	4
<b>Northland Region</b>	<b>35</b>	<b>16</b>	<b>12</b>	<b>29</b>
Rodney	16	7	7	16
Auckland Region	75	47	29	70

### Stock Truck Effluent Dump Sites

The scoping report on a possible stock truck effluent dump site for the Far North was tabled at the May 2010 Regional Transport Committee meeting. This included the concept report for the proposed effluent dump site at Pakaraka on State Highway 1N and an informative presentation was given by David Greig of NZTA. The next step for the Pakaraka site is a more detailed Scheme Assessment Report (SAR) that is being co-ordinated by Scott Wickman from NZTA. The SAR will provide much more detailed information about costs and ongoing maintenance options and requirements.

### Regional Cycling Safety Workshop

Ongoing meetings are being held involving the New Zealand Transport Agency, RCA's and cycle representative groups. These meetings have concentrated on identifying those roads that are mostly used by cyclists for training or recreational purposes. 'Cyclist Warning' signage will be erected on these roads. 'Share the Road' advertising is also being planned for the back of a number of trucks to further raise the awareness of cycle safety and sharing the roads.

### **Rugby World Cup 2011**

A regional Rugby World Cup 2011 workshop was held on 11 May 2010. This meeting was attended by representatives from:

Northland Regional Council;  
Whangarei and Far North District Councils;  
Enterprise Northland;  
New Zealand Transport Agency;  
New Zealand Police;  
New Zealand Fire Services;  
St John Ambulance Service; and  
Civil Defence Emergency Management

The Kaipara District Council has stated that they will be involved only as necessary.

The meeting concentrated on those issues that could potentially be faced with regard to Traffic Management Plans and general transport issues during the RWC2011 period.

### **CIVIL DEFENCE EMERGENCY MANAGEMENT (CDEM)**

One of the first senior appointments announced by the Auckland Transition Agency (ATA) was Mr Clive Manley who has been appointed as Manager of Civil Defence Emergency Management. Mr Manley is currently the Northland CDEM Group Controller and Coordinating Executive Group chairperson.

At 5.57 am on 28 May the Ministry of Civil Defence and Emergency Management issued a National Tsunami Advisory; Potential Threat to NZ after an earthquake near Vanuatu. The warning was circulated in accordance with the agreed protocols to the district councils, lifelines organisations key personnel and the emergency services. Text messaging was also used to distribute the warning. The warning was cancelled at 6.50 am.

The Northland drought has continued to be closely monitored by the CDEM Group Emergency Management Office and the final Sitrep was circulated on 2 June. The Sitreps have provided a region-wide overview of the situation and have been circulated to a wide variety of key organisations and interested parties.

The Capability Assessment report from the Ministry was provided to the CDEM Group Chair and Coordinating Executive Group (CEG) Chair at a meeting with Ministry officials on 16 April and a presentation from a Ministry official was made to the CDEM Group on 1 June. The report contained a number of recommendations that have been reviewed and analysed by the CEG. Some of the recommendations are relevant and where appropriate will be incorporated into the five year work programme.

Planning is underway for Exercise Tangaroa which will be a Tier 4 (national level) exercise in accordance with the National Exercise Programme. The exercise is to be based on a distant source tsunami and will be led by the Ministry of Civil Defence & Emergency Management (MCDEM) with support from all 16 CDEM groups, central government departments, emergency services, lifeline utilities, and other agencies and organisations. The exercise will be an operational/functional exercise held on 20 October 2010. The aim of Exercise Tangaroa in Northland is to test regional and local arrangements for responding to a national tsunami warning. Exercise Tangaroa will involve the activation and resourcing of the Group and Local EOCs centred at the Northland Regional Council and the Far North, Whangarei and Kaipara District Councils.

The exercise will also involve the engagement and activation of the various support agencies to test communications and alerting mechanisms, inter agency planning and coordination. The new Emergency Management Information System (EMIS) will be tested across all those agencies and organisations within the region that elect to participate in the exercise and have the EMIS capability, although the Ministry have advised that the implementation of the EMIS will be delayed until September. The exercise will test the activation and establishment of a welfare centre in Whangarei as well as the systems and processes designed to support the activation of a welfare centre.

The next CIMS 4 course is scheduled for 15, 16 and 17 June. Enrolments for the CIMS 4 courses continue to be strong.

A one day Controllers Forum is scheduled for 30 June. At this time 60% of the local controllers have indicated that they will be attending. Senior police and fire service personnel have been invited to attend. The programme for the day will focus on tsunami with particular emphasis on evacuations and resource capability and management.

## **LAND AND RIVERS MANAGEMENT**

### **LAND MANAGEMENT**

#### **National Biodiversity Technical Group Meeting**

A national meeting of regional council biodiversity technical staff in Wellington a working party was set up in conjunction with Landcare Research and Department of Conservation, to develop a biodiversity monitoring model that is consistent across councils.

#### **CoastCare**

CoastCare visits were held in Hihi, Taipa, Ruakaka, Waipu Cove and Langs Beach to assess work done and decide on future planting, fencing and signage requirements.

A new logo for CoastCare Northland has been developed and work on CoastCare interpretation signs is underway. These signs will provide information on dune plants, dune form and function, and how people can help protect the beach and dune area. The signs will be placed near CoastCare dune restoration projects around the region. Initially key sites will be provided with these signs.



#### **Vehicles on Beaches**

NRC staff attended the Kawakawa "Push and Pull" event to promote vehicles on beaches and other road safety messages, in conjunction with the Police, ACC and NZTA.

An inter-agency Safe Beach Driving Education Campaign Programme debrief and planning meeting was held on 20 May. It was decided that it is important to continue this programme as it has been very successful to date but there is still work to be done.

#### **Meat and Wool New Zealand and Landcorp Farming Field Days**

Two successful field days were conducted by Meat and Wool New Zealand during May, the first hosted by the Longuet-Higgins Family at Pakiri and the second by Landcorp Farming Ltd at Takakuri.

These field days and discussions have highlighted:

- The need for reliable and reticulated quality water supplies on all types of farms.
- Even with good feed, stock must have water.
- Most streams and small farm dams on clay hill country dry up in a drought.

### **Erosion Control Workshop**

An Erosion Control Workshop was held in conjunction with MAF at Kerikeri on 7 May. A full day's programme included a run through of the various types of soil erosion, what causes this erosion and methods used in repairing it. Around 70 people from a range of professions attended this workshop.

### **Ballance Farm Environment Awards**

A field day on the farm of the supreme award winner's property at Snelgar Road, just south of Kaitaia, attracted over 80 visitors. Brian and Gaye Simms' farm, formerly a dairy farm but now being converted to a beef fattening unit, is on steep and erodible hill country.

## **RIVER AND HAZARD MANAGEMENT**

### **Awanui River**

A peer review of the draft Awanui River Asset Management Plan was completed. A number of areas for improvement have been identified for progression.

A plan for upgrades to the hydraulic river model is being prepared. This will include immediate and long term upgrades to calibration as well as design storm events. These improvements to the model will address many issues identified in the peer review.

Further discussions have been held with FNDC on upgrades/replacement of the Donald Road bridge. NRC staff are currently incorporating this with the Whangatane Spillway sill upgrade proposal, which aims to improve the capacity of the spillway to convey flows from above the Donald Road bridge to SH10 near Awanui. An ideal bridge replacement cross-section will be provided to FNDC.

### **Kaihu River**

The draft Kaihu Flood Management Scheme proposal was presented to the Kaihu River Flood Management Liaison Committee at its 26 May 2010 meeting. The proposal involves establishing a 6-month level of flood protection, incorporating stop banks and spillways to regulate flooding and mitigate inequity issues associated with the current ad-hoc levels of protection and address sedimentation. The Committee supported continuation of the next stages of work, which will determine the effect of the proposed scheme on flooding.

A proposal for a prefeasibility study of three multi-purpose dam sites on the Kaihu River was presented to the Committee. The proposed cost of the study was considered too high by the Committee to warrant further progression at this stage.

The 2010-2011 work programme and a revised River Management Plan were presented to the Liaison Committee, with the Committee supporting the work programme.

The resource consent for the Kaihu River Scheme was renewed for a term of 15 years.

### **Kaeo and Whangaroa**

A business case outlining the Kaeo flood risk reduction strategy and funding of the strategy has been prepared and sent to the Ministry of Civil Defence and Emergency Management. It is expected that the Ministry will present the business case to government to consider their support for releasing their \$0.5M funding contribution towards the strategy.

The Kaeo stop bank and spillway modelling was completed, and the benefits have been outlined in the business case. Further detailed assessment of model output is now being undertaken in preparation of detailed works design.

A final peer review report of the Kaeo hydraulic model was received, with the report concluding that the model is fit for purpose.

### **Kerikeri/Waipapa River**

A range of proposed flood risk reduction options have been defined for the Kerikeri River catchment. Progression of risk assessment work, and outcomes from the model peer review, has highlighted the need to upgrade the hydraulic model. Work on these upgrades has commenced, including 2D modelling of flood plain areas and extending the model network to include future growth areas subject to flooding.

### **Whangarei Urban Rivers**

A meeting of the Urban Whangarei Rivers Flood Management Liaison Committee was held on 6 May 2010, as detailed in the paper tabled at the May Environmental Management Committee meeting.

### **Priority Rivers Project**

Work is progressing with the development of river management plans for the 23 priority rivers and streams let as a single appointment to MWH NZ Ltd and URS Ltd.

Detailed hydrograph calibration of Group 1 rivers is nearing completion. During the month, five catchments were progressed to design storm runs, having been screened for calibration / verification results. Out of 23 catchments, 14 catchments are now scheduled for design storm runs (final phase of modelling). Work on flood risk assessment and defining flood risk reduction options is also being progressed.

### **Other River Works**

Other river works, outside of river schemes, were completed including clearance underneath the SH10 bridge over the Puketotara Stream near the SH10/Waimate Road junction and maintenance of the nearby floodway; willow and debris removal from the Waiomio Stream (Kawakawa) and removal of fallen trees from a river near Otatau South Road.

## **BIOSECURITY**

### **Community Pest Control Areas (CPCAs)**

Groups at Manganese point and Waione are progressing very well, with animal bait stations filled regularly, and some very good weed control at both sites by resident landowners. Negotiations and good progress is being made for a new CPCA (Putoetoe) at Waimamaku, and a further survey to determine the density and spread of wild ginger is being undertaken.

A new community plan at Whangarei Heads is underway and a finalised list of target species, estimates for pest weed control, and a price for wilding pine control has been completed. Skywork Helicopters has been involved in wilding pine control in the South Island, so staff have been using their experience to formulate an effective control for the pines in this CPCA. Because this is a heavily populated kiwi area, any method used must minimize disturbance to the undergrowth and avoid making new corridors for cats, stoats and dogs to invade.

### **Pest Plants**

**Bat wing passion vine** - An incursion investigator from MAF Biosecurity visited the Kamo West area with NRC staff earlier in the month and found a number of new fruiting plants of the bat wing passion vine, as well as a number of new seedlings, some only six months old and already four metres high. These new plants have only been found inside the known incursion area and staff are hopeful the species has not spread further.

**Tasmanian Ngaio** - a concerned nurseryman brought this plant to NRC's attention. It is classified as an unwanted organism, meaning it is banned from sale, propagation and distribution. The nursery involved co-operated fully, withdrawing the plant from sale immediately, and there will be further investigations to discover where else the plant has been sold so officers in those areas can stop this organism from being introduced into the environment.

**Vicia benghalensis** - NIWA staff were visiting a site with biosecurity officers near Dargaville and spotted a plant that has not been found in New Zealand before. The plant is *Vicia benghalensis*, a pea like shrub and known plant pest in Australia. Biosecurity staff have subsequently found two sites about 100 metres apart and will continue to search the immediate area.

**Lantana** - A follow up project for the Ngataki stream, King block, and a small area at Pukenui has been authorised and the contract signed by contractors for the amount of \$9,000. The existing excess budget of \$2,200 will still be spent in stage one and two by way of survey through JNL forests, or a separate contract for a small block of lantana at Simon Ulrich Road near Tokerau Beach.

NRC officers are confident that 99% of plants have now been treated in the recorded areas. There has been some follow-up of plants at Rangiputa and Tokerau Beach, where sightings of plants missed in earlier applications have been reported, and these apart from the Simon Ulrich site have now been treated. An area of about 30 mature plants was located at an old house site in Te Kao, and this will be treated in early June.

**Aquatic Weeds** - Considerable time has been spent before and after the spraying of the hornwort site at Taiharuru dam, and observations indicate all the weed is looking dead or dying. The Aquathol granulated herbicide applied via a mistblower looks very promising for other hornwort infested lakes and the trial results will be written up.

**Railway weeds** - A meeting with the Kiwi rail weed contractor was held, and progress is underway to carry out a spraying and beautification planting in the Whangarei Boys' High School area along the rail corridor. NRC will contribute a small part of the cost during June 2010, then a further programme on a larger scale will be carried out in the new financial year to further this project for the rail track throughout the city limits. An inspection revealed that progress has been made towards weed vegetation clearing, by way of spraying and unwanted tree mulching.

**Recommendation**

That the Chief Executive Officer's report dated 4 June 2010 be received.

**COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009-2019 LTCCP, and as such are in accordance with the Council's decision making process and sections 76 to 82 of the Local Government Act 2002.

## **Rodney District Council Local Bill Notification**

**File D.1, E1.83**

**Report from the Regional Policy Senior Programme Manager Kathryn Ross dated 4 June 2010.**

### **PURPOSE**

The purpose of this paper is to alert Councillors that the Council has received notification of a local bill - the Rodney District Council Bill (the Bill).

### **WHAT DOES THE BILL SAY?**

The purpose of the Bill is to constitute Rodney District Council as a unitary authority, on its current boundaries. It does this by:

- excluding the current Rodney district from the Auckland region and therefore from the new Auckland Council
- continuing the current Rodney District Council (with its current responsibilities, duties and powers) and
- giving the current Rodney District Council the responsibilities, duties and powers of a regional council.

There are also provisions to deal with regional assets and liabilities, including council controlled organisations that would have passed from the Auckland Regional Council to the Auckland Council, and to ensure that Rodney Properties Limited remains with the Rodney District Council. Regional parks are not affected and remain with the Auckland Regional Council/Auckland Council.

Because there is very little time available to set up a unitary authority in Rodney, the Bill defers the local authority election for Rodney District Council until 8 October 2011.

### **WHAT IS THE PROCESS FROM HERE?**

The Bill must be introduced into the House. If it gets support, it goes on to a first reading and is normally referred to a select committee. If it is defeated, that is the end of the Bill.

### **IMPLICATIONS**

It is anticipated (by Rodney District Council at least) that the Bill will be introduced into the House of Representatives by a local Member of Parliament (post 8 June 2010). If enacted the Bill would therefore require changes to the boundaries, wards etc of the Auckland Council. (On 3 June 2010 the Local Government (Tamaki Makaurau Reorganisation) Amendment Bill, Local Government (Auckland Council) Amendment Bill, and Local Government (Auckland Transitional Provisions) Bill were read for the third time.)

If the Bill succeeded the Council would share its boundary with the Rodney District Council (a unitary authority) and not with the Auckland Council. The Bill could impact on the relationship between the Council and the Rodney District Council, for example on resource management, transport and the Kaipara Harbour. (It would also have implications for our relationship with Auckland).

While the Bill could fall at any stage, this process (promotion of a local bill) could be followed in other districts and regions. (But it is not the most obvious route to take to achieve local government reorganisation. When this Council submitted on the Auckland Council boundaries it considered that Rodney District Council and others may use a Private Member's Bill for this type of situation).

## **BACKGROUND**

### **What is a local bill?**

Local authorities may put forward a local bill to deal with specific issues in their area. A local Member of Parliament is likely to be the Member in charge of a local bill. Rodney's local MPs are

- Prime Minister, John Key
- Speaker of the House, Lockwood Smith
- Tai Tokerau MP, Hone Harawira
- Social Welfare Minister, Paula Bennett
- Assistant Local Government Minister and Chair of the Auckland Governance Select Committee, John Carter.

As the Council would share a boundary with the (proposed) Rodney District Council we have been notified of the Rodney District Council Bill.

### **Why has the Bill been proposed?**

Rodney Mayor Webster says the Bill has come about "because of such strong, local opposition to the Supercity, as well as getting direct requests from other residents' groups, the Council had to act."

"We still do democracy in Rodney and we have done so by proposing this bill to leave all of Rodney out of the new Auckland Council."<sup>1</sup>

At its 21 May 2009 Council meeting, the Rodney District Council "resolved to investigate the option to become a unitary authority and for the outcome of these investigations to form a basis for the Council's submission to the Select Committee considering the Local Government (Auckland) Bill." A survey of residents also followed. Some Rodney residents support including Rodney in Kaipara District Council (and potentially making that combined Council a unitary authority). A protest against inclusion in the Auckland Council has been planned by the "Direct Action Group" for 4 June 2010. The protest is likely to include tractors and "the odd horse" on the state highway between Puhoi and Warkworth.

## **CONCLUSION**

While there is no guarantee that the Bill will be introduced into the House or that it will advance through the legislative process, it would be prudent for this Council to monitor the progress of the Bill given its potential implications. The Council may wish to develop a policy position on the Bill, potentially after it is introduced.

---

<sup>1</sup> Rodney media release, 16 May 2010, available at <http://www.rodney.govt.nz/AboutRodney/NewsNotices/Pages/WeStillDoDemocracyInRodney!.aspx>

**Recommendations**

1. That the report from the Regional Policy Senior Programme Manager, Kathryn Ross, dated 4 June 2010 be received.
2. That the Council monitor the progress of this Rodney District Council Bill.
3. That if the Rodney District Council Bill is introduced into the House of Representatives then the Council will develop a policy position on the Rodney District Council Bill.

**COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009-2019 Long Term Council Community Plan, and as such are in accordance with the Council's decision making process and sections 76-82 of the Local Government Act 2002.

## **NRC Submission on Unitary Authority Proposal**

### **File D.1**

#### **Report from the Chief Executive Officer Ken Paterson dated 4 June 2010.**

Submissions on the District Councils' proposal to create two unitary authorities in Northland closed on 31 May 2010. Attached is the Regional Council's submission. The Council has indicated that it wishes to speak to this submission at the future hearings.

It is understood from comments made in the media that around 900 submissions were received. This represents just 0.5% of Northland's population, which casts considerable doubt on the District Council's ability to again the support of the 15,570 electors needed to reach the required 10% support at any future poll. At the time of writing this paper, no further information was available on the breakdown of these submissions, or the timeline for the process going forward. However, the District Councils have previously stated that once the submission period has closed, it is their intention to contract the services of an "independent commissioner" to hear submissions and presumably make recommendations surrounding the process to date and the next steps to be taken.

It is therefore timely that Councillors consider what the Terms of Reference for the Commissioner should contain in order to give the community the best value for the considerable expenditure of ratepayer funds to date. Possible options may be that the Commissioner should provide an independent review of the process followed by the District Councils to date, including the accuracy of the information provided to the community in the various printed documents and public presentations.

As discussed at the May meeting of the Council, an Official Information Request has been lodged with the Far North and Whangarei District Councils to publicly state the total amount of ratepayer funding spent to date on their attempts to create public demand to split Northland into two unitary authorities. It is expected that these costs will now be quite substantial and include not only the original \$80,000 for the McKinlay Douglas report but also costs of the Innes Report, the subsequent week long roadshow presentations by Peter McKinlay, the Far North document printed and distributed to each household, the Whangarei document printed and distributed via the Leader, the additional two weeks of public meetings run by both the FNDC and WDC, and newspaper and radio advertising plus any external PR advice. Costs will continue to escalate with the complex analysis of submissions, hiring of the commissioner, and running of the hearings plus whatever subsequent course of action the Councils then decide to take. The Regional Council will continue to monitor the ongoing costs for the District Councils to complete this process and will report back to a future meeting.

As noted in previous reports to the Council, the Minister of Local Government has made himself abundantly clear on numerous occasions to date, that the government has no intention of making any changes to local government in the short term until the Auckland Super City restructure has bedded in and the Local Government Act reviewed. This is in direct conflict with the premise promoted by the District Councils that somehow "change is coming, and that Northland needs to take control of its own future". Attached is a comprehensive recent Radio NZ report aired on 3 June 2010 which includes the latest comments from the Minister and others, condemning the waste of ratepayer funds to date and reiterating its extremely low probability of achieving anything.

Given these facts, it is unclear why the District Councils are continuing to pursue their goals of dividing Northland into two unitary authorities. The wider community has a right to know what value has been received from the considerable expenditure to date and how this process is meant to benefit them in the future. The Regional Council will continue to monitor the District Councils' activities in this regard and ensure that ratepayers are kept fully informed by ensuring full disclosure of all facts uncovered.

Councillors may now wish to discuss the Commissioners Terms of Reference in more detail.

### **Recommendation**

1. That the report from the Chief Executive dated 4 June 2010 be received.
2. That the Regional Council write to the Far North and Whangarei District Councils in regard to the Commissioner's Terms of Reference for the hearings and subsequent recommendations arising from recent public consultation on the McKinlay Douglas Report on Local Government Options for Northland.

### **COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009-2019 Long Term Council Community Plan, and as such are in accordance with the Council's decision making process and sections 76-82 of the Local Government Act 2002.



Te Kaunihera a Rohe o Te Tai Tokerau

Please Quote File: D1.1  
KEP:LIS

Private Bag 9021  
36 Water Street  
WHANGAREI 0140  
New Zealand

28 May 2010

Local Government Options for Northland  
Freepost Authority Number 92166  
Private Bag 9023  
Forum North  
Whangarei 0148

Phone: (09) 438 4639  
Freephone: 0800 002 004  
Environmental Hotline:  
0800 504 639  
Fax: (09) 438 0012  
Email: mailroom@nrc.govt.nz

[www.nrc.govt.nz](http://www.nrc.govt.nz)

To Whom It May Concern

**SUBMISSION - MCKINLAY DOUGLAS REPORT ON LOCAL GOVERNMENT  
OPTIONS FOR NORTHLAND**

The Northland Regional Council wishes to be heard in support of this submission and would prefer to attend a hearing in Whangarei.

In the absence of robust analysis to identify what the problems in Northland currently are, the Regional Council has no fixed preference on which form of local government would be best placed to resolve such issues. It is this Council's view that if any or all of the Northland territorial authorities wish to engage with the community on proposed changes to the form of local government, then the information supplied to support such engagement should be well researched, honest and provide the community with all the facts and options in order to make an informed decision.

The initiative currently being promoted by the Whangarei and Far North District Councils is not well researched. No analysis of the costs and benefits of any reorganisation of local government have been done, and yet the District Councils make unsubstantiated claims that the proposed changes will be either cost neutral or cheaper. Transition costs would be additional.

While the contractor may be independent, the report is not independent and the district councils have actively directed the outcome of the report from very early on in the process. The public have not been provided with the facts upon which to make an informed decision and information provided has often been very misleading.

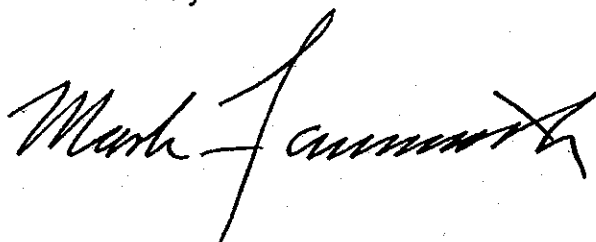
The call for change is not ratepayer driven, nor has it been signalled previously in Long Term Council Community Plans.

The Regional Council strongly objects to a process which has resulted in substantial amounts of public money being spent in an attempt to create ratepayer demand to achieve a predetermined political outcome.

This Council is on public record as saying that it is not opposed to change, even if this change spells the end of this Council in its current form. Any reorganisation process should be driven by the ratepayer and focused on what is best for Northland – ideally to unite and harness the full potential of the region – not to divide it at the ratepayers' expense. If, after the appropriate financial analysis and due diligence, it can be demonstrated that Northland will be better placed to thrive and grow under a different structure of local government, then the Regional Council will support change.

The Regional Council reserves the right to table evidence and examples to substantiate the above claims at the hearing.

Yours sincerely



Mark C Farnsworth  
Chairman

cc: Ken Paterson



## Radio Transcript

---

**Morning Report – Wednesday 2 June 2010 @ 8.55am**

### **‘Northland councils persist with doomed unitary proposal’**

*Report by Lois Williams*

SEAN PLUNKET: The Minister of Local Government, Rodney Hide, has poured cold water on the hopes of two Northland councils pushing to become unitary authorities. The Mayors of the Far North and Whangarei District Councils are leading the charge to abolish the Northland Regional Council, take over its functions and divide its assets between them. But Radio NZ has been told the campaign is doomed and a waste of ratepayers money. Lois Williams reports.

LOIS WILLIAMS: The Whangarei and Far North Councils have spent nearly \$150,000 on their unitary dream and that's set to rise to \$200,000 next month. It hasn't been easy drumming up interest in local government reform in the North. Lois Elliott from the Russell Ratepayers Association puts it this way.

LOIS ELLIOTT: At a grassroots level I don't think there's a lot of appetite for it because I don't even hear conversation with ordinary people that this is actually of importance to them.

LOIS WILLIAMS: But by close of play on Monday, the Far North and Whangarei District Councils had received 900 submissions on their proposal to become unitary authorities. The Whangarei Council officer managing the process is Paul Dell.

PAUL DELL: I think that there's been a lot of interest from people and I think that's a good number of submissions so I'm pleased with those.

LOIS WILLIAMS: But two of Northland's councils want nothing to do with the reform process. The asset rich Regional Council says the McKinlay Report which recommended first one, then two unitary authorities, was tailored to fit the agendas of the Far North and Whangarei Councils who paid for it. And the Kaipara District which

has low debt levels, unlike Whangarei and the Far North, has pulled out as well. Here's the Mayor, Neil Tiller.

NEIL TILLER: Our Council's adamant that there's no benefits in Kaipara joining up with the Whangarei Council and or having two unitary councils for Northland. We're quite happy to get on with the job with what we've got.

LOIS WILLIAMS: And that presents a problem for Whangarei and the Far North. Without regional consensus they can't put a case themselves to the Local Government Commission for a unitary scheme. They need 10% of ratepayers to petition the Commission and ask for reform. And that's where the saga's heading. A hearing by independent commissioners, a report and a ratepayer poll. The Minister of Local Government Rodney Hide says it's an odd way for councils to go about things and he doesn't rate their chances.

RODNEY HIDE: The 10% one really is a citizens-initiated process and councils they normally have to initiate it, they get all the councils concerned to agree. Local councils can spend ratepayer's money as they choose but clearly they're going to struggle with the Local Government Commission when they can't get all the Councils of the region to agree.

LOIS WILLIAMS: Other Government sources who asked not to be named say the Councils have been warned that without unity their campaign is a waste of ratepayers money but they've boxed on regardless. Lois Elliott is one of a number of ratepayers hoping for a knockout.

LOIS ELLIOTT: Well we don't actually have a belief that these things are going to happen because we can't see our leaders agreeing on the idea and we're not ready for a battle over it so we're just hoping the whole thing will go away.

LOIS WILLIAMS: Paul Dell of the Whangarei District Council says no ones told him the unitary scheme won't fly and the hearing of submissions is set down for month. For Morning Report, Lois Williams.

## **Proposed Funding Contribution to the Paparoa to Pahi Walkway**

**File C8.3 and T5.5**

**Report from General Manager Projects and Information, Linda Stansfield dated 4 June 2010.**

The Council received a submission to its Draft Annual Plan 2010/2011 from the Progressive Paparoa Inc (PPI) to provide a funding contribution towards the Paparoa to Pahi walkway. PPI have already commenced stage one of this four stage walkway that will circumnavigate the Pahi Peninsular. Funding has been received from a number of sources, but a sum of \$5,000 plus GST is required to complete stage One.

During deliberations on the Draft Annual Plan, Councilors identified that a contribution to this project could be made from existing funding sourced from the Regional Recreational Facilities Rate in the current financial year. The recommendation below reflects this option, and Councilors are now asked to consider this request in the current financial year.

The matter is set down for discussion.

### **Recommendation**

1. That the report from the General Manager Projects and Information dated 4 June 2010 be received.
  2. That the Council provides funding of \$5,000 plus GST to the Progressive Paparoa Inc to complete stage 1 of the Paparoa to Pahi walkway.
- Or
3. That the Council declines the request for funding made by the Progressive Paparoa Inc.

### **COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009-2019 Long Term Council Community Plan, and as such are in accordance with the Council's decision making process and sections 76-82 of the Local Government Act 2002.

## Update on Request for Drought Relief – Rural Support Northland

### File C8.3

Report from GM Projects and Information Linda Stansfield, and GM Finance and IT Lisa Aubrey dated 4 June 2010.

Councillors will be aware of the request made by the Rural Support Northland Trust to consider allowing for a maximum of two rates installments to be deferred over a period of no more than two years to assist farming families manage the adverse impacts of the recent drought. The Trust has suggested that they would contract facilitators who would assess and recommend to the Council which farms would meet set eligibility criteria.

Given that the District Councils are contracted to collect Regional Council rates, it would not be practical to provide for this rates relief unless the relevant District Council was also doing so. It would be equally impractical if the District Council chose to participate and the Regional Council was against doing so. In addition, given that Regional Council rates are generally only around 10% of District Council rates, minimal financial advantage would be received by farming families unless the District Councils had also agreed to provide rates relief.

The District Councils have been contacted to establish their position on this matter as follows:

DISTRICT COUNCIL	POSITION
Far North District Council (FNDC)	<p><b>Recommendation made to Council</b> A paper will be presented to the Far North District Council on 17 June 2010. The paper recommends that Council consider allowing a deferral of a maximum of two rate installments for a period of not more than two years for farms that are experiencing severe financial hardship. It further suggests that Council work with the Northland Branch of the Rural Support Trust to determine and identify qualifying farms.</p> <p><b>Estimated Financial Implication to Council</b> Far North estimates that if 25% of all affected farms need assistance, the reduced cashflow could result in a cost of around \$60,000 to the FNDC. As NRC rates are around 10% of the FNDC, the cost to NRC will be approximately \$6,000.</p>
Whangarei District Council (WDC)	<p><b>Recommendation made to Council</b> A paper was presented to the WDC on 26 May 2010. It was resolved:</p> <p><i>That rates relief is granted to applicants affected by the drought and approved by the Group Manager Support Services by way of a rates postponement. Rates payable can be up to two installments in arrears without penalties being added, with all arrears to be settled no later than 30 June 2012.</i></p>

	WDC have not provided an estimate of the cost of providing the rates relief. It is likely to be similar to the cost estimated by the FNDC.
Kaipara District Council (KDC)	KDC advised their policies do not allow them to postpone rates for farmers. Additionally, as farmers are a significantly high proportion of their ratepayers, any postponement of rates would seriously affect their cash flow.

Subject to the same decision being made by each of the three Northland District Councils Councilors are now being asked to decide whether they wish to support drought affected farmers experiencing severe financial hardship to defer their rates up to a maximum of two rates installments over a period of no more than two years.

The matter is set down for discussion.

#### **Recommendation**

1. That the report from the GM Projects and Information Linda Stansfield and the GM Finance and IT Lisa Aubrey dated 4 June 2010 be received.
2. That subject to District Council support, rates relief (assisted by the Rural Support Northland Trust) consisting of the deferment of a maximum of two rates installments for a period of not more than two years be offered to drought affected farmers in Northland;

Or

3. That the request from the Rural Support Northland Trust for rates relief for drought affected farmers in Northland be declined.

#### **COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009-2019 Long Term Council Community Plan, and as such are in accordance with the Council's decision making process and sections 76-82 of the Local Government Act 2002.

# Annual Plan 2010/2011

## File C8.2

Report by General Manager – Projects and Information, Linda Stansfield and GM - Finance and IT, Lisa Aubrey dated 4 June 2010.

### INTRODUCTION

Submissions on the Draft Annual Plan 2010/2011 were considered by Councillors at the meetings on 24 and 25 May 2010. The notes of these meetings and outcome of the deliberations are expected to be adopted at this meeting. The consequential changes to the wording of the plan are as follows.

Plan page to change	Details of the variations to the DRAFT ANNUAL PLAN 2010/2011
Pg 6-7	<p><b>Chairman and CEO's Foreword</b> Revise to reflect the main decisions made as a result of the public submissions.</p>
Pg 9	<p><b>Focus on the year ahead</b> <b>Northland Regional Growth Programme</b> Replace opening sentence with: "Northland's regional growth programme is an integral part of the Council's core business – essential to the future growth and development of the region". Replace shaded options box with: "Following public consultation, the Council has reduced the proposed rates increase to continue to fund this work by \$100,000 from \$450,795 to \$350,795 (including GST). Ratepayers in the Far North will pay an extra \$3.87, Kaipara \$4.51 and Whangarei \$4.18. Please note that these figures include GST at the rate of 12.5%. GST will increase to 15% on 1 October 2010."</p>
Pg 10	<p><b>Water Quality Initiatives</b> Add wording: "Strong public support was received on this proposal during the submission process of the Draft Annual Plan." Replace "proposes" with: "the Council has decided to budget an additional \$112,500 (including GST) for new initiatives aimed at improving Northland's water quality". The same comments regarding GST increasing to 15% on 1 October 2010 apply.</p>
Pg 10	<p><b>Mangrove Removal and Sediment Management</b> Add wording: "Strong public support was received on this proposal during the submission process of the Draft Annual Plan." Replace "proposes" with: "\$135,000 (including GST) has been included in the 2010/2011 financial year to fund resource consent applications and other work ... etc" The same comments regarding GST increasing to 15% on 1 October 2010 apply.</p>



Pg 24	<p>Add the following paragraph:</p> <p><b>“CHANGES TO THE RATE OF GST IN THE 2010/11 FINANCIAL YEAR</b>  The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010. Where GST inclusive figures are provided throughout this Annual Plan, they are calculated using the current rate of 12.5%, unless otherwise stated”.</p>																																																
Pg 24	<p>Replace forecasted total spending of \$24.5M and replace with “\$24.3M”</p>																																																
Pg 24	<p>Remove existing text and replace with:</p> <p><b>“RATES</b>  The Annual Plan calls for a 10.5% increase in general rates generating an extra roughly \$1.3 million (GST inclusive) in rates. This follows a comprehensive review of Council operating budgets and is equivalent to a rates increase of about \$15.64 per ratepayer. It will cover the inflationary increases and minor adjustments across a number of regional Council activities and the introduction of the following new initiatives:</p> <ul style="list-style-type: none"> <li>▪ A Regional Growth Programme (\$351,000)</li> <li>▪ Water quality initiatives (\$113,000)</li> <li>▪ A mangrove removal programme (\$135,000)</li> </ul> <p>The fixed charges for the targeted regional recreational services rate, the targeted transport rate (Whangarei only) and the targeted rescue helicopter services rate have not been increased.</p> <p>Rates collected for river management schemes are excluded from the above calculations. Council is proposing to increase the river management scheme rates by 3.3% in 2010/2011 financial year”.</p>																																																
Pg 24	<p>Replace table, what level of rates can you expect to pay? with:</p> <table border="1" data-bbox="368 1272 1385 1621"> <thead> <tr> <th></th> <th style="background-color: #cccccc;">Far North District (per SUIP)</th> <th style="background-color: #cccccc;">Kaipara District (per RU)</th> <th style="background-color: #cccccc;">Whangarei District (per SUIP)</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>2010-2011 Financial Year rates (assuming Land Value is \$200,000)</b></td> </tr> <tr> <td colspan="4"><i>Budgeted Rates (excluding GST)*</i></td> </tr> <tr> <td>Targeted Council Services Rate</td> <td>\$ 60.00</td> <td>\$ 69.94</td> <td>\$ 66.30</td> </tr> <tr> <td>Targeted Land Management Rate</td> <td>\$ 31.70</td> <td>\$ 31.09</td> <td>\$ 35.22</td> </tr> <tr> <td>Regional Recreational Facilities</td> <td>\$ 5.00</td> <td>\$ 5.00</td> <td>\$ 25.00</td> </tr> <tr> <td>Regional Infrastructure Rate</td> <td>\$ 4.32</td> <td>\$ 4.23</td> <td>\$ 4.80</td> </tr> <tr> <td>Rescue Helicopter Services Rate</td> <td>\$ 7.36</td> <td>\$ 7.36</td> <td>\$ 7.36</td> </tr> <tr> <td>Transport Rate</td> <td>\$ -</td> <td>\$ -</td> <td>\$ 10.65</td> </tr> <tr> <td><b>TOTAL (excluding GST)*</b></td> <td><b>\$ 108.38</b></td> <td><b>\$ 117.63</b></td> <td><b>\$ 149.33</b></td> </tr> <tr> <td>Total including GST at 12.5%*</td> <td>\$ 121.93</td> <td>\$ 132.33</td> <td>\$ 168.00</td> </tr> <tr> <td>Total including GST at 15%*</td> <td>\$ 124.64</td> <td>\$ 135.27</td> <td>\$ 171.73</td> </tr> </tbody> </table>		Far North District (per SUIP)	Kaipara District (per RU)	Whangarei District (per SUIP)	<b>2010-2011 Financial Year rates (assuming Land Value is \$200,000)</b>				<i>Budgeted Rates (excluding GST)*</i>				Targeted Council Services Rate	\$ 60.00	\$ 69.94	\$ 66.30	Targeted Land Management Rate	\$ 31.70	\$ 31.09	\$ 35.22	Regional Recreational Facilities	\$ 5.00	\$ 5.00	\$ 25.00	Regional Infrastructure Rate	\$ 4.32	\$ 4.23	\$ 4.80	Rescue Helicopter Services Rate	\$ 7.36	\$ 7.36	\$ 7.36	Transport Rate	\$ -	\$ -	\$ 10.65	<b>TOTAL (excluding GST)*</b>	<b>\$ 108.38</b>	<b>\$ 117.63</b>	<b>\$ 149.33</b>	Total including GST at 12.5%*	\$ 121.93	\$ 132.33	\$ 168.00	Total including GST at 15%*	\$ 124.64	\$ 135.27	\$ 171.73
	Far North District (per SUIP)	Kaipara District (per RU)	Whangarei District (per SUIP)																																														
<b>2010-2011 Financial Year rates (assuming Land Value is \$200,000)</b>																																																	
<i>Budgeted Rates (excluding GST)*</i>																																																	
Targeted Council Services Rate	\$ 60.00	\$ 69.94	\$ 66.30																																														
Targeted Land Management Rate	\$ 31.70	\$ 31.09	\$ 35.22																																														
Regional Recreational Facilities	\$ 5.00	\$ 5.00	\$ 25.00																																														
Regional Infrastructure Rate	\$ 4.32	\$ 4.23	\$ 4.80																																														
Rescue Helicopter Services Rate	\$ 7.36	\$ 7.36	\$ 7.36																																														
Transport Rate	\$ -	\$ -	\$ 10.65																																														
<b>TOTAL (excluding GST)*</b>	<b>\$ 108.38</b>	<b>\$ 117.63</b>	<b>\$ 149.33</b>																																														
Total including GST at 12.5%*	\$ 121.93	\$ 132.33	\$ 168.00																																														
Total including GST at 15%*	\$ 124.64	\$ 135.27	\$ 171.73																																														
Pg 25	<p>Update Expenditure section, replace forecasting total gross expenditure of \$26.7M with “\$26.6M”</p> <p>Update the expenditure by Council activity.</p>																																																

Pg 25	<p>Remove the User Fees and Charges section and replace with: "User Fees and Charges</p> <p>We also impose fees and charges for some of our services.</p> <p>Council's user fees and charges are largely unchanged compared with the 2009-2010 financial year. Refer to Councils Charging Policy for further information, this can be found on Councils website: <a href="http://www.nrc.govt.nz/Resource-Library-Summary/Plans-and-Policies/Annual-plan-and-policies/">http://www.nrc.govt.nz/Resource-Library-Summary/Plans-and-Policies/Annual-plan-and-policies/</a>"</p>
Pg 26	Funding Impact Statement updated – refer agenda titled <u>Annual Financial Plan 2010/2011</u>
Page 26	<p>Add wording:</p> <p><b>"CHANGES TO THE RATE OF GST AND THE IMPACT ON RATES</b></p> <p>The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010. All rates and amounts are stated as, plus GST at the prevailing rate.</p> <p>GST will apply the current rate of 12.5% to rates payable on invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010 and to any voluntary pre-payments of rates made on or after 1 October 2010".</p>
Pg 26-36	<p>Rates updated to remove GST.</p> <p>Add words: "Plus GST at the prevailing rate".</p>
Pg 27	Total Targeted Council Services Rate, updated to remove GST and also to reflect the removal of the Rugby world cup pre-planning expenditure (\$120K), and the reduction in the Regional Growth Programme expenditure (\$89K). The total rate is \$5,494,979 (GST exclusive).
Page 27	Targeted Council Services Rate allocation % to activities table updated to reflect changes in expenditure as outlined above.
Page 39 to 81	Remove all references to "draft" Annual Plan.
Pg 47	<p><b>Variations from the Northland Community Plan 2009-2019</b></p> <p>Remove existing text and replace with: "Following public consultation, the Council has reduced the proposed rates increase to continue to fund the development and ongoing implementation of the regional growth programme by \$100,000 from \$450,795 to \$350,795 (including GST)."</p> <p>"The Council has also decided not to contribute \$135,000 (including GST) towards re-planning for the Rugby World Cup in 2011 from general rates. The Council has directed that this work be funded by Enterprise Northland."</p>
Pg 48	<p>Add updated Prospective Statement of Costs and Funding. Refer– agenda titled <u>Annual Financial Plan 2010/2011</u></p> <p>This statement reflects financial implications resulting from the removal of the Rugby world cup pre-planning expenditure, the reduction in the Regional Growth Programme expenditure and the introduction of the Mineral Assessment and Investigation expenditure</p>

	Update the “Key Financial Variations from the Northland Community Plan 2009-2019” to reflect the changes detailed above.												
Pg 50	<b>New Regional Policy Statement</b> Amend wording to read draft RPS for public comment in early 2011. Formal consultation on new RPS should occur by late 2011.												
Pg 60	<b>Water Quality Initiatives</b> Remove “The Council is proposing” and replace with: “Following public consultation, the Council has decided to budget an additional \$112,500 (including GST) .... etc												
Pg 66	<b>Land and Rivers</b> <b>Variations from the Northland Community Plan 2010/2011</b> Remove “The Council is proposing” and replace with: “Following public consultation, the Council has decided to budget an additional \$135,000 (including GST) to assess mangrove removal .... Etc”												
Page 81	Update the significant forecasting assumptions to reflect the date the Annual Plan is adopted, replace 17 March 2010 with “16 June 2010”.												
Page 84	To reflect the legislated change in the rate of GST, replace forecasting assumption relating to the Impact of GST on rates with the following: <table border="1" data-bbox="368 869 1289 1205"> <thead> <tr> <th rowspan="2">Assumption</th> <th rowspan="2">Risk</th> <th colspan="2">Level of Uncertainty</th> <th rowspan="2">Impact of assumption with high financial risk</th> </tr> <tr> <th>Likelihood</th> <th>Financial Impact</th> </tr> </thead> <tbody> <tr> <td> <b>Impact of GST on rates</b>  The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010. All rates and amounts are stated as, plus GST at the prevailing rate.   Throughout the Annual Plan, where figures are stated as GST inclusive, the assumed GST is 12.5%, unless otherwise stated. </td> <td>An increase in GST will impact on the GST levied on rates.</td> <td>High</td> <td>High</td> <td>GST will apply the current rate of 12.5% to rates payable on invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010 and to any voluntary pre-payments of rates made on or after 1 October 2010.</td> </tr> </tbody> </table>	Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk	Likelihood	Financial Impact	<b>Impact of GST on rates</b> The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010. All rates and amounts are stated as, plus GST at the prevailing rate.  Throughout the Annual Plan, where figures are stated as GST inclusive, the assumed GST is 12.5%, unless otherwise stated.	An increase in GST will impact on the GST levied on rates.	High	High	GST will apply the current rate of 12.5% to rates payable on invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010 and to any voluntary pre-payments of rates made on or after 1 October 2010.
Assumption	Risk			Level of Uncertainty			Impact of assumption with high financial risk						
		Likelihood	Financial Impact										
<b>Impact of GST on rates</b> The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010. All rates and amounts are stated as, plus GST at the prevailing rate.  Throughout the Annual Plan, where figures are stated as GST inclusive, the assumed GST is 12.5%, unless otherwise stated.	An increase in GST will impact on the GST levied on rates.	High	High	GST will apply the current rate of 12.5% to rates payable on invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010 and to any voluntary pre-payments of rates made on or after 1 October 2010.									
Page 95-101	<b>Forecast Financial Statements</b> A separate agenda item ( <u>Annual Financial Plan 2010/2011</u> ) follows.												
Pg 103	<b>Amendments to the navigation, water transport and maritime safety bylaw charges 2009</b> A separate agenda item follows.												
Pg 107	<b>Charging Policy Summary</b> A separate agenda item follows.												

The above changes to the wording of the Plan will be made to give effect to those decisions made following the hearings on the Draft Annual Plan 2010/2011. . Any other text changes are minor editorial items.

The Council is now required to formally approve the Annual Plan 2010/2011 with those changes and other minor corrections which have been identified since the draft Annual Plan was first published.

**Recommendation**

1. That the Annual Plan 2010/2011 be amended to give effect to the decisions made at the Council Meeting on 16 June 2010.
2. That the consequential financial statements, policies and graphs be amended to provide for the changes in expenditure agreed by the Council following the hearing of submissions.
3. That the Chairman and Chief Executive Officer be authorised to make any required corrections and minor editorial changes to the document prior to its publication.
4. That the Northland Regional Council Annual Plan 2010/2011 as amended, be formally adopted.

**COMPLIANCE WITH DECISION MAKING PROCESS**

The Annual Plan 2010/2011 has been prepared in accordance with sections 82, 95 and Part 2 of Schedule 10 of the Local Government Act 2002, and adopted using the provisions of sections 83 and 85, being use of the special consultative procedure in relation to an Annual Plan

## Annual Financial Plan 2010/2011

### File C4.50

#### Report from General Manager - Finance and IT Lisa Aubrey dated 4 June 2010.

Council received 522 submissions, of those 60 submitters indicated they wished to be heard at the hearings held at Whangarei on 24 and 25 May 2010.

This report sets out the proposed alterations to the 2010/2011 financial forecasts to reflect the direction given by Council on the changes to be made to the draft Annual Plan 2010/2011.

Attached for the information of Councillors are the following revised financial forecasts duly amended for the financial changes that have been made for the 2010/2011 draft Annual Plan that was approved for public consultation on the 17 March 2010.

- 2010/2011 Forecast Financial Statements (Appendix 1)
  - *Prospective Statement of Comprehensive Income,*
  - *Prospective Statement of Financial Position,*
  - *Prospective Statement of Changes in Equity,*
  - *Prospective Statement of Cash Flows,*
  - *Prospective Statement of Costs and Funding by Groups of Activities,*
  - *Funding Statement Report.*

### IMPACT OF CHANGES TO THE RATE OF GST IN THE 2010/11 FINANCIAL YEAR

The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010.

This change in GST makes it difficult to accurately convey GST inclusive financial information. The amount of GST payable on rates, fees and charges and other revenue sources be determined by the time of deemed supply, which is defined in GST legislation.

Legal advice obtained by the Local Government Sector on setting rates, has recommended that rates be stated as, plus GST at the prevailing rate. This advice is more fully set out in the rates resolution, which follows in this Council agenda.

Where GST inclusive figures are provided, they are calculated using the current rate of 12.5%, unless otherwise stated.

### COUNCIL OPERATIONS

The following changes have been made to the draft 2010/2011 financial forecasts approved on 17 March 2010, as a result of Council deliberations:

- The removal of \$120,000 (GST exclusive) expenditure relating to the Rugby World Cup pre-planning project;
- The reduction of \$89,999 (GST exclusive) expenditure relating to the Regional Growth Programme;
- The introduction of \$100,000 (GST exclusive) expenditure relating to Mineral Assessments and investigation. The Mineral Assessment and Investigation expenditure is to be funded from the Forestry equalisation reserve.

The reduction in expenditure arising from the removal of the Rugby World Cup pre-planning project and the reduction of the Regional Growth Programme expenditure, has resulted in a \$208,730 (GST exclusive) decrease of the Targeted Council Services rate. The total Targeted Council Services Rate is now \$5,494,979 (GST exclusive), down \$5,703,709 (GST exclusive). This is reflected in the table below:

**Variation in Targeted Council Services Rate following Council deliberations:**

<b>TARGETED COUNCIL SERVICES RATE</b>	<b>DRAFT ANNUAL PLAN 2010 / 2011 PER SUIP / RU GST EXCLUSIVE</b>	<b>FINAL ANNUAL PLAN 2010/ 2011 PER SUIP / RU GST EXCLUSIVE</b>	<b>DRAFT ANNUAL PLAN 2010 / 2011 TOTAL GST EXCLUSIVE</b>	<b>FINAL ANNUAL PLAN 2010/ 2011 TOTAL GST EXCLUSIVE</b>
Far North District Council	\$62.30*	<b>\$60.00*</b>	\$2,155,034*	<b>\$2,075,400*</b>
Kaipara District Council	\$72.62*	<b>\$69.94*</b>	\$897,465*	<b>\$864,291*</b>
Whangarei District Council	\$68.79*	<b>\$66.30*</b>	\$2,651,210*	<b>\$2,555,288*</b>
<b>TOTAL</b>			\$5,703,709*	<b>\$5,494,979*</b>

\*Plus GST at the prevailing rate.

**CAPITAL EXPENDITURE**

The final Capital expenditure budgeted for 2010/2011 has not been adjusted since the Draft Annual Plan was presented to Council on 17 March 2010.

On completion of the 2009-2010 financial year, a review will be performed on any proposed capital expenditure carry forward and be presented to Council for approval.

It should be noted, any carry forward is not a result of additional capital projects, rather the increased carry over values have arisen due to expenditure expected to transpire by 30 June 2010 not eventuating.

**Recommendation**

1. That the amendments to the Draft Annual Plan 2010/2011 and corresponding changes to the Prospective Statement of Comprehensive Income, Prospective Statement of Financial Position, Prospective Statement of Changes in Equity, Prospective Statement of Cash Flows, Prospective Statement of Costs, Funding by Groups of Activities and Funding Statement Report be approved for the 2010/2011 financial year.
2. That the formal financial statements, as amended, be included in the 2010/2011 Annual Plan.

**COMPLIANCE WITH DECISION MAKING PROCESS**

These activities are presented in compliance with sections 83, 93 and the 10th Schedule of the Local Government Act 2002, and therefore comply with the decision making requirements of the Act.

**Northland Regional Council  
Prospective Statement of  
Comprehensive Income for period ending 30  
June 2011**

**REVENUE**

	LTCCP Forecast 2010/11 NZ\$ GST exclusive	DRAFT ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive	FINAL ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive
Grants and Subsidies	1,206,103	1,399,363	1,399,363
User charges	3,944,777	3,727,867	3,727,867
<b>Revenue from activities</b>	<b>5,150,880</b>	<b>5,127,230</b>	<b>5,127,230</b>
Targeted Council Service Rate	4,873,948	5,703,709	5,494,979
Targeted Land Management Rates	4,045,786	4,165,158	4,165,158
Regional Infrastructure Rate	585,324	567,521	567,521
Regional Recreational Facilities Rate	1,137,987	1,198,620	1,198,620
Targeted Rates	2,225,100	1,761,517	1,761,517
<b>Total Rating revenue</b>	<b>12,868,145</b>	<b>13,396,525</b>	<b>13,187,795</b>
Rental Income	3,214,696	3,184,585	3,184,585
Interest Income	2,737,846	2,088,758	2,088,758
Dividend Income	1,367,712	1,367,712	1,367,712
Sundry Income	33,056	31,330	31,330
<b>Other Revenue</b>	<b>7,353,310</b>	<b>6,672,385</b>	<b>6,672,385</b>
<b>Other gains</b>	<b>92,960</b>	<b>92,960</b>	<b>92,960</b>
<b>TOTAL REVENUE</b>	<b>25,465,295</b>	<b>25,289,099</b>	<b>25,080,370</b>

Reduction in the Targeted Council Services Rate is due to the reduction in funding required for the Regional Growth Programme \$89K, and the Rugby World Cup pre-planning project \$120K.

*continued overpage*

**Northland Regional Council  
Prospective Statement of  
Comprehensive Income for period ending 30  
June 2011**

	LTCCP Forecast 2010/11 NZ\$ GST exclusive	DRAFT ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive	FINAL ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive	EXPLANATION OF CHANGE FROM THE DRAFT ANNUAL PLAN FIGURES
<b>EXPENDITURE</b>				
Personnel Costs	9,906,125	9,874,880	9,874,880	
Depreciation	1,097,872	1,097,872	1,097,872	
Finance Costs	1,033	1,000	1,000	
Other expenditure on activities	13,854,307	13,482,367	13,373,637	A reduction in total expenditure on activities arises due to the reduction in expenditure of \$89K relating to the Regional Growth Programme, the removal of \$120K relating to the Rugby World Cup pre-planning project and the introduction of \$100K for Mineral assessment and investigation.
<b>TOTAL OPERATING EXPENDITURE</b>	<b>24,859,337</b>	<b>24,456,119</b>	<b>24,347,389</b>	
<b>NET SURPLUS / (DEFICIT) FROM OPERATIONS</b>	<b>605,958</b>	<b>832,981</b>	<b>732,981</b>	
<b>OTHER COMPREHENSIVE INCOME</b>	-	-	-	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>605,958</b>	<b>832,980</b>	<b>732,980</b>	
Transfer from/(to) reserves - Land Management	-	(100,000)	(100,000)	
Transfer from/(to) reserves - Awanui River works.	(47,555)	(125,695)	(125,695)	
Transfer from/(to) reserves - Recreational Fac.	(453,570)	(543,935)	(543,935)	
Transfer from/(to) reserves - Forestry Eq Harvest.	79,000	79,000	79,000	
Transfer from/(to) reserves - Forestry Eq Minerals	-	-	100,000	A \$100K transfer from the Forestry Equalisation Reserve has been introduced into the 2010-2011 budget to fund the costs associated with Mineral Assessments and investigations.
Transfer from/(to) reserves - Hatea River Maint	(46,240)	(46,709)	(46,709)	
Transfer from/(to) reserves - Other	(41,210)	-	-	
<b>Transfer from/(to) Reserves</b>	<b>(509,575)</b>	<b>(737,339)</b>	<b>(637,339)</b>	
<b>TOTAL COMPREHENSIVE INCOME AFTER TRANSFERS FROM/(TO) RESERVES</b>	<b>96,383</b>	<b>95,641</b>	<b>95,641</b>	

<b>Northland Regional Council Prospective Statement of Financial Position as at 30 June 2011</b>	<b>LTCCP Forecast 2010/11 NZ\$ GST exclusive</b>	<b>DRAFT ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive</b>	<b>FINAL ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive</b>	<b>EXPLANATION OF CHANGE FROM THE DRAFT ANNUAL PLAN FIGURES</b>
<b>EQUITY</b>				
Accumulated funds	109,200,266	116,789,832	116,789,832	
Asset revaluation reserve	704,966	1,087,947	1,087,947	
Special reserves	7,391,077	4,672,230	4,572,230	A reduction in the Special Reserve Balance is due to an additional \$100K being utilised from the Forestry Equalisation reserve to fund the expenditure associated with the Mineral Assessment and Investigation.
<b>TOTAL EQUITY</b>	<b>117,296,309</b>	<b>122,550,009</b>	<b>122,450,009</b>	
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	537,937	560,702	460,702	A reduction in the Cash Balance is due to the \$100K of cash paid out for the expenditure associated with the Mineral Assessment and Investigation.
Trade and other receivables	3,510,479	5,044,660	5,044,660	
Inventories	196,233	1,514,422	1,514,422	
Other financial assets	13,183,219	15,433,155	15,433,155	
Non-current assets held for sale	7,400,000	390,000	390,000	
<b>TOTAL CURRENT ASSETS</b>	<b>24,827,868</b>	<b>22,942,939</b>	<b>22,842,939</b>	
<b>NON CURRENT ASSETS</b>				
Other receivables	-	3,016,535	3,016,535	
Investment property	46,318,237	47,598,499	47,598,499	
Investments in subsidiaries and associates	20,197,672	19,967,086	19,967,086	
Other investments	6,456,594	10,368,809	10,368,809	
Property, plant and equipment	18,360,139	20,949,120	20,949,120	
Biological assets	1,458,004	1,874,729	1,874,729	
Intangible assets	4,618,427	1,614,244	1,614,244	
<b>TOTAL NON CURRENT ASSETS</b>	<b>97,409,072</b>	<b>105,389,022</b>	<b>105,389,022</b>	
<b>TOTAL ASSETS</b>	<b>122,236,941</b>	<b>128,331,962</b>	<b>128,231,962</b>	

*Continued overpage*

<b>Northland Regional Council Prospective Statement of Financial Position as at 30 June 2011</b>	<b>LTCCP Forecast 2010/11 NZ\$ GST exclusive</b>	<b>DRAFT ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive</b>	<b>FINAL ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive</b>	<b>EXPLANATION OF CHANGE FROM THE DRAFT ANNUAL PLAN FIGURES</b>
<b>CURRENT LIABILITES</b>				
Trade and other payables	3,764,154	4,339,595	4,339,595	
Employee benefit liabilities current	1,068,270	1,330,326	1,330,326	
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,832,424</b>	<b>5,669,921</b>	<b>5,669,921</b>	
<b>NON CURRENT LIABILITES</b>				
Employee benefit liabilities term	108,208	112,032	112,032	
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>108,208</b>	<b>112,032</b>	<b>112,032</b>	
<b>TOTAL LIABILITIES</b>	<b>4,940,632</b>	<b>5,781,953</b>	<b>5,781,953</b>	
<b>TOTAL NET ASSETS</b>	<b>117,296,309</b>	<b>122,550,009</b>	<b>122,450,009</b>	

<b>Northland Regional Council Prospective Statement of Changes in Equity for the period ending 30 June 2011</b>	LTCCP Forecast 2010/11 NZ\$ GST exclusive	DRAFT ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive	FINAL ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive	<b>EXPLANATION OF CHANGE FROM THE DRAFT ANNUAL PLAN FIGURES</b>
<b>Accumulated Funds at start of the year</b>	<b>108,561,310</b>	<b>116,694,191</b>	<b>116,694,191</b>	
Net surplus/(deficit) from operations	605,958	832,981	732,981	A reduction in the Net surplus for the year is due to the introduction of \$100K for the Mineral Assessment and Investigation costs.
Movements in general reserves for the year	32,997	(737,339)	(637,339)	
<b>Accumulated funds at the end of the year</b>	<b>109,200,265</b>	<b>116,789,832</b>	<b>116,789,833</b>	
<b>Asset Revaluation reserve at start of the year</b>	<b>704,966</b>	<b>1,087,947</b>	<b>1,087,947</b>	
Revaluation gains/ (losses) for the year	-	-	-	
<b>Asset Revaluation reserve at end of the year</b>	<b>704,966</b>	<b>1,087,947</b>	<b>1,087,947</b>	
<b>Special reserves at the start of the year</b>	<b>7,424,074</b>	<b>3,934,891</b>	<b>3,934,891</b>	
Movements in special reserves for the year	(32,998)	737,339	637,339	The amount of net funds transferred from and to reserves has reduced due to the \$100K funding for the Mineral Assessment and investigation project funded from the Forestry equalisation reserve.
<b>Special reserves at the end of the year</b>	<b>7,391,077</b>	<b>4,672,230</b>	<b>4,572,230</b>	
<b>Equity at the end of the Year</b>	<b>117,296,309</b>	<b>122,550,009</b>	<b>122,450,009</b>	

<b>Northland Regional Council Prospective Statement of Cashflows for the period ending June 2011</b>	<b>LTCCP Forecast 2010/11 NZ\$ GST exclusive</b>	<b>DRAFT ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive</b>	<b>FINAL ANNUAL PLAN Forecast 2010/11 NZ\$ GST exclusive</b>	<b>EXPLANATION OF CHANGE FROM THE DRAFT ANNUAL PLAN FIGURES</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	7,080,385	6,943,782	6,943,782	
Receipts from subsidies and grants	1,206,103	1,399,363	1,399,363	
Receipts from dividends	1,367,712	1,367,712	1,367,712	
Receipts from interest	2,737,846	2,088,790	2,088,790	
Receipts from rates	12,868,145	13,396,525	13,187,795	A reduction in the amount of cash receipts received from Rates is due to the reduction in the Targeted Council Services rate required to fund the Regional Growth Programme \$89K, and the Rugby World Cup pre-planning project \$120K.
Payments to suppliers and staff	(23,615,522)	(23,857,248)	(23,748,517)	A reduction in amount of cash paid to suppliers is due to the reduction in expenditure of \$89K relating to the Regional Growth Programme, the removal of \$120K relating to the Rugby World Cup pre-planning project and the additional payment of \$100K relating to the Mineral assessment and investigation project.
Interest payments	(1,033)	(1,032)	(1,032)	
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1,643,635</b>	<b>1,337,893</b>	<b>1,237,893</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipt from sale of stocks & bonds	650,000	500,000	500,000	
Purchase of property, plant and equipment	(2,586,565)	(2,225,580)	(2,225,580)	
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,936,565)</b>	<b>(1,725,580)</b>	<b>(1,725,580)</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>(292,929) 830,867</b>	<b>(387,688) 948,390</b>	<b>(487,687) 948,390</b>	
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>537,937</b>	<b>560,702</b>	<b>460,702</b>	The cash balance at the end of the year is \$100 lower than in the draft plan due to the payment of \$100K relating to the Mineral assessment and investigation project.

Prospective Statement of Costs and Funding By Groups of Activities for period ending 30 June 2011	LTCCP DRAFT ANNUAL PLAN		FINAL ANNUAL PLAN	EXPLANATION OF CHANGE FROM THE DRAFT ANNUAL PLAN FIGURES
	Forecast 2010/11 NZ\$ GST exclusive	Forecast 2010/11 NZ\$ GST exclusive	Forecast 2010/11 NZ\$ GST exclusive	
<b>REVENUE</b>				
Grants and Subsidies	1,206,103	1,399,363	1,399,363	
User charges	3,944,778	3,727,867	3,727,867	
Targeted rates	2,225,100	1,761,517	1,761,517	
Other revenue	3,247,752	3,215,914	3,215,914	
<b>TOTAL OPERATING REVENUE</b>	<b>10,623,733</b>	<b>10,104,661</b>	<b>10,104,661</b>	
<b>EXPENDITURE</b>				
Democracy & Corporate Services	1,810,265	1,765,494	1,765,494	
Regional Information & Engagement	1,588,328	1,959,024	1,959,024	
Regional Economic Development	2,696,747	2,505,041	2,396,311	A reduction in Regional Economic Development expenditure is due to the reduction in expenditure of \$89K relating to the Regional Growth Programme, the removal of \$120K relating to the Rugby World Cup pre-planning project and the introduction of \$100K for Mineral assessment and investigation.
Resource Management Planning	1,403,369	1,336,427	1,336,427	
Transport	2,701,113	2,476,549	2,476,549	
Consents	2,298,815	2,050,603	2,050,603	
Environmental Monitoring	5,093,472	5,276,043	5,276,043	
Land and Rivers	3,799,725	3,711,386	3,711,386	
Biosecurity	2,393,270	2,249,551	2,249,551	
Emergency Management	217,132	212,757	212,757	
Maritime Operations	1,489,180	1,516,009	1,516,009	
Support Services	4,889,363	5,009,760	5,009,760	
Less Support costs internally recovered	(4,889,363)	(5,009,760)	(5,009,760)	
<b>TOTAL OPERATING EXPENDITURE</b>	<b>25,491,417</b>	<b>25,058,885</b>	<b>24,950,155</b>	
Less non cash items	1,097,872	1,097,872	1,097,872	
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>13,769,812</b>	<b>13,856,351</b>	<b>13,747,621</b>	

Continued overpage

Prospective Statement of Costs and Funding By Groups of Activities for period ending 30 June 2011	LTCCP DRAFT ANNUAL PLAN		FINAL ANNUAL PLAN	EXPLANATION OF CHANGE FROM THE DRAFT ANNUAL PLAN FIGURES
	Forecast 2010/11 NZ\$ GST exclusive	Forecast 2010/11 NZ\$ GST exclusive	Forecast 2010/11 NZ\$ GST exclusive	
Funded by				
Targeted Council Service rate	4,780,294	4,804,614	4,595,884	A reduction in the Targeted Council Services Rate is due to the reduction in funding required for the Regional Growth Programme \$89K, and the Rugby World Cup pre-planning project \$120K.
Land management rate	4,009,190	4,128,562	4,128,562	
Infrastructure rate	585,324	567,521	567,521	
Recreational rate	1,137,987	1,198,620	1,198,620	
Investment Income	4,737,638	4,059,236	4,059,236	
Transfer from / (to) Cash Reserves	(1,480,621)	(902,202)	(802,202)	The amount of net funds transferred from /(to) reserves has reduced due to the \$100K funding for the Mineral Assessment and investigation project coming from the Forestry equalisation reserve.
<b>TOTAL OPERATIONAL FUNDING</b>	<b>13,769,812</b>	<b>13,856,351</b>	<b>13,747,621</b>	
<b>CAPITAL EXPENDITURE</b>				
Democracy & Corporate Services	-	50,000	50,000	
Regional Information & Engagement	-	20,000	20,000	
Environmental Monitoring	217,137	231,822	231,822	
Land and Rivers	92,970	92,970	92,970	
Biosecurity	8,264	8,264	8,264	
Maritime Operations	54,708	92,060	92,060	
Support Services	2,213,487	1,730,465	1,730,465	
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>2,586,565</b>	<b>2,225,580</b>	<b>2,225,580</b>	
Funded By				
Targeted Council Service rate	93,654	899,095	899,095	
Land management rate	36,596	36,596	36,596	
Transfer from Cash Reserves	2,456,315	1,289,889	1,289,889	
<b>TOTAL CAPITAL FUNDNG</b>	<b>2,586,565</b>	<b>2,225,580</b>	<b>2,225,580</b>	

<b>Prospective Funding Impact Statement for the period ending 30 June 2011:</b>	LTCCP DRAFT ANNUAL PLAN		FINAL ANNUAL PLAN	<b>EXPLANATION OF CHANGE FROM THE DRAFT ANNUAL PLAN FIGURES</b>
	Forecast 2010/11 NZ\$ GST exclusive	Forecast 2010/11 NZ\$ GST exclusive	Forecast 2010/11 NZ\$ GST exclusive	
Operating Expenditure	24,859,337	24,456,119	24,347,389	A reduction in total operating expenditure is due to the reduction in expenditure of \$89K relating to the Regional Growth Programme, the removal of \$120K relating to the Rugby World Cup pre-planning project and the introduction of \$100K for Mineral assessment and investigation.
Internal Finance Costs	632,080	602,766	602,766	
Capital Expenditure	2,586,565	2,225,580	2,225,580	
Less Non Cash expenditure	1,097,872	1,097,872	1,097,872	
<b>Net Operating and Capital Expenditure to be funded</b>	<b>26,980,110</b>	<b>26,186,593</b>	<b>26,077,863</b>	
<b>Funded By:</b>				
Targeted Council Service Rate	4,873,947	5,703,709	5,494,979	A reduction in the Targeted Council Services Rate is due to the reduction in funding required for the Regional Growth Programme \$89K, and the Rugby World Cup pre-planning project \$120K.
Land Management Rates	4,045,786	4,165,158	4,165,158	
Infrastructure Rate	585,324	567,521	567,521	
Recreational Rate	1,137,987	1,198,620	1,198,620	
Targeted Rates	2,225,100	1,761,517	1,761,517	
User Charges	3,944,778	3,727,867	3,727,867	
Rental Income	3,214,696	3,184,585	3,184,585	
Dividends	1,367,712	1,367,712	1,367,712	
Interest	2,737,846	2,088,758	2,088,758	
Internal Interest Income	632,080	602,766	602,766	
Subsidies and Grants	1,206,103	1,399,363	1,399,363	
Other Income	33,056	31,330	31,330	
Transfers from/(to) Cash Reserves	975,693	387,688	487,687	The amount of net funds transferred from reserves has increased due to the additional \$100K funding for the Mineral Assessment and investigation project funded from the Forestry equalisation reserve.
<b>Total Funding</b>	<b>26,980,110</b>	<b>26,186,593</b>	<b>26,077,863</b>	

# Charging Policy 2010/2011

File C4.50

Report from General Manager – Finance and IT, Lisa Aubrey dated 2 June 2010.

## INTRODUCTION

The fee amendments proposed for the 2010/2011 year were publicly notified following the Council's approval on 17 March 2010, that the proposed fees be included in the Draft Annual Plan for public notification, consultation and formal approval on 16 June 2010.

The proposed changes have been included in the Charging Policy Summary in the Draft Annual Plan, and following adoption, will be published on the website as an update to the Charging Policy that is included in the Northland Community Plan 2009-2019.

Following approval and adoption of the Annual Plan, the new edition of the Charging Policy will be issued to staff in early July for use in the new financial year.

## GST INCREASE FROM 1 OCTOBER 2010

The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010.

Where fees and charges are stated GST exclusive, the fees and charges should be interpreted as, plus GST at the prevailing rate at the time of supply.

Fees and charges set out in the core policy section of the 2010/2011 Charging Policy (refer attachment one) are GST exclusive, unless stated otherwise. The fees and charges set out in the Fee Appendices tend to show both the GST exclusive and GST inclusive amounts.

If the time of supply, in accordance with Section 9(1)<sup>1</sup> of the Goods and Services Tax Act 1985, is deemed to be after 1 October 2010, GST will be levied at 15%. If the time of supply is deemed to be before 1 October 2010, GST will be levied at the current rate of 12.5%.

To make the transition and the impact of fees and charges as clear as possible, I recommend that Council adopts two schedules of fee appendices to show GST inclusive charges at the two rates of GST that will be applicable during the 2010/2011 financial year:

- **Schedule One – Fee Appendices (refer attachment two)** - should be used when the time of supply is deemed to be before 1 October 2010. In this schedule, where GST inclusive fees and charges are stated, they are stated using GST at the current rate of 12.5%.
- **Schedule Two – Fee Appendices (refer attachment three)** - should be used when the time of supply is deemed to be on or after 1 October 2010. In this schedule, where GST inclusive fees and charges are stated, they are stated using GST at the increased rate of 15%.

---

<sup>1</sup> **9) Time of supply**

(1) Subject to this Act, for the purposes of this Act a supply of goods and services shall be deemed to take place at the earlier of the time an invoice is issued by the supplier [or the recipient] or the time any payment is received by the supplier, in respect of that supply.

It should be noted that whenever possible, Council will look to invoice its annual fees and charges prior to 1 October 2010 to ensure fees and charges are levied at the current rate of GST of 12.5%.

## **SUBMISSIONS**

Submissions addressing the proposed amendments to the Charging Policy have been received for the Council's consideration. After careful consideration of submissions received, Council resolved to make the following amendments to the 2010/2011 Charging Policy.

1. Amend Section 3 of the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2010 (page 105 of the Draft Annual Plan) as follows:

(New text underlined, deleted text ~~strike through~~)

8. *Navigation and Safety Service Fee*

(c) *Swing/pile moorings (non-consented) within Marine 4 Management Areas ~~which meet the permitted activity criteria~~ (in addition to the navigation fee).*

2. Amend Appendix 1: Resource Consent Applications – Fixed Initial Deposits and Consents Staff Hourly Processing Rates in the Charging Policy (page 112 of the Draft Annual Plan) as follows:

Add a new type of application under “New Non-notified Applications”:

*Existing Moorings within High Priority Marine 4 Mooring Management Areas. Application fee (minimum charge) - GST excl. \$100, GST incl. \$112.50.*

3. To acknowledge the new Resource Management Discount Regulations, the following paragraph has been inserted into section 3.3(ii) of the Charging Policy:

*The Council will provide a discount, if applicable, on the administrative charges imposed under section 36 of the Resource Management Act 1991 in accordance with the Resource Management Discount Regulations for those applications that are received after the Regulations come into force (this is expected to be at the end of July 2010).*

For convenience, the relevant fee changes proposed and approved for public notification on 17 March 2010, including the changes proposed above are set out below.

## **AMENDED FEES AND CHARGES**

Each Section of the 2010/2011 Charging Policy is listed below. Where amendments or changes have been made from the 2009-2010 Charging Policy these are listed under each section. Where appropriate, brief narration is provided in *italics* explaining the reason for the proposed amendment.

1. **Introduction**
2. **General Policies and Principles**
3. **Application Fees**

The Council has reviewed the following sections within Application Fees charges:

### **3.1 Introduction**

This part of the document deals with application charges in respect of two areas:

- applications for the preparation or change of a policy statement or plan;
- applications for resource consents, for the review of resource consent conditions, building consents and project information memoranda.

The Resource Management Act allows the Council to fix charges for the carrying out of its functions in respect of applications.

The fixed initial deposits listed in Appendix One: Resource Consent Applications – Fixed Initial Deposits and Consents Staff Hourly Processing Rates, are minimum charges for resource consent applications and are charges 'fixed' under section 36(1) of the Resource Management Act (they are therefore not subject to objection rights). All consent processing costs which exceed the fixed initial deposit are considered to be additional charges pursuant to section 36(3) of the Resource Management Act and these may be progressively charged on a monthly basis or invoiced at the end of the consenting process.

*Section 3.1: The last paragraph has been included to provide further clarification on the legislative basis upon which Council is applying consent charging.*

### **3.3 Resource Consents and Building Act Applications**

Applicants will be charged for the actual and reasonable costs, including disbursements, of receiving and processing applications for resource consents, building consents and project information memoranda. These costs will include:

- (i) **Staff Costs** - Officers' actual recorded time, charged at the relevant hourly rate in the table of Consents Staff Hourly Processing Rates in Appendix 1. These rates are derived from actual employment costs plus a factor to cover administration and general operating costs.
- (ii) **Discounts** - The Council will provide a discount, if applicable, on the administrative charges imposed under section 36 of the Resource Management Act 1991 in accordance with the Resource Management Discount Regulations for those applications that are received after the Regulations come into force (this is expected to be at the end of July 2010).

*Section 3.3(ii) has been added to acknowledge the new discount regulations which is expected to come into force in late July 2010.*

## **4. Resource Consent Holder Charges**

## **5. Biosecurity Act 1993**

## **6. Local Government Act Charges**

The Council has reviewed the following sections within Local Government Act Charges:

### **6.2 Permitted Activity Dairy Shed Effluent Systems – Fees**

These charges are made to recover the costs of inspecting farm dairy effluent systems, wintering barns or pad discharges to determine compliance with the permitted activity rules in the Regional Water and Soil Plan. The inspections are conducted in order that the Council adequately carries out its functions and

responsibilities pursuant to sections 30(1)(f), 35(2)(a) and 332 of the Resource Management Act. The fees are set according to section 150 of the Local Government Act.

The charges are as follows:

(i) Inspection and monitoring fee: (per hour)	<u><b>GST Exclusive</b></u>
Grades 1P, 2P, 3P (fixed fee)	\$150.00
Grades 4P, 5X, C (fixed fee)	\$225.00
(ii) Second and subsequent visits and inspections including travel time, (for non-complying or inadequately treated discharges, grades 4P, 5X and C) *	\$75.00 per hour

Where there is a need for two officers to attend the costs of both officers will be recovered.

Administration costs incurred will be charged in addition to the costs of the site visit/inspections, plus the actual and reasonable cost of any specific water quality testing (see Appendix 16).

**Note:** For charges for consented farm dairy effluent discharge consents, refer to Appendix 5.

*Section 6.2: Charges have been amended to reflect the increased cost associated with carrying out this activity.*

## **7. Charges set by Regional Rules**

## **8. Provision of Information and Technical Advice**

## **9. Fee to consent lessee to transfer a lease and fee to consent lessee to enter into a sublease**

## **10. Standard Charges under the Building Act 2004**

## **11. Navigation, Water Transport and Maritime Safety Bylaw Charges 2010**

These bylaws shall be known as the Northland Regional Council **Navigation, Water Transport and Maritime Safety Bylaw Charges 2010:**

The Council has reviewed the following clauses within the Navigation, Water Transport and Maritime Safety Bylaws:

### **7(c) Shipping – Navigation and Safety Services Fee**

**Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage**

Up to 3000 GRT

**GST Exclusive**  
\$1.00/GRT

**Per ship visiting the Bay of Islands when the vessel's GRT is more than 100 and less than 500**

From 100 to 500 GRT

\$1.00/GRT

*Section 7(c): Pilotage fees for ships visiting the Bay of Islands is to be amended to acknowledge the application of pilotage fees will only apply to ships where the vessel is more than 100 GRT. The threshold was inadvertently omitted from the bylaw in the prior year.*

**8. Navigation and Safety Services Fee**

- |     |  |         |
|-----|--|---------|
| (c) | Swing/pile moorings (non consented) within Marine 4 Management Areas (in addition to the navigation fee) | \$75.00 |
|-----|--|---------|

*Section 8(c): Swing/pile moorings fee, non-consented has been added and meeting permitted activity criteria has been removed.*

**10. Hatea River Channel Fees****GST Exclusive**

User charges to assist with the funding of ongoing navigation safety activities on the Hatea River between Victoria Bridge and Main 4. The activities include the provision of additional aids to navigation and dredging but exclude the Town Basin Marina consented area.

- |     |   |          |
|-----|---|----------|
| (a) | Individual berths in the Town Basin and Riverside Drive Marinas as defined by consent number in Appendix 17, level one charges.                           | \$80.00  |
| (b) | Individual boatsheds and other berths as defined by consent number in Appendix 17, level one charges.   | \$80.00  |
| (c) | Individual marina berths at Kissing Point as defined by consent number in Appendix 17, level one charges.   | \$80.00  |
| (d) | All other individual moorings and marina berths in the Whangarei Harbour, including Marsden Cove Marina   | \$10.00  |
| (e) | Large businesses that derive a direct benefit through improved access to their facility; as defined by consent number in Appendix 17, level two charges.  | \$800.00 |
| (f) | Small businesses that derive a direct benefit through improved access to their facility; as defined by consent number in Appendix 17, level three charges | \$400.00 |

- 12.** These bylaw fees shall apply for the period 1 July 2010 to 30 June 2011 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by section 158 of the Local Government Act 2002.

*Section 10: Hatea River Channel Fees are proposed to be removed. The Hatea Dredging Project came in under budget mitigating the need for this charge to be applied in the 2010/2011 financial year. It was originally anticipated this charging would be applied for a three year period, commencing the 2008-2009 financial year.*

## Appendix 1: Resource Consent Applications – Fixed Initial Deposits and Consents Staff Hourly Processing Rates

### Schedule of Fixed Initial Deposits

Description	Application. Fee (min charge) \$ GST Excl.	\$ GST Incl. (12.5%)
<b>Notified &amp; Limited Notified Applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits	2,400.00	2,700.00
• Moorings	1,200.00	1,350.00
<b>New Non-notified Applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents (excluding Bore Drilling Permits), Water Permits, and Discharge Permits (excluding Farm Dairy Effluent)	640.00	720.00
• Moorings	440.00	495.00
• Farm Dairy Effluent Discharge Permits	400.00	450.00
• Bore Drilling Permits plus per additional bore	222.22 26.67	250.00 30.00
• Existing Moorings within High Priority Marne 4 Mooring Management Areas. Application fee (minimum charge)	100.00	112.50
<b>Replacement Non-notified Applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits (excluding Farm Dairy Effluent)	560.00	630.00
• Moorings (includes moorings that have previously had a licence and are seeking to be authorised under the RMA)	360.00	405.00
• Farm Dairy Effluent Discharge Permits	400.00	450.00
<b>Certificate of Compliance</b>	360.00	405.00
<b>Transfer of Consents from the Consent Holder to Another Person</b> (payable by the person requesting the transfer)	44.44	50.00

Appendix 1 (continued)		
Description	Application. Fee (min charge) \$ GST Excl.	\$ GST Incl. (12.5%)
<b>Transfer existing Water Permit between sites within catchment</b>		
• Notified (including limited notification)	560.00	630.00
• Non-notified	222.22	250.00
<b>S127 Change or Cancellation of Consent Conditions</b>		
• Notified (including limited notification)	840.00	945.00
• Non-notified	360.00	405.00
• Minor Administrative Change	80.00	90.00
<b>S128 Review of consent conditions, and review of deemed coastal permits under S10(4), 20(3) and 21(3) of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 (see Note 7)</b>		
• Notified (including limited notification)	840.00	945.00
• Non-Notified	360.00	405.00
<b>Extension of Period until a Consent Lapses</b>	222.22	250.00
<b>Hearing Costs</b> (per hearing day per Committee member) <b>at hourly rates set by the Remuneration Authority*</b> or the <b>actual costs</b> of independent Commissioners. See also Note 6.	(Per RA)	
* Determination dated 1 July 2006 of consent hearing fees payable and defining the duties covered by the fee or excluded, currently \$68 per hour (Committee Member) and \$85 per hour (Chairman).		

Appendix 1 (continued)		
Description	Application. Fee (min charge) \$ GST Excl.	\$ GST Incl. (12.5%)
<p><b>Requests by applicants and/or submitters for independent Commissioner(s) to hear and decide resource consent applications as provided for by s100A(2) of the RMA:</b></p> <ul style="list-style-type: none"> <li>• In cases where only the applicant requests independent commissioner(s), all the costs for the application to be heard and decided will be charged to the applicant.</li> <li>• In cases where one or more submitter requests independent commissioner(s), the Council will charge as follows: <ul style="list-style-type: none"> <li>a) The applicant will be charged for the amount that the Council estimates it would cost for the application to be heard and decided if the request for independent commissioner(s) had not been made; and</li> <li>b) The requesting submitters will be charged equal shares of any amount by which the cost of the application being heard and decided in accordance with the request exceeds the amount payable by the applicant outlined in a) above.</li> </ul> </li> </ul> <p>Notwithstanding the above, in cases where the applicant <u>and</u> any submitter(s) request independent commissioner(s) all the costs for the application to be heard and decided will be charged to the applicant.</p>		
<b>Note: Approved Resource Consents attract Annual Charges</b>		

**For Building Consent Application Fees – Refer Appendix 2.  
Consents Hourly Processing Rates**

Description	Hourly Rate (GST Excl.)	Hourly Rate GST Incl. (12.5%)
• Secretarial/Admin	55.00	61.88
• Consents Officer Scale 1	75.00	84.38
• Consents Officer Scale 2	85.00	95.63
• Consents Officer Scale 3	95.00	106.88
• Programme Manager Scale 1	95.00	106.88
• Programme Manager Scale 2	105.00	118.13
• Consents Manager	150.00	168.75
• Consultants		Actual Costs

**Note 1:** Complex Applications for Resource Consent(s): Notwithstanding the above schedule, the Chief Executive Officer may require an Additional Charge pursuant to Section 36(3) based on the Council's estimate of actual and reasonable cost for the processing of complex applications.

**Note 2:** The fixed initial deposits listed in the above table are minimum charges for resource consent applications and are charges 'fixed' under section 36(1) of the RMA (they are therefore not subject to objection rights). All consent processing costs which exceed the fixed initial deposit are considered to be additional charges pursuant to section 36(3) of the RMA and these may be progressively charged on a monthly basis or invoiced at the end of the consenting process.

**Note 3:** The final costs of processing each resource consent application will be based on actual and reasonable costs and will include the charging of staff time at the rates in the above schedule of Consents Staff Hourly Processing Rates and disbursements. In the event that consultants are used to assist the Council in processing resource consent applications, the actual costs of the consultants will be used in calculating the final costs...

**Note 4:** All applications will be publicly notified unless the consent authority is satisfied that the adverse effect on the environment of the activity for which consent is sought will be minor. Where the adverse effects are considered to be minor the application will be processed on a limited notified basis unless the written approval has been provided from every person whom the consent authority is satisfied may be adversely affected by the granting of the consent, in which case the application will qualify to be processed on a non-notified basis.

**Note 5:** Where an application is for multiple activities involving more than one type of consent, deposits are required for each type with the following exceptions:

- The fee for land use consents for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging, and gravel extraction) also includes the water and discharge permits to divert and discharge stormwater where these are required;
- The fee for discharge permits for sewage volumes greater than 3 cubic metres per day (e.g. communal subdivision systems, marae etc) includes the associated discharge to air resource consent; and
- The fee for discharge permits to discharge stormwater includes the associated water permit to divert stormwater.

Notwithstanding the above the Council may determine that other 'packages' of consent applications do not require individual deposits for each consent type.

**Note 6:** For applications relating to restricted coastal activities, the applicant will also be charged the costs of the Minister of Conservation's representative. Additional costs of the Minister of Conservation's representative will also be charged with the prior agreement of the applicant.

**Note 7:** The Consent Holder will be invoiced the amount of the deposit for reviews of consent conditions at the time the review is initiated by the Northland Regional Council.

**Appendix 2: Standard Charges under the Building Act 2004**

**Appendix 3: Small to Moderate Scale Water Takes**

**Appendix 4: Minor to Moderate Discharges to Air, Water and Land, and Use Activities including Quarries**

**Appendix 5: Farm Dairy Effluent Charges**

**Scale of Charges for Consents for Farm Dairy Effluent Discharges**

Sampling and testing required where indicated.

<b>Fee Level</b>	<b>Description/Criteria</b>	<b>Charge \$ GST Excl.</b>	<b>Charge \$ GST Incl. (12.5%)</b>
4	Per inspection – (no sampling or testing)	220.00	253.13
4	Per inspection – (single sample only)	265.00	298.13
4	Per inspection – (two samples)	310.00	348.75
4	Per inspection – (three samples)	355.00	399.38
4	Per inspection – (four samples)	400.00	450.00
4	Per inspection – (five samples)	445.00	500.63
4	Per inspection – (six samples)	490.00	551.25

The charge for follow-up inspections for non-complying discharges will be at \$75.00 per hour plus GST, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required.

**Note:** For fees charged under the Local Government Act for the inspection of non-consented dairy effluent discharge systems, refer to section 6.2.

**Appendix 6: Coastal Structures (Post Construction or Installation)**

**Appendix 7: Coastal Structures (Construction or Installation Phase)**

**Appendix 8: Land Use Consents for Boating-related Structures in Waters Upstream of the Coastal Marine Area (Post Construction)**

**Appendix 9: Major Industries**

**Appendix 10: Timber Treatment Plants**

**Appendix 11: Major Effluent Discharges or Discharges to Sensitive Receiving Environments**

**Appendix 12: Refuse Landfills**

**Appendix 13: Large Scale Discharges to Air**

**Appendix 14: Major Coastal Activities**

**Appendix 15: Large Scale Water Takes**

**Appendix 16: Miscellaneous Management Charges**

**Appendix 17: Whangarei Harbour Channel user charges**

**Recommendations**

1. That the proposed amendments to the Charging Policy be approved and adopted in conjunction with the Annual Plan 2010/2011.
2. That where fees and charges are stated GST exclusive, the fees and charges should be interpreted as, plus GST at the prevailing rate at the time of supply.
3. That Council adopts two schedules of fee appendices to show GST inclusive charges at the two rates of GST that will be applicable during the 2010/2011 financial year, these are as follows:

**Schedule One – Fee Appendices** - to be used when the time of supply is deemed to be before 1 October 2010. In this schedule, where GST inclusive fees and charges are stated, they are stated using GST at the current rate of 12.5%.

**Schedule Two – Fee Appendices** - should be used when the time of supply is deemed to be on or after 1 October 2010. In this schedule, where GST inclusive fees and charges are stated, they are stated using GST at the increased rate of 15%.

**COMPLIANCE WITH DECISION-MAKING PROCESS**

The formalities required by sections 83 and 150 of the Local Government Act 2002 for the fixing of statutory charges have been complied with as detailed herein, and accordingly are in accordance with the Council's decision-making process and sections 76-82 of the Local Government Act 2002.

## Bylaw Charges Made Pursuant to Section 684B of the Local Government Act 1974

Files C8.2 & R4.8

Report from the General Manager – Finance and IT, Lisa Aubrey dated 4 June 2010.

Following the Council's approval on 17 March 2010 of the bylaw amendment set out in the Council's Draft Annual Plan including the Statement of Proposal to amend the Navigation, Water Transport and Maritime Safety Bylaw Charges 2009, the bylaw is resubmitted herewith for resolution as required by the Local Government Act 2002.

### Recommendation:

#### A. Navigation, Water Transport and Maritime Safety Bylaw Charges 2009

That the Council's Bylaw Charges made pursuant to Section 684B of the Local Government Act 1974 be amended as follows:

The **NORTHLAND REGIONAL COUNCIL** under and in exercise of the powers conferred upon it by Sections 650A-H, 650J and 684B-I of the Local Government Act 1974 as inserted by Section 7 of the Local Government Amendment Act (No. 2) 1999, Schedule 18 of the Local Government Act 2002 and all other Acts, amendment Acts and powers vested in it, **HEREBY MAKES AND PASSES** the following bylaw amendment.

1. **By rescinding** the following clause of the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2009:

#### 10. Hatea River Channel Fees

User charges to assist with the funding of ongoing navigation safety activities on the Hatea River between Victoria Bridge and Main 4. The activities include the provision of additional aids to navigation and dredging but exclude the Town Basin Marina consented area.

	<b>GST Exclusive</b>
(a) Individual berths in the Town Basin and Riverside Drive Marinas	\$80.00
(b) Individual boatsheds and other structures	\$80.00
(c) Individual marina berths at Kissing Point	\$80.00
(d) All other individual moorings and marina berths in Whangarei Harbour	\$10.00
(e) Large businesses that derive a direct benefit through improved access to their facility. These are consent numbers; 20040629912, 20050860302, 19950746801, 20050557501 and 19990626203	\$800.00
(f) Small businesses that derive a direct benefit through improved access to their facility. They are consent numbers; 20061639201, 19950770401, 20010917502, 19600643101 and 19600659801	\$400.00

2. **By rescinding** and replacing the following clause of the Northland Regional Council Navigation, water Transport and Maritime Safety Bylaw Charges 2009:

**7(c) Shipping – Navigation and Safety Services Fee**

**Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage**

Up to 3000 GRT \$1.00/GRT

**Per ship visiting the Bay of Islands when the vessel's GRT is less than 500**

Up to 500 GRT \$1.00/GRT

3. **By Inserting** the following new clause in place of that clause rescinded above:

**7(c) Shipping – Navigation and Safety Services Fee**

**Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage**

Up to 3000 GRT \$1.00/GRT

**Per ship visiting the Bay of Islands when the vessel's GRT is more than 100 and less than 500**

From 100 to 500 GRT \$1.00/GRT

4. **By rescinding** and replacing the following clause of the Northland Regional Council Navigation, water Transport and Maritime Safety Bylaw Charges 2009:

**8(c) Swing/pile moorings within Marine 4 Management Areas which meet the permitted activity criteria (in addition to the navigation fee) \$75.00**

5. **By Inserting** the following new clause in place of that clause rescinded above:

**8(c) Swing/pile moorings (non consented within Marine 4 Management Areas (in addition to the navigation fee) \$75.00**

6. **By rescinding** and replacing the following clause of the Northland Regional Council Navigation, water Transport and Maritime Safety Bylaw Charges 2009:

**11. All navigation and other fees specified herein are exclusive of Goods and Services Tax.**

7. **By Inserting** the following new clause in place of that clause rescinded above:

**10. All navigation and other fees specified herein are exclusive of Goods and Services Tax, and the fees are to be interpreted as plus GST at the prevailing rate at the time of supply.**

8. **By rescinding** and replacing the following clause of the Northland Regional Council Navigation, water Transport and Maritime Safety Bylaw Charges 2009:

**12. These bylaw fees shall apply for the period 1 July 2008 to 30 June 2009 and will continue to apply until superseded by a subsequent bylaw charge**

fixed by resolution and publicly notified or by the review required by section 158 of the Local Government Act 2002.

These bylaws were made at a meeting of the Council held on 25 June 2008, sealed, and publicly notified pursuant to sections 83 and 147 of the Local Government Act 2002.

9. **By Inserting** the following new clause in place of that clause rescinded above:

11. These bylaw fees shall apply for the period 1 July 2010 to 30 June 2011 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by Section 158 of the Local Government Act 2002.

The bylaws will be sealed, publicly notified pursuant to the Local Government Act 2002 and confirmed at a meeting of the Council on 16 June 2010. Following confirmation, the bylaws will come into force on 1 July 2010.

B. **That** the revised bylaw shall be as follows:

**THE NAVIGATION, WATER TRANSPORT AND MARITIME SAFETY BYLAW CHARGES 2010:**

**These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2010:**

1. These bylaws shall apply throughout the region of the Council.
2. In these bylaws, unless the context otherwise requires:

**“Maritime facility”** means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marina berth, pontoon or pile or swing mooring, whether private, commercial or a recreational public facility.

**“Owner” includes:**

- (a) in relation to a vessel, the agent of the owner and also a charterer; or
- (b) in relation to any dock, wharf, quay, slipway or other maritime facility, means the owner, manager, occupier or lessee of the dock, wharf, quay, slipway or other maritime facility.

**3. Navigation Safety Bylaw Fees**

For the period specified hereunder and for each year thereafter until amended or superseded by a subsequent bylaw charge, the owner of every maritime facility in the region shall pay to the Council an annual navigation fee fixed herein.

**GST Exclusive**

- (a) The navigation fee shall be payable on the number of berths available at the maritime facility, whether or not all berths are used. The Council's Harbourmaster shall determine the number of berths available at any maritime facility

- (b) (1) For every jetty, jetty berth, boatshed, ramp, minor slipway, private pontoon, pile and swing moorings and berths in marinas containing 24 berths or less. \$50.00
- (2) For every berth holder not otherwise included herein a fee for the recovery of the cost of the navigation safety equipment in the upper Hatea River, per berth. \$50.00
- (3)(a) For every berth in marinas containing more than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$50.00 per berth \$40.00
- (b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$50.00 per berth \$46.00
- (4) Boatsheds, per additional berth \$50.00
- (5) Community and boating club structures, jetties and private accommodation in the coastal marine area \$50.00
- (6) Marine farms \$50.00
- (7) High use structures and jetties, marine-related, not more than 300 m<sup>2</sup> in plan area within the coastal marine area \$300.00
- (8) High use commercial slipways with a maximum capacity of less than 50 tonnes \$300.00
- (9) High use structures and jetties, marine-related and more than 300 m<sup>2</sup> but not more than 1,000 m<sup>2</sup> in plan area within the coastal marine area \$1,300.00
- (10) High use structures and jetties, marine-related and more than 1,000 m<sup>2</sup> in plan area within the coastal marine area \$2,300.00
- (11) High use commercial slipways with a maximum capacity of more than 50 tonnes \$2,300.00
- (12) Commercial vessels operating in Northland harbours not serviced by a port company, as defined in the Port Companies Act 1988:
- (a) Intra harbour movements between harbours under control of the Council are to be charged half rate out and half rate in at each harbour
- (b) Butter, skim milk, buttermilk, whole milk powder casein per tonne \$0.53
- (c) Cement, coal, coke, diatomaceous earth, fireclay, kaolin, gypsum glass (sheet or plate) per tonne \$1.23

**GST Exclusive**

- |     |   |         |
|-----|---|---------|
| (d) | Phosphate rock, sulphur, potash per tonne   | \$1.23  |
| (e) | Gravel, shingle, lime rock, lime, dolomite, serpentine rock, clinker, soda ash. Other manures and fertilisers, silica sand (<80% silica) per tonne or m <sup>3</sup> as appropriate | \$1.00  |
| (f) | Meats and fish, fresh, frozen or chilled, other agriculture produce, vegetables, fresh fruit per tonne  | \$0.53  |
| (g) | Timber (sawn hewn or in logs) per cubic metre   | \$1.16  |
| (h) | Wood chips per BDU. Paper per tonne; wood pulp per tonne  | \$1.16  |
| (i) | Bitumen, refining residues, crude oil, naphtha, syngas per 1,000 litres   | \$1.60  |
| (j) | Motor spirits, diesel oil, jet fuel, kerosene per 1,000 litres  | \$1.54  |
| (k) | Refined oil products for overseas export per 1,000 litres   | \$0.53  |
| (l) | Other sand per tonne  | \$0.26  |
| (m) | Empty containers  | \$13.18 |
| (n) | Motor vehicles and trailers up to 4 tonnes per vehicle  | \$17.77 |
|     | Over 4 tonnes per vehicle   | \$31.11 |
| (o) | Livestock per head  | \$1.00  |
- (13) Where any sum becomes due and owing to the Council pursuant to the provisions of bylaw clause (3)(b)(1) and remains unpaid for a period of one calendar month, the Council may remove and hold the facility until such time as the sum owing is paid, together with any expenses incurred in lifting any pile, mooring or movable facility.

**4. Hot Work Permits**

For vessels alongside wharves or at anchor, per permit \$70.00

**5. Safe Operating Licences**

For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of flotation and safety equipment, up to one hour \$70.00

Where inspection time exceeds one hour, the charge shall be at the rate of \$70.00 per hour plus vehicle running costs at the rates approved from time to time by the Inland Revenue Department.

**6. Jet Ski Registration Fees**

As resolved and prescribed by the Auckland Regional Council which undertakes this function on behalf of the Northland Regional Council under delegated authority.

**7. (a) Pilotage**

GST Exclusive

<b>(i)</b>	<b>Inwards/outwards to wharf, Opua – per visit</b>	
	Where GRT is greater than 500 but less than 1000	\$1,500.00
	Where GRT is greater than 1000 but less than 18000	\$2,900.00
<b>(ii)</b>	<b>Ships to anchor in Bay of Islands – per visit</b>	
	Where GRT is greater than 500 but less than 1000	\$1,500.00
	Where GRT is greater than 1000 but less than 18000	\$2,900.00
	Where GRT is greater than 18000 but less than 40000	\$3,400.00
	Where GRT is greater than 40000 but less than 100000	\$3,800.00
	Where GRT is greater than 100000	\$4,200.00

**(b) Shipping – Navigation and Safety Services Fee**  
**Per ship visiting the Bay of Islands regardless of which pilotage organisation or company actually services the vessel**

GST Exclusive

Where GRT is less than 3000	\$1.00/GRT
Where GRT is greater than 3000 but less than 18000	\$2,900.00
Where GRT is greater than 18000 but less than 40000	\$3,200.00
Where GRT is greater than 40000 but less than 100000	\$3,500.00
Where GRT is greater than 100000	\$4,000.00

**(c) Shipping – Navigation and Safety Services Fee**  
**Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage**

Up to 3000 GRT	\$1.00/GRT
----------------	------------

**Per ship visiting the Bay of Islands when the vessel's GRT is more than 100 and less than 500**

From 100 to 500 GRT	\$1.00/GRT
---------------------	------------

**(d) Shipping – Navigation and Safety Services Fee**  
**Per ship visiting Whangaroa Harbour except when the ship is also visiting the Bay of Islands during the same voyage**

\$1,000.00

**8. Navigation and Safety Services Fee**

<b>(a)</b>	North Port Ltd	\$110,000.00
<b>(b)</b>	Swing/pile moorings (non consented) outside Marine 4 Management Areas (in addition to the navigation fee)	\$75.00
<b>(c)</b>	Swing/pile moorings (non consented within Marine 4 Management Areas (in addition to the navigation fee)	\$75.00
<b>(d)</b>	For water transport operators not serviced by a port company, at actual time and cost.	
<b>(e)</b>	Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the Council will recover any balance on an actual cost basis.	

**9. Special Events:**

Clause 3.10 of the Navigation Safety Bylaw 2007 states that any person intending to conduct a race, speed trial, competition or other organised water activity in any area to which the Bylaw applies may apply in writing to the Harbourmaster to:

- (a) temporarily suspend the application of Clause 3.2 (Speed of Vessels) in that area during the conduct of the race, speed trial, competition or other organised water activity; and
- (b) temporarily reserve the area for the purpose of that activity  
Special Event processing fee \$140.00

The Council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee.

**10. All navigation** and other fees specified herein are exclusive of Goods and Services Tax, and the fees are to be interpreted as plus GST at the prevailing rate at the time of supply.

**11.** These bylaw fees shall apply for the period 1 July 2010 to 30 June 2011 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by Section 158 of the Local Government Act 2002.

The bylaws will be sealed, publicly notified pursuant to the Local Government Act 2002 and confirmed at a meeting of the Council on 16 June 2010. Following confirmation, the bylaws will come into force on 1 July 2010.

**COMPLIANCE WITH DECISION-MAKING PROCESS**

The procedures for amending and adopting the foregoing bylaw followed the requirements of Section 86 of the Local Government Act 2002 and accordingly comply with the decision making requirements of the said Act.

## **Rates for Year 1 July 2010 to 30 June 2011**

### **File C4.22**

**Report from General Manager – Finance and IT, Lisa Aubrey dated 31 May 2010.**

The Northland Regional Council is scheduled to adopt its Annual Plan 2010-2011 (as amended by the submission process) at the meeting to be held on 16 June 2010.

The formal prerequisites for striking rates for the next financial year, pursuant to the Local Government Act 2002 and the Local Government (Rating) Act 2002 include the following steps:

1. The rates have been publicly notified in the draft Annual Plan that will be confirmed following public consultation and adoption.
2. The estimated rates, any differentials, land values and information on categories of land for calculating rates have been detailed in the Funding Impact Statement included in the draft Annual Plan.
3. Rating policies, including those for any new rates and policies proposed for rates relief and postponement that have been notified in the draft Annual Plan, must be adopted prior to striking the rates for the 2010-2011 year.
4. Rates shall be set by an ordinary resolution of a local authority following the adoption of the policies and plans set out above.
5. A certified copy of the rates resolution must be sent to the Secretary of Local Government within 20 working days of making the rates resolution.
6. A copy of the rates resolution is notified to the three Northland District Councils pursuant to the Rates Collection Agreement.

### **SUBMISSIONS**

After consideration of the submissions on the Statement of Proposal to amend the Northland Community plan 2009-2019, there are no changes to the rating policies. The rating policies of the Northland Regional Council continue to align with the three Northland District Councils.

There were no other changes recommended as a result of the submissions received on rating matters.

### **CHANGES TO THE RATE OF GST AND THE IMPACT ON RATES**

The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010. All rates and amounts are stated as, plus GST at the prevailing rate. For informational purposes, the total rates, by rate type and by district are shown excluding GST, GST at 12.5% and GST at 15%. Refer to Table Two: 'Council Rates 2010-2011 Financial Year' for this information.

GST will apply the current rate of 12.5% to rates payable on invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010 and to any voluntary pre-payments of rates made on or after 1 October 2010.

## VALUATIONS

No material changes to valuations or the total number of net rateable properties for the territorial districts have been notified and the Rating Information Databases were made available for public inspection during May 2010.

Following the adoption of the Annual Plan 2010-2011, all formal requirements to resolve the rates for the year ended 30 June 2011 are in place and permit the following resolution to proceed.

The full details of the rates calculations and rates collected from each constituent district of the Northland Region will be as tabled:

**Table One: Valuations by District (including equalised values):**

District	District Valuation Rolls				
	No of rating units (Kaipara) or Separately used or inhabited parts of rating units (others)	Capital Value 30 June 2010	Land Value 30 June 2010	Equalised Capital Value 30 June 2010	Equalised Land Value 30 June 2010
		\$000s	\$000s	\$000s	\$000s
Far North	34,590	16,286,118	10,515,652	15,008,961	9,463,666
Kaipara	12,358	6,853,846	4,612,182	6,250,570	4,072,925
Whangarei	38,540	18,061,509	10,117,069	18,061,509	10,117,069
<b>Total Valuation</b>	<b>85,488</b>	<b>41,201,473</b>	<b>25,244,903</b>	<b>39,321,040</b>	<b>23,653,661</b>

**Table Two: Council Rates 2010-2011 Financial Year:**

	<b>Far North District</b> <b>(GST Exclusive<sup>1</sup>)</b>	<b>Kaipara District</b> <b>GST Exclusive)</b>	<b>Whangarei District</b> <b>(GST Exclusive)</b>	<b>Total Rate</b> <b>(GST Exclusive)</b>	<b>Total Rate</b> <b>(GST Inclusive @12.5%)</b>	<b>Total Rate</b> <b>(GST Inclusive @15%)</b>
<b>Targeted Council Services Rate</b>						
Per SUIP	\$60.00			\$2,075,400	\$2,334,825	\$2,386,710
Per RU		\$69.94		\$864,291	\$972,327	\$993,935
Per SUIP			\$66.30	\$2,555,288	\$2,874,699	\$2,938,581
<i>Total</i>				<b><u>\$5,494,979</u></b>	<b><u>6,181,851</u></b>	<b><u>6,319,226</u></b>
<b>Targeted Land Management Rate -</b>						
Rate per \$ of Actual LV	\$0.0001585			\$1,666,614	\$1,874,941	\$1,916,607
Rate per \$ of Actual LV		\$0.0001555		\$717,040	\$806,671	\$824,596
Rate per \$ of Actual LV			\$0.0001761	\$1,781,503	\$2,004,191	\$2,048,729
<i>Total</i>				<b><u>\$4,165,158</u></b>	<b><u>\$4,685,803</u></b>	<b><u>\$4,789,932</u></b>
<b>Regional Recreational Facilities Rate</b>						
Per SUIP	\$5.00			\$173,104	\$194,742	\$199,070
Per RU		\$5.00		\$61,845	\$69,576	\$71,122
Per SUIP			\$25.00	\$963,671	\$1,084,130	\$1,108,223

<sup>1</sup> GST will apply at the current rate of 12.5% to rates payable on invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010 and to any voluntary pre-payments of rates made on or after 1 October 2010.

	Far North District (GST Exclusive <sup>1</sup> )	Kaipara District (GST Exclusive)	Whangarei District (GST Exclusive)	Total Rate (GST Exclusive)	Total Rate (GST Inclusive @12.5%)	Total Rate (GST Inclusive @15%)
<i>Total</i>				<b><u>\$1,198,620</u></b>	<b><u>\$1,348,447</u></b>	<b><u>\$1,378,413</u></b>
<b>Regional Infrastructure Rate</b>						
Rate per \$ of Actual LV	\$0.0000216			\$227,138	\$255,530	\$261,209
Rate per \$ of Actual LV		\$0.0000212		\$97,573	\$109,770	\$112,209
Rate per \$ of Actual LV			\$0.0000240	\$242,810	\$273,161	\$279,231
<i>Total</i>				<b><u>\$567,521</u></b>	<b><u>\$638,461</u></b>	<b><u>\$652,649</u></b>
<b>Rescue Helicopter Services Rate</b>						
Per SUIP	\$7.36			\$254,582	\$286,405	\$292,770
Per RU		\$7.36		\$90,955	\$102,324	\$104,599
Per SUIP			\$7.36	\$283,654	\$319,111	\$326,202
<i>Total</i>				<b><u>\$629,192</u></b>	<b><u>\$707,841</u></b>	<b><u>\$723,571</u></b>
<b>Transport Rate</b>						
Per SUIP			10.65	<b><u>\$410,408</u></b>	<b><u>\$461,709</u></b>	<b><u>\$471,969</u></b>
<b>Awanui River Flood Management Rate</b>						
Far North District Rural				\$213,420	\$240,098	\$245,433
Far North District Urban				\$311,146	\$350,039	\$357,818
<i>Total</i>				<b><u>\$524,566</u></b>	<b><u>\$590,137</u></b>	<b><u>\$603,251</u></b>
<b>Kaihu River Flood Management Rate</b>						

	Far North District (GST Exclusive <sup>1</sup> )	Kaipara District (GST Exclusive)	Whangarei District (GST Exclusive)	Total Rate (GST Exclusive)	Total Rate (GST Inclusive @12.5%)	Total Rate (GST Inclusive @15%)
Kaipara				<u>\$78,612</u>	<u>\$88,439</u>	<u>\$90,404</u>
<b>Kaeo River Flood Management Rate</b>						
Far North (Kaeo Only)				<u>\$118,738</u>	<u>\$133,580</u>	<u>136,549</u>
<b>Total Rates by District</b>						
Far North District				\$5,040,142	\$5,670,160	\$5,796,163
Kaipara District				\$1,910,317	\$2,149,107	\$2,196,865
Whangarei District				\$6,237,335	\$7,017,001	\$7,172,935
<b>Total Rates</b>				<u>\$13,187,794</u>	<u>\$14,836,268</u>	<u>\$15,165,963</u>

## Recommendation

That the rates resolution herewith sets out the rates to be levied in the 2010-2011 financial year, exclusive of GST, these will be set and assessed as, plus GST at the prevailing rate.<sup>1</sup>

That the Northland Regional Council resolves to make the following rates as authorised by the Local Government (Rating) Act 2002 for the financial year commencing 1 July 2010 and ending 30 June 2011.

### 1. Targeted Council Services Rate

A targeted fixed rate as authorised by sections 16 to 18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. The rate is a fixed rate, differentiated by location in the Northland Region. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation, of each constituent district in the Northland Region. An additional \$1.50 per separately used and inhabited parts of rating units (SUIP) is to be levied across the Whangarei constituency to provide funding for the ongoing maintenance needs of the Hatea River Channel. The rate will be applied as a fixed amount per rating unit (RU) in the Kaipara District and separately used and inhabited parts of a rating unit (SUIP) in the Far North and Whangarei Districts. The rate will be set as follows:

Far North District	\$60.00 per SUIP- plus GST at the prevailing rate
Kaipara District	\$69.94 per RU- plus GST at the prevailing rate
Whangarei District	\$66.30 per SUIP- plus GST at the prevailing rate

### 2. Targeted Land Management Rate

A targeted rate as authorised by sections 16 to 18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. This rate is levied on the land value of each rating unit or separately used and inhabited part of a rating unit in the region. The rate is set as a cents in the dollar per dollar of the actual rateable land value. The cents in the dollar per dollar of actual rateable land value is different for each constituent district, as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act. The rate is set as follows:

Far North District	\$0.0001585 per dollar of land value - plus GST at the prevailing rate
Kaipara District	\$0.0001555 per dollar of land value - plus GST at the prevailing rate
Whangarei District	\$0.0001761 per dollar of land value - plus GST at the prevailing rate

<sup>1</sup> GST will apply at the current rate of 12.5% to rates payable on invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010 and to any voluntary pre-payments of rates made on or after 1 October 2010.

Alternatively the rate may be stated in dollar terms, i.e. the rate is \$15.85, \$15.55 and \$17.61 per **\$100,000** of land value in the Far North, Kaipara and Whangarei Districts respectively.

### 3. **Regional Recreational Facilities Rate**

A targeted Regional Recreation Facilities Rate as authorised by sections 16 to 18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. The rate is a fixed rate, differentiated by location in the Northland Region. The rate will be applied to each rating unit (RU) in the Kaipara District and each separately used and inhabited parts of each rating unit (SUIP) in the Far North and Whangarei Districts. The rate will be set as follows:

Far North District	\$5.00 per SUIP- plus GST at the prevailing rate
Kaipara District	\$5.00 per RU- plus GST at the prevailing rate
Whangarei District	\$25.00 per SUIP - plus GST at the prevailing rate

### 4. **Regional Infrastructure Rate**

A targeted rate as authorised by sections 16 to 18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. This rate is levied on the land value of each rating unit or separately used and inhabited part of a rating unit in the region. The rate is set as a cents in the dollar per dollar of the actual rateable land value. The cents in the dollar per dollar of actual rateable land value is different for each constituent district, as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (rating) Act. The rate is set as follows:

Far North District	\$0.0000216 per dollar of land value- plus GST at the prevailing rate
Kaipara District	\$0.0000212 per dollar of land value- plus GST at the prevailing rate
Whangarei District	\$0.0000240 per dollar of land Value - plus GST at the prevailing rate

Alternatively the rate may be stated in dollar terms, i.e. the rate is \$2.20, \$2.12 and \$2.40 per **\$100,000** of land value in the Far North, Kaipara and Whangarei Districts respectively.

### 5. **Rescue Helicopter Services Rate**

A targeted Rescue Helicopter Services rate as authorised by sections 16 to 18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. The rate is a fixed rate set on each separately used and inhabited parts (SUIP) of each rating unit in the Far North and Whangarei Districts and each rating unit (RU) in the Kaipara District. The rate is set as follows:

Far North District	\$7.36 per SUIP- plus GST at the prevailing rate
Kaipara District	\$7.36 per RU- plus GST at the prevailing rate
Whangarei District	\$7.36 per SUIP- plus GST at the prevailing rate

#### 6. **Transport Rate**

A targeted, fixed Transport rate as authorised by sections 16 to 18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. The rate is a fixed rate charge and is set on each separately used and inhabited parts of each rating unit in the Whangarei District. The rate is set as follows:

Whangarei District	\$10.65 per SUIP- plus GST at the prevailing rate
--------------------	---

#### 7. **Awanui River Flood Management Rate**

A targeted rate set under sections 16 to 18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002, differentiated by location and area of benefit as follows:

- |     |  |          |
|-----|--|----------|
| (a) | Urban rate class UA (floodplain location) \$111.40 direct benefit plus \$11.14 indirect benefit, total per each separately used or inhabited parts of a rating unit - plus GST at the prevailing rate  | \$122.54 |
| (b) | Urban rate classes UF (higher ground) \$11.14 direct benefit plus \$11.14 indirect benefit, total per each separately used or inhabited parts of a rating unit - plus GST at the prevailing rate   | \$22.28  |
| (c) | Commercial differential factor   | 3.00     |
| (d) | Rural rate differentiated by class, \$11.14 (plus GST at the prevailing rate) per each separately used or inhabited parts of a rating unit of indirect benefit<br><b>plus</b> a rate per hectare for each class of the land in the following defined Kaitaia Flood Rating District described below, being \$11.14 (plus GST at the prevailing rate). |          |

<b>Class Description</b>	<b>Rate per Ha/\$</b>
A1/A2 Maximum benefit; peat basins, low-lying reclaimed tidal areas and alluvial land at risk from frequent ponding and flooding \$27.85 (plus GST at the prevailing rate). - plus GST at the prevailing rate	\$27.85

	<b>Rate per Ha/\$</b>
B1/B2 High benefit land subject to floodwater flows but not ponding as floods recede - \$20.88 (plus GST at the prevailing rate). - plus GST at the prevailing rate	\$20.88
C Moderate benefit; land floods less frequently and water clears quickly - \$13.92 (plus GST at the prevailing rate). - plus GST at the prevailing rate	\$13.92
E Land in flood ways and ponding areas that receive no benefit and land in native bush that performs watershed protection function.	Nil
F Contributes runoff waters from land and increases the need for flood protection - \$1.11 (plus GST at the prevailing rate). - plus GST at the prevailing rate	\$1.11
<b>8. Kaihu River Flood Management Rate</b>	
A targeted rate set under sections 16 to 18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002, differentiated by location and area of benefit as follows:	
(a) Class A \$22.28 (plus GST at the prevailing rate) per hectare of land on the floodplain and side valleys downstream of Waihue Road, Mamaranui - plus GST at the prevailing rate	\$22.28
(b) Class B \$11.14 (plus GST at the prevailing rate) per hectare of land on floodplain and tributary side valleys between Ahikiwi and Mamaranui - plus GST at the prevailing rate	\$11.14
(c) Catchment Rate \$1.67 (plus GST at the prevailing rate) per hectare of land within the Kaihu River rating area - plus GST at the prevailing rate	\$1.67
(d) Urban Contribution \$4,951 (plus GST at the prevailing rate) from the Kaipara District Council instead of a separate rate per property	\$4,951.00 pa - plus GST at the prevailing rate
<b>9. Kaeo River Flood Management Rate</b>	
A targeted rate set under sections 16 to 18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002, set on a uniform basis in respect of each separately used or inhabited parts of rating units falling within the former Whangaroa Ward (falling between rating rolls 100-199), will be levied as follows:	

Former Whangaroa Ward

\$58.84  
- plus GST at the  
prevailing rate

**10. Rating Powers Delegated to Constituent Local Authorities**

The Far North District Council, the Kaipara District Council and the Whangarei District Council are hereby delegated powers to discount, remit and add penalties to the regional rates resolved herein, as described in resolution 4, and to act as the authorised agent of the Northland Regional Council for approving rates relief under the separate policies included in the Northland Regional Council Rating Policies adopted for the year commencing 1 July 2010.

**11. Payment Dates for Rates, Discount and Additional Charges**

The dates and methods for the payment of instalments of rates and any discount and/or additional charges applied to the regional rates shall be the same as resolved by the Far North District Council, the Kaipara District Council and the Whangarei District Council and shall apply within those constituencies of the Northland Region. Penalty rates are GST exclusive.

An additional charge of ten per cent (10%) will be applied to all rates for previous rating years remaining unpaid after 1 July 2010 and a further charge of ten per cent (10%) will be applied to rates remaining unpaid at six-monthly intervals thereafter, as may apply, on the same basis and dates as resolved by the Far North District Council, the Kaipara District Council and the Whangarei District Council.

Pursuant to section 53 of the Local Government (Rating) Act 2002, the regional rates are collected by the territorial authority for the district in which the land is situated. The territorial authorities whose districts are in the district of the Northland Regional Council are the Far North District Council, the Kaipara District Council and the Whangarei District Council.

**COMPLIANCE WITH DECISION MAKING PROCESS**

These activities are presented in compliance with sections 83, 93 and the 10th Schedule of the Local Government Act 2002 and section 23 of the Local Government (Rating) Act 2002 and therefore comply with the decision making requirements of the Act.

## Financial Report – 31 May 2010

### File C4.12

#### Report from Financial Accountant Kim Harvey dated 3 June 2010.

The **Summary Council Cost of Services Statement** and **Cost of Service Statements by Activity** for the eleven months ended 31 May 2010 are presented for Councillors' information.

### OVERVIEW

With the end of the 2009/2010 financial year imminent Council's sound financial position is further consolidated at the close of the eleventh month. Evidence of favourable variances which are attributable to budget phasing remains in some areas, particularly where work programmes have been delayed by the drought Northland is experienced over the summer months or rely on contracts with third parties which have not yet been signed. In the majority of cases these factors have righted themselves and it is expected that expenditure outflows in those areas will continue to pick up as a result. This will eliminate a number of the favourable variances showing at present. Overall we expect our full year position to be close to budget.

### OPERATING RESULTS

The Summary Cost of Services Statement for the eleven months to 31 May 2010 shows a net operating surplus before extraordinary items of \$370K against a budgeted deficit of \$810K, resulting in a favourable variance of \$1.2M. The favourable variance is due to expenditure tracking behind budget by \$865K, and this includes Council's unbudgeted liability for the Riskpool Insurance Fund calls of \$134K, as explained in the February 2010 financial report. Revenue is tracking ahead of budget at 31 May 2010, with a favourable variance of \$315K.

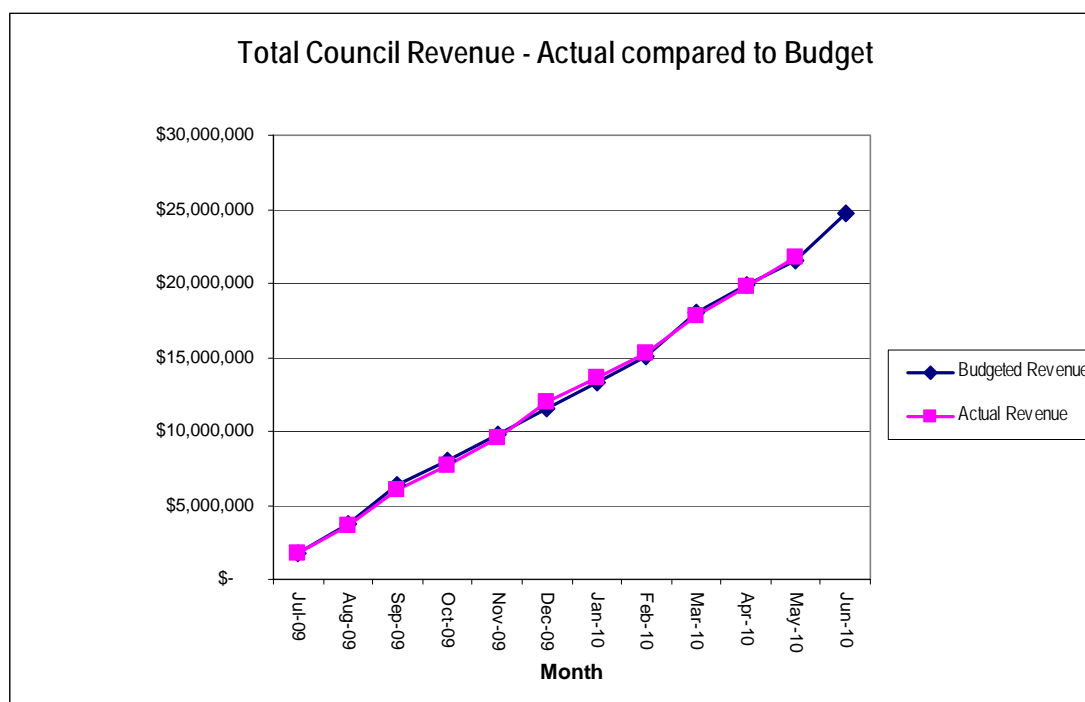
The net operating deficit after extraordinary items is \$(5.3)M compared to a budgeted deficit of \$(10.6)M, resulting in a favourable variance after extraordinary items of \$5.3M.

As has been the case in previous financial reports, extraordinary items have been removed from the operating results giving a clearer picture on the operating activities of Council. For reporting purposes we have classified the Recreational Facilities Rate, the grant from the Ministry of Economic Development to bring the Events Centre up to Rugby World Cup standard, and all Northland Events Centre related payments as extraordinary items. Expenditure contributed by Council towards the Events Centre will be funded from reserves in the first instance and repaid from the Recreational Facilities rate over an approximate 15 year period. Extraordinary items also include vested assets and may also include other items as they come on stream.

The value of extraordinary items has increased this month with payments made towards the establishment of the Northland Events Centre totalling \$(1.5)M, and this is partially offset by revenue from the Regional Recreational Facilities Rates collected for the month of \$95K.

## REVENUE

The year to date revenue at \$21.8M is tracking marginally ahead of budget with a 1% favourable variance of \$315K. This is illustrated by the line graph below.



The majority of Council's revenue streams came in below budget for the month of May, but these unfavourable variances were offset by revenue from the forestry harvest of \$337K which was not phased to occur in May, thereby giving rise to the overall favourable revenue variance of \$315K.

The Rates revenue favourable variance of \$64K for the year to date is due to penalties, which were not budgeted.

User fees and sundry revenue shows an unfavourable variance for the month mainly due to budget phasing of Monitoring management fees and Maritime navigation bylaw fees, both of which were collected earlier in the year but budgeted evenly across the year. The year to date position shows a favourable variance of \$599K as a result of increased application fees and cost recoveries arising from the volume and complexity of consents processed this year, the large number of Farm Dairy Effluent infringement notices and other enforcement action taken, and additional revenue from pilotage and chartering out of the "Waikare".

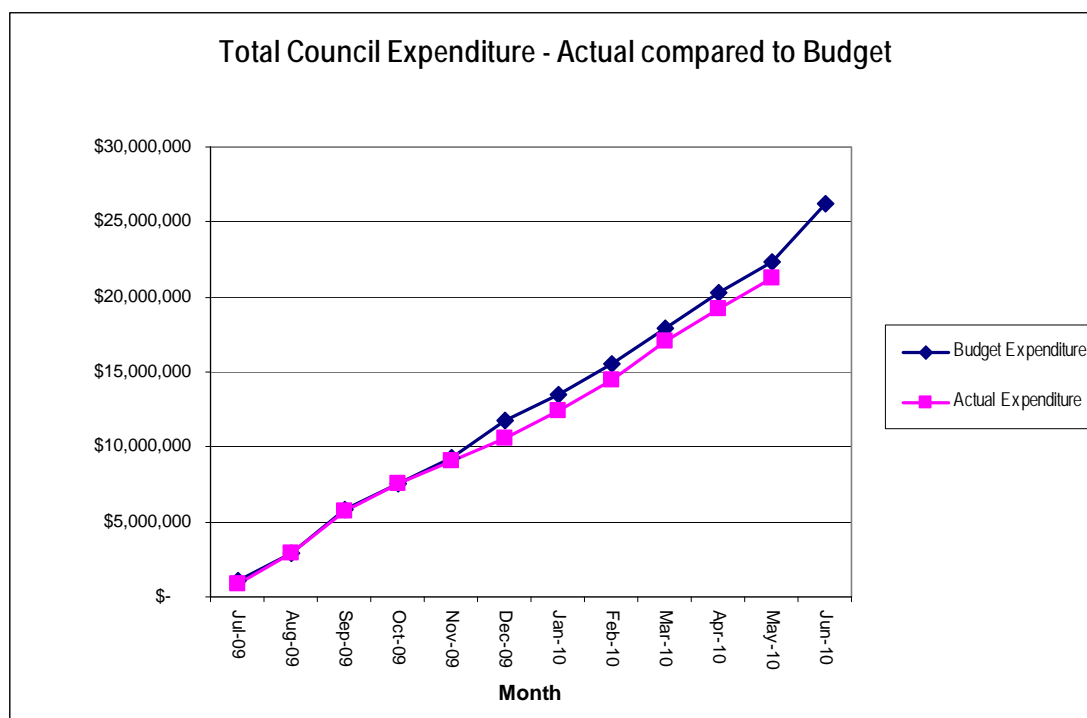
Grants and Subsidies unfavourable revenue variance for the month and the year to date relates to subsidies for bus transport administration and maritime transport. The majority of the variance is due to budget phasing and is therefore expected to reverse before the end of the year. It is possible some transport subsidies may not be received but this would be matched by expenditure not incurred, meaning there would be minimal effect on the bottom line.

Investments continue to return interest at lower rates than projected resulting in unfavourable variances for the month and the year to date. Investments continue to be actively monitored by finance staff.

The unfavourable variance on dividend income of \$149K (11%) remains, and is as a result of payout rates by Northland Port Corporation being lower than budgeted.

## EXPENDITURE

Year to date expenditure is \$21.4M compared to a budget of \$22.3M, giving a favourable variance at the end of May 2010 of 4% or \$865K, as shown on the line graph below.



Areas of note in expenditure are as follows:

- Democracy and Corporate Services unfavourable variance of \$366K is due to forestry harvest costs (which have a corresponding favourable revenue variance as explained above), partially offset by cost savings in forest maintenance costs, as has been described in previous months. These are likely to result in full year savings of approximately \$80K.
- Regional Information and Engagement has a small unfavourable variance for the month of May but is underspent year to date by \$61K, due to two unfilled budgeted staff positions, and temporary variances arising from the phasing of costs of Iwi related projects which are expected to even out by year end.
- Regional Economic Development continues to show favourable variances for both the month \$5K and the year to date \$137K, as a result of a staff member being on unpaid leave during the year, an unfilled budgeted position and phasing of printing and stationery and consultants costs.
- Resource Management Planning favourable expenditure variance for the year to date of \$90K is also due to lower wages and salaries costs as a result of staff vacancies earlier in the year (since filled), and budget phasing of some costs.
- Transport continues to show favourable expenditure variances due to budget phasing; the year to date position being \$217K or 9% below budget. This is as a

result of costs that have not yet come on stream, in particular consultants' costs, advertising and printing and stationery. It is possible there may be some full year cost savings, however if this is the case, subsidy revenue will also be down on budget, giving minimal overall effect on the bottom line.

- Consents is marginally underspent for the month but the year to date unfavourable variance year continues at \$49K or 2% due to high consultants costs and daily meeting fees and allowances associated with the increased volume of large applications processed to date. These higher costs year to date are partially, and will continue to be, matched by higher revenue (cost recoveries) as explained above.
- Environmental Monitoring shows a small overspend in the month of May primarily due to consultants' costs which have been budgeted evenly across the year but are only coming fully onstream now. The year to date position however continues to show a favourable expenditure variance, totalling \$322K or 7%. This is a reflection of two staff vacancies in the department in the first six to eight months of the financial year, both of which have now been filled, and budget phasing of some costs, particularly consultants and equipment service contract costs that have not yet come on stream. There have also been delays in some commercial and air quality testing work, which is rain dependant. As a result it is expected that some favourable full year variances may exist in these areas due to planned work programmes not being able to be completed.
- Land and Rivers costs for the month of May 2010 and the year to date are below budget due to work on projects approved under the Council's Environment Fund scheme which has not yet started and on the Priority Rivers project which has experienced some delays, partially offset by expenditure on stopbanks and river schemes which has come on stream over the summer months but was budgeted evenly over the year. The majority of these remaining costs are expected to come on stream and reduce the current favourable variance of \$365K by year end.
- Biosecurity is overspent for the month representing a catch-up on the phasing of the expenditure budget, however year to date the favourable variance remains, now totalling \$163K (8%). This can be attributed to pest contracts not yet coming on stream. It is expected this work will come on stream and the budgeted costs expended by the end of the financial year.
- Emergency Management expenditure is also higher than budget for the month, and for the year to date, finishing the period with a small unfavourable variance of \$(8)K or 4% due to budget phasing.
- Maritime comes in on budget for the month of May and is underspent year to date, primarily due to cost savings in overtime as there have been no incidents requiring staff to work extra hours to date, and budget phasing across a number of areas.

### **CAPITAL EXPENDITURE**

With one month of the financial year remaining \$2.13M has been spent on capital items out of an annual budget of \$4.0M. The budget for Capital expenditure is not phased.

Key items that make up this expenditure are the SAN project (\$633K), vehicle replacements (\$331), the Electronic Document Management System project (\$266K) and the IRIS project (\$233K).

### **EXTRAORDINARY ITEMS**

Extraordinary items have been removed from operating results. The results after removing these items are a truer reflection of the operating results. The items classified as extraordinary are:

- the Regional Recreational Facilities Rate collected to fund the Northland Events Centre totalling \$1.0M to date;
- the grant received from the Ministry of Economic Development to be spent on the Northland Events Centre of \$2.5M;
- the costs contributed towards the Northland Events Centre which now total \$9.28M; and
- notional revenue of \$42K arising from navigation aids vested to the Council by Northport Limited.

### **Recommendation**

That the financial report to 31 May 2010 from Financial Accountant Kim Harvey dated 3 June 2010 be received.

### **COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009-2019 Long Term Council Community Plan, and as such are in accordance with the Council's decision-making process and Sections 76-82 of the Local Government Act 2002.

Monthly Report for		May 2010								
		May 2010				YEAR TO DATE				FULL YEAR BUDGET (LTCCP) <sup>1</sup>
Total Council Revenue		Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	
Rates (excluding Regional Recreational Facilities Rate)		906,143	904,030	2,113	0%	10,008,682	9,944,344	64,338	1%	10,890,026
User Fees and Sundry		267,905	231,011	36,894	16%	3,949,917	3,351,114	598,803	18%	3,786,466
Grants and Subsidies		59,694	89,521	(29,827)	-33%	1,087,940	1,152,173	(64,233)	-6%	1,203,318
Investment Interest Income		207,545	237,661	(30,116)	-13%	1,937,314	2,614,268	(676,954)	-26%	3,207,522
Investment Property Income		171,217	174,717	(3,500)	-2%	2,660,591	2,663,801	(3,210)	0%	3,112,000
Forestry Harvest		337,146	0	337,146	-	911,725	365,825	545,900	149%	365,825
Dividend Income		0	0	0	-	1,218,460	1,367,712	(149,252)	-11%	1,367,712
		<b>1,949,651</b>	<b>1,636,940</b>	<b>312,711</b>	<b>19%</b>	<b>21,774,630</b>	<b>21,459,237</b>	<b>315,392</b>	<b>1%</b>	<b>23,932,869</b>
<b>Expenditure</b>										
Democracy and Corporate Services		293,185	139,039	(154,146)	-111%	1,766,035	1,400,099	(365,935)	-26%	1,557,566
Regional Information and Engagement		122,541	113,197	(9,344)	-8%	1,294,551	1,355,351	60,799	4%	1,534,992
Regional Economic Development		103,568	108,346	4,778	4%	1,893,452	2,030,474	137,022	7%	2,775,956
Resource Management Planning		97,743	95,578	(2,165)	-2%	1,017,917	1,107,910	89,993	8%	1,349,116
Transport		186,084	216,227	30,143	14%	2,138,609	2,355,456	216,847	9%	2,703,358
Consents		167,666	171,768	4,102	2%	2,091,376	2,041,991	(49,385)	-2%	2,213,199
Environmental Monitoring		415,045	409,152	(5,893)	-1%	4,472,341	4,794,139	321,799	7%	4,924,253
Land and Rivers		341,251	473,591	132,340	28%	3,334,355	3,699,330	364,975	10%	3,629,846
Biosecurity		213,203	155,534	(57,669)	-37%	1,926,754	2,089,445	162,691	8%	2,306,934
Emergency Management		40,990	16,719	(24,271)	-145%	201,494	193,431	(8,063)	-4%	210,150
Maritime		110,580	109,905	(675)	-1%	1,267,283	1,294,104	26,821	2%	1,441,776
Support Services		(15,906)	(17,516)	(1,610)	-	0	(92,718)	(92,718)	100%	0
		<b>2,075,950</b>	<b>1,991,540</b>	<b>(84,410)</b>	<b>-4%</b>	<b>21,404,167</b>	<b>22,269,012</b>	<b>864,845</b>	<b>4%</b>	<b>24,647,146</b>
<b>Net Cost/(Surplus) of Service before extraordinary items</b>		<b>126,299</b>	<b>354,600</b>	<b>\$228,301</b>	<b>64%</b>	<b>(370,463)</b>	<b>809,775</b>	<b>1,180,238</b>	<b>146%</b>	<b>714,277</b>
<b>Extraordinary Items</b>										
Regional Recreational Facilities Rate		94,560	94,013	547	1%	1,040,163	1,034,142	6,021	1%	1,128,155
Sundry Income - Grant from Ministry of Economic Development		0	0	0	100%	2,500,000	0	2,500,000	100%	0
Regional Events Centre expenditure		(1,457,886)	(2,159,275)	701,389	-32%	(9,284,681)	(10,840,725)	1,556,044	-14%	13,000,000
Forestry Revaluation		0	0	0	-	0	0	0	-	137,045
(Loss) / Gain on Sale of Asset		0	0	0	-	41,650	0	41,650	-	0
Special Dividend		0	0	0	-	0	0	0	-	0
Tax on Special Dividend		0	0	0	-	0	0	0	-	0
		<b>(1,363,326)</b>	<b>(2,065,262)</b>	<b>\$701,936</b>	<b>-34%</b>	<b>(5,702,868)</b>	<b>(9,806,583)</b>	<b>4,103,715</b>	<b>-42%</b>	<b>11,734,800</b>
<b>Net Cost/(Surplus) of Service after extraordinary items</b>		<b>1,489,625</b>	<b>2,419,862</b>	<b>\$930,237</b>	<b>38%</b>	<b>5,332,405</b>	<b>10,616,358</b>	<b>5,283,953</b>	<b>50%</b>	<b>12,449,077</b>
<b>Capital Expenditure</b>		<b>216,282</b>				<b>2,128,487</b>				<b>4,000,439</b>

**Notes**

- The Transport Full Year Budget is \$29,458 over that published in the 2009/19 LTCCP due to the carry over of \$29,458 from 2008/09 for the Regional Land Transport Strategy, as approved by the Audit and Finance Committee in August 2009.
- The Land and Rivers Full Year Budget is \$663,195 over that published in the 2009/19 LTCCP due to the carry over of \$151,066 for the Priority Rivers Project as approved by the Audit and Finance Committee in August 2009, additional expenditure on the Priority Rivers Project of \$397,041 approved by the Audit and Finance Committee in February 2010, additional expenditure on the Awanui River Scheme works of \$156,800 approved by the Audit and Finance Committee in October 2009, a advance from reserves to the Awanui Flood Management Scheme of \$41,652 to remedy an error in the calculation of the targeted rating revenue as approved by the Audit & Finance Committee in March 2010.
- The Regional Economic Development Full Year budget is \$62,500 less than that published in the 2009/2019 LTCCP due to the transfer out of \$45,000 to the Monitoring budget for the fecal study and \$17,500 transferred to Capex for the library refit.
- The Monitoring Full Year Budget is \$45,000 over that published in the 2009/2019 LTCCP due to the transfer in of funds from the Regional Economic Development budget for the fecal study, as explained above.
- The Maritime Full Year budget is \$30,000 less than that published in the 2009/2019 LTCCP due to a transfer to capital expenditure budgets for navigation aids, specifically lights, approved by the Audit and Finance Committee in February 2010.
- The Community Relations Full Year Budget is \$43,020 less than that published in the 2009/2010 LTCCP due to a transfer to capital expenditure budgets for an upgrade of the EpiServer Content Management System, approved by the Audit and Finance Committee in February 2010.
- The Capital Expenditure Full Year Budget is \$181,056 over that published in the 2009/19 LTCCP due to the carryover of \$26,939 Environmental Monitoring expenditure; \$17,350 Regional Information and Engagement expenditure; and \$46,247 Information Systems expenditure approved by the Audit and Finance Committee in August 2009, and additional capital expenditure funded by transfers from the Community Relations operating budget of \$43,020 and the Maritime operating budget of \$30,000, approved by the Audit and Finance Committee in February 2010, and the Regional Economic Development operating budget of \$17,500 approved by the Audit and Finance Committee in March 2010.

Detailed variance explanations are provided under each Group Activity Report.

**Capital Expenditure Details**

Key items making up capital expenditure are as follows:

SAN Project	0	632,987
Vehicle Replacements	0	330,942
Electronic Document Management System Project	202,148	266,437
IRIS Project	200	232,844

Monthly Report for		May 2010								
		May 2010				YEAR TO DATE				
		Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	Annual Budget
<b>Total Democracy and Corporate Services</b>										
<b>Revenue</b>										
Rates		42,542	42,339	203	0%	467,961	465,729	2,232	0%	\$ 508,068.00
User Fees and Sundry		99	2,916	(2,817)	-97%	66,440	32,084	34,357	107%	\$ 35,000.00
Investment Property Income		171,217	173,717	(2,500)	-1%	2,654,591	2,652,801	1,790	0%	\$ 3,100,000.00
Forestry Harvest		337,146	0	337,146	-	911,725	365,825	545,900	149%	\$ 365,825.00
		<b>\$551,005</b>	<b>\$218,972</b>	<b>\$332,033</b>	<b>152%</b>	<b>\$4,100,718</b>	<b>\$3,516,439</b>	<b>\$584,279</b>	<b>17%</b>	<b>\$4,008,893</b>
<b>Expenditure</b>										
Community Representation		\$102,656	\$95,229	\$(7,427)	-8%	\$1,098,999	\$1,087,361	\$(11,638)	-1%	\$1,181,430
Commercial Investments		\$190,529	\$43,810	\$(146,719)	-335%	\$667,036	\$312,739	\$(354,297)	-113%	\$376,136
		<b>\$293,185</b>	<b>\$139,039</b>	<b>\$(154,146)</b>	<b>-111%</b>	<b>\$1,766,035</b>	<b>\$1,400,099</b>	<b>\$(365,935)</b>	<b>-26%</b>	<b>\$1,557,566</b>
<b>Net Cost/(Surplus) of Service before extraordinary items</b>		<b>\$(257,820)</b>	<b>\$(79,933)</b>	<b>\$177,887</b>	<b>-223%</b>	<b>\$(2,334,683)</b>	<b>\$(2,116,339)</b>	<b>\$218,343</b>	<b>-10%</b>	<b>\$(2,451,327)</b>
<b>Extraordinary Items</b>										
Loss on sale of Investment Property		0	0	0	-	0	0	0	-	0
Fair Value adjustment of Investment Property		0	0	0	-	0	0	0	-	0
Commission on Sale of Investment Property		0	0	0	-	0	0	0	-	0
Forestry Revaluation		0	0	0	-	0	0	0	-	137,045
		0	0	0	-	0	0	0	-	137,045
<b>Net Cost/(Surplus) of Service after extraordinary items</b>		<b>\$(257,820)</b>	<b>\$(79,933)</b>	<b>\$177,887</b>	<b>-223%</b>	<b>\$(2,334,683)</b>	<b>\$(2,116,339)</b>	<b>\$218,343</b>	<b>-10%</b>	<b>\$(2,588,372)</b>
<b>Capital Expenditure</b>		<b>\$0</b>				<b>\$70,021</b>				<b>\$219,237</b>

**Revenue****Month results**

**Forestry Harvest** revenue shows a favourable variance for the month due to budget phasing, and is partially offset by unbudgeted forestry contractor costs for the month of \$181K, leaving a favourable variance for the month of \$156K. A small full year favourable variance after costs is expected on Council's forestry activities, as explained below.

**Year to Date results**

**User Fees and Sundry** is showing a budget surplus for the year to date due to cost recoveries on tenants expenses (rates and insurance for 08/09 and 09/10).

**Forestry Harvest** revenue is budgeted net of expenses, therefore after deducting actual expenditure incurred to date of \$539K the net favourable variance is \$7K. This variance is expected to remain in the full year result.

**Expenditure****Month and Year to Date results**

**Community Representation** shows an unfavourable variance for the month due to higher costs for national meetings and working parties.

**Commercial Investments** is over budget due to forestry harvest costs. These costs are more than offset by the corresponding Forestry Harvest revenue as explained above. The variance arises because the budget has been shown as a net revenue budget, rather than separate budget amounts for revenue and expenditure. In addition there are cost savings in forest maintenance costs, as has been described in previous months, and these are likely to result in a full year favourable variance of approx. \$80K.

Monthly Report for May 2010									
Total Regional Information and Engagement	May 2010				YEAR TO DATE				Annual Budget
	Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	
<b>Revenue</b>									
Rates	\$55,745	\$55,479	\$266	0%	\$613,196	\$610,272	\$2,924	0%	\$665,751
User Fees and Sundry	\$35,000	\$0	\$35,000	100%	\$72,000	\$0	\$72,000	100%	\$0
Grants and Subsidies	\$0	\$0	\$0	-	\$0	\$0	\$0	-	\$0
	<b>\$90,745</b>	<b>\$55,479</b>	<b>\$35,266</b>	<b>64%</b>	<b>\$685,196</b>	<b>\$610,272</b>	<b>\$74,924</b>	<b>12%</b>	<b>\$665,751</b>
<b>Expenditure</b>									
Communications	\$78,283	\$79,257	\$974	1%	\$868,620	\$960,551	\$91,932	10%	\$1,079,814
Environmental Education	\$39,964	\$22,630	\$(17,334)	-77%	\$356,283	\$262,455	\$(93,828)	-36%	\$311,135
Economic and Environmental Information	\$4,294	\$11,310	\$7,016	62%	\$69,649	\$132,345	\$62,696	47%	\$144,043
	<b>\$122,541</b>	<b>\$113,197</b>	<b>\$(9,344)</b>	<b>-8%</b>	<b>\$1,294,551</b>	<b>\$1,355,351</b>	<b>\$60,799</b>	<b>4%</b>	<b>\$1,534,992</b>
<b>Net Cost/(Surplus) of Service</b>	<b>\$31,795</b>	<b>\$57,718</b>	<b>\$25,923</b>	<b>45%</b>	<b>\$609,356</b>	<b>\$745,079</b>	<b>\$135,723</b>	<b>18%</b>	<b>\$869,241</b>
Capital Expenditure	\$0				\$60,351				\$43,020

## Notes:

- The Communications budget is \$43,020 less than that published in the 2009/19 LTCCP due to the transfer of funds from operating expenditure to capital expenditure for the purchase of the EpiServer Content Management System, as approved by the Audit and Finance Committee in February 2010.

**Revenue****Month and Year to Date results**

**User Fees and Sundry** favourable variance year to date is due to unbudgeted funding received from the Enviroschools Foundation to cover the cost of the Enviroschools Co-ordinator, and other funding received towards related costs of the Enviroschools programme. This revenue variance offsets some of the unfavourable expenditure variance below.

**Expenditure****Month and Year to Date Results**

**Communications** comes in on budget for the month, and shows a favourable variance year to date due to coding anomalies in wages and salaries costs between Communications and Environmental Education, and timing variances due to budget phasing of costs associated with Iwi projects, the majority of which are expected to catch up by year end.

**Environmental Education** unfavourable variance is due to unbudgeted costs of the Enviroschools Co-ordinator, which is offset by the favourable revenue variance explained above, and an accounting error in the 2008/09 year in relation to payment of a salary that is externally funded, as explained in the November 2009 report. There is no cost to Council as a result of this error.

**Economic & Environmental Information** continues to show a favourable variance for the month and the year to date due to a budgeted staff position that has not been filled, budget for which has been utilised in the Projects & Information activity, and another position which is vacant and not being actively pursued.

Monthly Report for		May 2010								
		May 2010				YEAR TO DATE				
		Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	Annual Budget
<b>Total Regional Economic Development</b>										
<b>Revenue</b>										
Rates		102,837	103,504	(667)	-1%	1,131,207	1,138,535	(7,328)	-1%	\$ 1,242,038
User Fees and Sundry		0	0	0	-	54,948	0	54,948	100%	\$ -
		<b>\$102,837</b>	<b>\$103,504</b>	<b>\$(667)</b>	<b>-1%</b>	<b>\$1,186,155</b>	<b>\$1,138,535</b>	<b>\$47,620</b>	<b>4%</b>	<b>\$1,760,038</b>
<b>Expenditure</b>										
Regional Growth Programme		\$8,887	\$39,614	\$30,727	78%	\$179,145	\$352,223	\$173,078	49%	\$395,896
Economic Development		\$94,681	\$68,732	\$(25,949)	-38%	\$1,714,307	\$1,678,251	\$(36,056)	-2%	\$2,380,060
		<b>\$103,568</b>	<b>\$108,346</b>	<b>\$4,778</b>	<b>4%</b>	<b>\$1,893,452</b>	<b>\$2,030,474</b>	<b>\$137,022</b>	<b>7%</b>	<b>\$2,775,956</b>
<b>Net Cost/(Surplus) of Service before extraordinary items</b>		<b>\$731</b>	<b>\$4,842</b>	<b>\$4,111</b>	<b>85%</b>	<b>\$707,297</b>	<b>\$891,939</b>	<b>\$184,642</b>	<b>21%</b>	<b>\$1,015,918</b>
<b>Extraordinary Items</b>										
Regional Recreational Facilities Rate		94,560	94,013	547	1%	1,040,163	1,034,142	6,021	1%	1,128,155
Sundry Income - Grant from Ministry of Economic Development		0	0	0	100%	2,500,000	0	2,500,000	100%	\$ -
Regional Events Centre expenditure		(1,457,886)	(2,159,275)	(701,389)	32%	(9,284,681)	(10,840,725)	1,556,044	-14%	13,000,000
		<b>(1,363,326)</b>	<b>(2,065,262)</b>	<b>(700,842)</b>	<b>0</b>	<b>(5,744,518)</b>	<b>(9,806,583)</b>	<b>4,062,065</b>	<b>(0)</b>	<b>11,871,845</b>
<b>Net Cost/(Surplus) of Service after extraordinary items</b>		<b>\$1,364,057</b>	<b>\$2,070,104</b>	<b>\$704,952</b>	<b>34%</b>	<b>\$6,451,815</b>	<b>\$10,698,522</b>	<b>\$4,246,707</b>	<b>40%</b>	<b>\$12,887,763</b>
<b>Capital Expenditure</b>		<b>\$0</b>				<b>\$0</b>				<b>\$0</b>

## Notes:

- The Economic Development Full Year budget is \$62,500 less than that published in the 2009/2019 LTCCP due to the transfer out of \$45,000 to the Monitoring budget for the fecal study and \$17,500 transferred to Capex for the library refit.

## Revenue

## Month and Year To Date Results

Revenue for the month is in line with budget. The \$55k of unbudgeted revenue for the year to date relates the funding for the Aquaculture Planning project (\$40k) and the Growth Strategy Project (\$15k), both of which offset expenditure items included below.

## Expenditure

## Month and Year To Date Results

**Regional Growth Programme** shows favourable variances due to lower than budgeted wages & salaries costs arising from a staff vacancy and a phasing anomaly this month, and budget phasing of consultants and printing and stationery costs.

**Economic Development** shows unfavourable variances due to the internal interest cost of funding the Regional Events Centre, partially offset by lower than budgeted wages and salaries costs as a result of a staff member being away on unpaid leave for the first half of the year.

## Extraordinary Items

The Regional Events Centre expenditure relates to expenditure incurred towards the construction of the Regional Events Centre.

The sundry income is a grant received from central government for the purpose of bringing the Regional Events Centre up to Rugby World Cup standard.

Monthly Report for		May 2010								
		May 2010				YEAR TO DATE				Annual Budget
		Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	
<b>Total Resource Management Planning</b>										
<b>Revenue</b>										
Rates		48,995	48,761	234	0%	538,942	536,372	2,570	0%	\$ 585,133
User Fees and Sundry		0	0	0	100%	14,036	0	14,036	100%	\$ -
		<b>\$48,995</b>	<b>\$48,761</b>	<b>\$234</b>	<b>0%</b>	<b>\$552,979</b>	<b>\$536,372</b>	<b>\$16,606</b>	<b>3%</b>	<b>\$585,133</b>
<b>Expenditure</b>										
Resource Management Planning		\$97,743	\$95,578	\$(2,165)	-2%	\$1,017,917	\$1,107,910	\$89,993	8%	\$1,349,116
		<b>\$97,743</b>	<b>\$95,578</b>	<b>\$(2,165)</b>	<b>-2%</b>	<b>\$1,017,917</b>	<b>\$1,107,910</b>	<b>\$89,993</b>	<b>8%</b>	<b>\$1,349,116</b>
<b>Net Cost/(Surplus) of Service</b>		<b>\$48,748</b>	<b>\$46,817</b>	<b>\$(2,399)</b>	<b>-5%</b>	<b>\$464,938</b>	<b>\$571,538</b>	<b>\$73,387</b>	<b>13%</b>	<b>\$763,983</b>
Capital Expenditure		\$0				\$0				\$0

**Revenue****Month and Year to Date results**

User Fees and Sundry favourable variance is due to funding from the Ministry for the Environment for the Aquaculture project.

This is partially offset by unbudgeted expenditure items relating to this project.

**Expenditure****Month and Year to Date results**

Expenditure is close to budget for the month and shows a favourable variance for the year to date due to staff vacancies earlier in the year (now filled) and budget phasing variances in printing and stationery and advertising costs.

Monthly Report for		May 2010							
Total Transport	May 2010				YEAR TO DATE				Annual Budget <sup>1</sup>
	Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	
<b>Revenue</b>									
Rates	54,200	53,918	282	1%	600,340	593,100	7,240	1%	\$647,018
User Fees and Sundry	100,931	52,475	48,456	92%	649,439	577,225	72,214	13%	\$721,879
Grants and Subsidies	59,694	89,521	(29,827)	-33%	937,451	984,731	(47,280)	-5%	\$993,829
	<b>\$214,826</b>	<b>\$195,914</b>	<b>18,912</b>	<b>10%</b>	<b>\$2,187,230</b>	<b>\$2,155,056</b>	<b>32,174</b>	<b>1%</b>	<b>\$2,362,726</b>
<b>Expenditure</b>									
Regional Transport Management	\$25,352	\$43,293	17,941	41%	\$295,624	\$441,944	\$146,319	33%	\$306,453
Passenger Transport Administration	\$160,732	\$172,934	\$12,202	7%	\$1,842,984	\$1,913,512	\$70,528	4%	\$2,396,905
	<b>\$186,084</b>	<b>\$216,227</b>	<b>\$30,143</b>	<b>14%</b>	<b>\$2,138,609</b>	<b>\$2,355,456</b>	<b>\$216,847</b>	<b>9%</b>	<b>\$2,703,358</b>
<b>Net Cost/(Surplus) of Service</b>	<b>\$(28,742)</b>	<b>\$20,313</b>	<b>49,055</b>	<b>241%</b>	<b>\$(48,621)</b>	<b>\$200,400</b>	<b>249,021</b>	<b>124%</b>	<b>\$340,632</b>
Capital Expenditure	\$0				\$0				\$90,000

### Notes

1. The Regional Transport Management Budget is \$29,458 over that published in the 2009/19 LTCCP due to the carry over of \$29,458 for the Regional Land Transport Strategy, as approved by the Audit and Finance Committee in August 2009.

#### Revenue

##### Month results

**User Fees and Sundry** shows a favourable variance for the month as a result of increased passenger numbers giving rise to higher revenue from bus fares.

**Grants & Subsidies** is behind budget for the month as a result of timing differences in when some areas of subsidy revenue is received.

##### Year to Date results

**User Fees and Sundry** is tracking ahead of budget year to date as a result of penalties revenue, which was not budgeted for, and higher than projected use of the bus service giving increased revenue from box fares and the Super Gold Card Scheme. Further, Council has been advised that the funding for this scheme from NZ Transport Association has been increased, and has the potential to result in up to an additional \$25K of revenue for the year.

**Grants & Subsidies** revenue for the year to date is tracking behind budget due phasing of subsidies received from Land Transport New Zealand.

#### Expenditure

##### Month and Year To Date results

**Regional Transport Management** shows a favourable variance due to budget phasing of a number of costs including legal fees, advertising, consultants and contract staff costs. It is likely that some of these underspends will still exist at year end, however they will be offset by corresponding decreases in subsidy revenue.

**Passenger Transport Administration** is showing a favourable variance for the month due to result of underspends on advertising and promotion costs and consultants. It is likely that some of these underspends will still exist at year end, however they will be offset by corresponding decreases in subsidy revenue.

Monthly Report for		May 2010								
		May 2010				YEAR TO DATE				
		Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	Annual Budget
<b>Total Consents Revenue</b>										
	Rates	55,647	55,382	265	0%	612,120	609,201	2,919	0%	\$ 664,583
	User Fees and Sundry	40,929	56,742	(15,813)	-28%	732,643	624,158	108,484	17%	\$ 680,900
		<b>\$96,577</b>	<b>\$112,124</b>	<b>\$(15,547)</b>	<b>-14%</b>	<b>\$1,344,763</b>	<b>\$1,233,359</b>	<b>\$111,403</b>	<b>9%</b>	<b>\$1,345,483</b>
<b>Expenditure</b>										
	Consents Applications	\$102,746	\$97,944	\$(4,802)	-5%	\$1,301,999	\$1,181,619	\$(120,380)	-10%	\$1,264,308
	Consents Advice and Information	\$64,920	\$73,824	\$8,904	12%	\$789,377	\$860,372	\$70,994	8%	\$948,891
		<b>\$167,666</b>	<b>\$171,768</b>	<b>\$4,102</b>	<b>2%</b>	<b>\$2,091,376</b>	<b>\$2,041,991</b>	<b>\$(49,385)</b>	<b>-2%</b>	<b>\$2,213,199</b>
<b>Net Cost/(Surplus) of Service</b>		<b>\$71,089</b>	<b>\$59,644</b>	<b>\$(11,445)</b>	<b>-19%</b>	<b>\$746,613</b>	<b>\$808,631</b>	<b>\$62,018</b>	<b>8%</b>	<b>\$867,716</b>
Capital Expenditure		\$0				\$0				\$0

#### Revenue

##### Month and Year to Date results

User Fees and Sundry revenue is under budget for the month however the year to date favourable variance remains as a result of increased application fees and cost recoveries arising from the volume and complexity of consents processed this year.

#### Expenditure

##### Month and Year To Date Results

Consents Applications shows an unfavourable variance for the month and the year to date due to high consultants costs, daily meeting fees & allowances and photocopying costs associated with the increased volume of large applications processed to date. These higher costs year to date are partially, and will continue to be, matched by higher revenue (cost recoveries) as explained above. The overspends are partially offset by lower than budgeted wages and salaries costs as a result of unfilled positions, and these are expected to produce cost savings for the full year across the whole Consents activity of approx. \$55k.

Consents Advice & Information continues to show a favourable variance for the month and the year to date due to the cost savings arising from the unfilled staff positions that are partly budgeted in this cost centre, and underspends on legal fees and contract/casual staff which are likely to still exist at year end.

Monthly Report for		May 2010								
		May 2010				YEAR TO DATE				
		Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	Annual Budget
<b>Total Environmental Monitoring Revenue</b>										
	Rates	127,733	127,124	609	0%	1,405,063	1,398,363	6,700	0%	\$ 1,525,486.44
	User Fees and Sundry	69,465	80,793	(11,328)	-14%	1,363,795	1,326,216	37,579	3%	\$ 1,407,008.40
		<b>\$197,198</b>	<b>\$207,917</b>	<b>\$(10,719)</b>	<b>-5%</b>	<b>\$2,768,858</b>	<b>\$2,724,579</b>	<b>\$44,279</b>	<b>6%</b>	<b>\$2,932,495</b>
<b>Expenditure</b>										
	State of the Environment Monitoring	\$152,064	\$145,449	\$(6,615)	-5%	\$1,494,835	\$1,767,068	\$272,233	15%	\$1,905,118
	Resource Consent Compliance	\$127,969	\$149,256	\$21,287	14%	\$1,635,514	\$1,709,078	\$73,564	4%	\$1,818,512
	Environmental Incidents Response	\$103,308	\$78,899	\$(24,409)	-31%	\$976,749	\$909,115	\$(67,634)	-7%	\$750,342
	Hazardous Substances & Contaminated Sites	\$31,706	\$35,548	\$3,842	11%	\$365,242	\$408,879	\$43,636	11%	\$450,281
		<b>\$415,045</b>	<b>\$409,152</b>	<b>\$(5,893)</b>	<b>-1%</b>	<b>\$4,472,341</b>	<b>\$4,794,139</b>	<b>\$321,799</b>	<b>7%</b>	<b>\$4,924,253</b>
<b>Net Cost/(Surplus) of Service</b>										
		<b>\$217,848</b>	<b>\$201,235</b>	<b>\$(16,613)</b>	<b>-8%</b>	<b>\$1,703,483</b>	<b>\$2,069,560</b>	<b>\$366,078</b>	<b>18%</b>	<b>\$1,991,758</b>
<b>Capital Expenditure</b>										
		<b>\$0</b>				<b>\$76,620</b>				<b>\$225,703</b>

## Notes

1. The State of Environment Monitoring Full Year Budget is \$45,000 over that published in the 2009/2019 LTCCP due to the transfer in of funds from the Regional Economic Development budget for the fecal study.

## Revenue

## Month and Year to Date results

**User fees and sundry** is below budget for the month but continues to track ahead of budget year to date as a result of the large number of Farm Dairy Effluent infringement notices and other enforcement action being taken. This is matched by increased consultants costs and legal fees in relation to these matters (see explanation below).

## Expenditure

## Month results

**State of the Environment Monitoring** is over budget for the month due to budget phasing of consultants and commercial testing costs which have come onstream more fully in this month.

**Resource Consent Compliance** shows a favourable variance for the month due to budget phasing across a number of areas including consultants, air quality testing and commercial testing costs.

**Environmental Incidents Response** unfavourable variance is due to overspends on legal fees and consultants costs, which are offset by underspends in these costs in other areas of the Monitoring activity, and the coding anomaly in vehicle expenses explained below.

**Hazardous Substances & Contaminated Sites** favourable variance for the month is due to small underspends across a number of costs.

## Year to Date results

**State of the Environment Monitoring** expenditure is under budget due to staff vacancies in the department for the first six to eight months of the year (both of which have now been filled), expenditure on consultants and equipment service contract costs not coming on stream as budgeted, and an anomaly in the coding of vehicle costs which are budgeted across all Monitoring costs centres but charged to the Environmental Incidents Response activity only.

**Resource Consent Compliance** year to date expenditure is below budget due to the coding anomaly in vehicle expenses explained above, and delays in some commercial and air quality testing work, which is rain dependant. It is expected favourable variances will still be evident at year end.

**Environmental Incidents Response** shows an unfavourable variance year to date due to the coding anomaly in vehicle expenses explained above and legal fees related to the high level of enforcement action in progress.

**Hazardous Substances & Contaminated Sites** is underspent year to date mainly due to the coding anomaly in vehicle expenses, budget phasing of chemical collection/store costs and reduced salaries and wages costs as a result of changes made in that area.

Monthly Report for		May 2010								
		May 2010				YEAR TO DATE				
		Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	Annual Budget <sup>1</sup>
<b>Total Land and Rivers</b>										
<b>Revenue</b>										
	Rates	250,867	250,852	15	0%	2,759,535	2,759,372	164	0%	\$ 3,010,224
	User Fees and Sundry	(5,000)	0	(5,000)	-	55,036	0	55,036	-	\$ -
	Grants and Subsidies	0	0	0	-	85,524	85,000	524	1%	\$ 85,000
		<b>\$245,867</b>	<b>\$250,852</b>	<b>\$(4,985)</b>	<b>-2%</b>	<b>\$2,900,095</b>	<b>\$2,844,372</b>	<b>\$55,724</b>	<b>2%</b>	<b>\$3,095,224</b>
<b>Expenditure</b>										
	Hazard Management	\$196,473	\$246,012	\$49,539	20%	\$1,472,383	\$1,623,321	\$150,939	9%	\$1,480,802
	River Management	\$44,269	\$69,028	\$24,759	36%	\$835,885	\$794,455	\$(41,430)	-5%	\$721,058
	Land and Biodiversity	\$100,509	\$158,551	\$58,042	37%	\$1,026,087	\$1,281,554	\$255,467	20%	\$1,427,986
		<b>\$341,251</b>	<b>\$473,591</b>	<b>\$132,340</b>	<b>28%</b>	<b>\$3,334,355</b>	<b>\$3,699,330</b>	<b>\$364,975</b>	<b>10%</b>	<b>\$3,629,846</b>
<b>Net Cost/(Surplus) of Service</b>		<b>\$95,384</b>	<b>\$222,739</b>	<b>\$127,355</b>	<b>57%</b>	<b>\$434,260</b>	<b>\$854,959</b>	<b>\$420,699</b>	<b>49%</b>	<b>\$534,622</b>
Capital Expenditure		\$0				\$1,432				\$96,000

#### Notes

1. The Hazard Management Annual Budget is \$151,006 over that published in the 2009/19 LTCCP due to the carry over of \$151,006 for the Priority Rivers Project, as approved by the Audit and Finance Committee in August 2009, and additional expenditure on the Priority Rivers Project of \$397,041 approved by the Audit and Finance Committee in February 2010.
2. The River Management Full Year Budget is \$115,148 over that published in the 2009/19 LTCCP due to additional expenditure on the Awanui River Scheme works of \$156,800 approved by the Audit and Finance Committee in October 2009, and an advance from reserves to the Awanui Flood Management Scheme of \$41,652 to remedy an error in the calculation of the targeted rating revenue as approved by the Audit & Finance Committee in March 2010.

#### Revenue

##### Month and Year to Date results

**User Fees & Sundry** unfavourable variance is due to unbudgeted revenue received from Whangarei District Council for their contribution towards the cost of the NIWA tsunami inundation model for the Whangarei Harbour being transferred to Revenue Received In Advance as the project will be completed next financial year.

#### Expenditure

##### Month and Year To Date results

**Hazard Management** favourable variance is due to the phasing of some consultants costs, and other consultants costs in relation to the Priority Rivers project that will not be incurred this financial year due to delays. These are likely to result in full year cost savings of approx. \$100K.

**River Management** underspent for the month but ahead of budget year to date due to the phasing of stopbanks and river schemes costs which came on-stream over the summer months, but were phased evenly across the year for budget purposes.

**Land & Biodiversity** is underspent for the month and the year to date due to budget phasing, particularly Environment Fund projects and consultants. These costs are expected to come on stream in the remaining months of the financial year and this variance is a timing difference only.

Monthly Report for		May 2010								
		May 2010				YEAR TO DATE				
		Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	Annual Budget
<b>Total Biosecurity Revenue</b>										
	Rates	120,854	121,180	(326)	0%	1,329,392	1,332,984	(3,592)	0%	\$ 1,454,164.00
	User Fees and Sundry	11,150	4,750	6,400	135%	255,865	262,250	(6,385)	-2%	\$ 379,164.00
	Grants and Subsidies	0	0	0	-	0	0	0	-	\$ -
		<b>\$132,004</b>	<b>\$125,930</b>	<b>\$6,074</b>	<b>5%</b>	<b>\$1,585,256</b>	<b>\$1,595,234</b>	<b>\$(9,977)</b>	<b>-1%</b>	<b>\$1,833,328</b>
<b>Expenditure</b>										
	Biosecurity	\$213,203	\$155,534	\$(57,669)	-37%	\$1,926,754	\$2,089,445	\$162,691	8%	\$2,306,934
		<b>\$213,203</b>	<b>\$155,534</b>	<b>\$(57,669)</b>	<b>-37%</b>	<b>\$1,926,754</b>	<b>\$2,089,445</b>	<b>\$162,691</b>	<b>8%</b>	<b>\$2,306,934</b>
<b>Net Cost/(Surplus) of Service</b>		<b>\$81,200</b>	<b>\$29,604</b>	<b>\$(51,596)</b>	<b>-174%</b>	<b>\$341,497</b>	<b>\$494,211</b>	<b>\$152,714</b>	<b>31%</b>	<b>\$473,606</b>
Capital Expenditure		\$1,250				\$17,961				\$62,000

**Revenue****Month and Year to Date results**

**User Fees and Sundry** revenue shows a favourable variance for the month, and is tracking marginally behind budget year to date due to the budget phasing of reimbursements received from MAFBNZ for the Manchurian Wild Rice programme, and is therefore a timing difference only.

**Expenditure****Month and Year to Date results**

Biosecurity expenditure for the month is over budget representing a catch up on budget phasing. The year to date position remains underspent due to phasing of expenditure on pest control contracts and products. Pest contracts have not come on-stream as early as forecast due to agreements that have not been finalised with various community groups.

Monthly Report for		May 2010								
		May 2010				YEAR TO DATE				
		Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	Annual Budget
<b>Total Emergency Management Revenue</b>										
Rates		12,548	12,581	(33)	0%	138,023	138,397	(373)	0%	\$ 150,978.00
User Fees and Sundry		1,575	0	1,575	100%	4,781	0	4,781	100%	\$ -
Grants and Subsidies		0	0	0	-	9,402	10,000	(598)	-6%	\$ 10,000.00
		<b>\$14,123</b>	<b>\$12,581</b>	<b>\$1,542</b>	<b>12%</b>	<b>\$152,206</b>	<b>\$148,397</b>	<b>\$3,810</b>	<b>3%</b>	<b>\$160,978</b>
<b>Expenditure</b>										
Emergency Management		\$40,990	\$16,719	\$(24,271)	-145%	\$201,494	\$193,431	\$(8,063)	-4%	\$210,150
		<b>\$40,990</b>	<b>\$16,719</b>	<b>\$(24,271)</b>	<b>-145%</b>	<b>\$201,494</b>	<b>\$193,431</b>	<b>\$(8,063)</b>	<b>-4%</b>	<b>\$210,150</b>
<b>Net Cost/(Surplus) of Service</b>										
		<b>\$26,868</b>	<b>\$4,138</b>	<b>\$(22,730)</b>	<b>-549%</b>	<b>\$49,288</b>	<b>\$45,035</b>	<b>\$(4,253)</b>	<b>-9%</b>	<b>\$49,172</b>
Capital Expenditure		\$0				\$0				

**Revenue****Month and Year to Date results**

User Fees and Sundry favourable variance is unbudgeted revenue for preparation of Community Response plans from Whangarei District Council.

**Expenditure****Month and Year To Date results**

Emergency Management expenditure is over budget due to the phasing of consultants and training courses costs, which are expected to even out by year end and higher than budgeted telephone costs.

<b>Monthly Report for</b>		<b>May 2010</b>							
<b>Total Maritime Operations</b>	May 2010				YEAR TO DATE				Annual Budget
	Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %	
<b>Revenue</b>									
Rates	33,065	32,910	155	0%	363,714	362,020	1,694	0%	\$ 394,931
User Fees and Sundry	13,003	34,335	(21,332)	-62%	683,559	540,181	143,378	27%	\$ 574,515
Grants and Subsidies	0	0	0	-	55,563	72,442	(16,879)	-23%	\$ 114,489
	<b>\$46,068</b>	<b>\$67,245</b>	<b>\$(21,177)</b>	<b>-31%</b>	<b>\$1,108,836</b>	<b>\$974,643</b>	<b>\$128,193</b>	<b>6%</b>	<b>\$1,083,936</b>
<b>Expenditure</b>									
Oil Pollution Response	\$15,822	\$9,682	\$(6,140)	-63%	\$132,233	\$129,977	\$(2,257)	-2%	\$148,950
Harbour Safety & Navigation	\$94,758	\$100,223	\$5,465	5%	\$1,135,050	\$1,164,127	\$29,077	2%	\$1,292,826
	<b>\$110,580</b>	<b>\$109,905</b>	<b>\$(675)</b>	<b>-1%</b>	<b>\$1,267,283</b>	<b>\$1,294,104</b>	<b>\$26,821</b>	<b>2%</b>	<b>\$1,441,776</b>
<b>Net Cost/(Surplus) of Service</b>									
	<b>\$64,513</b>	<b>\$42,660</b>	<b>\$(21,853)</b>	<b>-51%</b>	<b>\$158,447</b>	<b>\$319,461</b>	<b>\$155,014</b>	<b>49%</b>	<b>\$357,840</b>
<b>Extraordinary Items</b>									
Gain/(Loss) on Sale of Assets	\$0	\$0	\$0	0%	\$41,650	\$0	\$41,650	-	\$0
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$41,650</b>	<b>\$0</b>	<b>\$41,650</b>	<b>\$0</b>	<b>\$0</b>
<b>Net Cost/(Surplus) of Service after extraordinary items</b>									
	<b>\$64,513</b>	<b>\$42,660</b>	<b>\$(21,853)</b>	<b>-51%</b>	<b>\$116,797</b>	<b>\$319,461</b>	<b>\$196,664</b>	<b>62%</b>	<b>\$357,840</b>
<b>Capital Expenditure</b>									
	<b>\$0</b>				<b>\$126,984</b>				<b>\$86,600</b>

**Notes**

1. The Harbour Safety and Navigation Full Year budget is \$30,000 less than that published in the 2009/2019 LTCCP due to a transfer to capital expenditure budgets for navigation aids, specifically lights, approved by the Audit and Finance Committee in February 2010.

**Revenue****Month results**

**User fees and Sundry** is behind budget due to the phasing of some income streams which have been received earlier in the year than forecast, and is a timing difference only.

**Year To Date results**

**User Fees and Sundry** is tracking ahead of budget due to Hatea River Channel Funding being invoiced early in the year (phasing variance), higher than budgeted revenue from Navigation Bylaw Fees (due to an increased number of fee eligible structures) and Pilotage (as a result of more ships visiting the region than forecast), additional revenue (unbudgeted) from chartering out the "Waikare", and insurance proceeds received for two navigation aids (offsets unbudgeted capital expenditure).

**Grants and Subsidies** is tracking behind budget year to date due to the timing of subsidies received from Maritime New Zealand.

**Expenditure****Month and Year To Date results**

**Oil Pollution Response** is over budget for the month due to unbudgeted rent costs, and is tracking close to budget for the year to date.

**Harbour & Safety Navigation** favourable variances are due to budget phasing across a number of areas, partially offset by an overspend on debris disposal as a result of a budget error.

**Extraordinary Items****Month and Year to Date results**

In July 2009 NorthPort Ltd vested thirteen navigation aids at Kioreroa Reach to the Council at a value of \$41,650. This is shown as extraordinary revenue.

Monthly Report for		May 2010				YEAR TO DATE				Annual Budget
	Actual	Budget	Variance	Var %	YTD Actual	YTD Budget	Variance	Var %		
<b>Total Support Services</b>										
<b>Revenue</b>										
Rates	1,111	0	1,111	-	49,189	0	49,189	-	\$ -	
User Fees and Sundry	753	0	753	-	3,376	0	3,376	-	\$ -	
Grants and Subsidies	0	0	0	-	0	0	0	-	\$ -	
Investment Interest Income	207,545	237,661	(30,116)	-13%	1,937,314	2,614,268	(676,954)	-26%	\$ 2,851,929.00	
Investment Property Income	0	0	0	-	0	0	0	-	\$ -	
Forestry Harvest	0	0	0	-	0	0	0	-	\$ -	
Dividend Income	0	0	0	-	1,218,460	1,367,712	(149,252)	-11%	\$ 1,367,712.00	
	<b>\$209,409</b>	<b>\$237,661</b>	<b>\$(28,252)</b>	<b>-12%</b>	<b>\$3,208,338</b>	<b>\$3,981,980</b>	<b>\$(773,642)</b>	<b>-19%</b>	<b>\$4,219,641</b>	
<b>Expenditure</b>										
Finance & Information Services	\$238,131	\$274,503	\$36,372	13%	\$2,738,552	\$3,013,344	\$274,792	9%	\$3,367,443	
Human Resources	\$54,025	\$25,288	\$(28,737)	-114%	\$353,721	\$290,719	\$(63,002)	-22%	\$316,007	
Other Support	\$59,641	\$65,884	\$6,243	9%	\$1,092,143	\$934,105	\$(158,038)	-17%	\$995,797	
Internal recharges	\$(367,704)	\$(383,191)	\$(15,487)	4%	\$(4,184,416)	\$(4,330,886)	\$(146,470)	3%	\$(4,679,497)	
	<b>\$(15,906)</b>	<b>\$(17,516)</b>	<b>\$(1,610)</b>	<b>0%</b>	<b>\$0</b>	<b>\$(92,718)</b>	<b>\$(92,718)</b>	<b>100%</b>	<b>\$(250)</b>	
<b>Net Cost/(Surplus) of Service before extraordinary items</b>	<b>\$(225,314)</b>	<b>\$(255,177)</b>	<b>\$(29,862)</b>	<b>12%</b>	<b>\$(3,208,338)</b>	<b>\$(4,074,698)</b>	<b>\$(866,360)</b>	<b>21%</b>	<b>\$(4,219,891)</b>	
<b>Extraordinary Items</b>										
Special Dividend	\$0	\$0	\$0	-	\$0	\$0	\$0	-	\$0	
Tax on Special Dividend	\$0	\$0	\$0	-	\$0	\$0	\$0	-	\$0	
Sales of shares	\$0	\$0	\$0	-	\$0	\$0	\$0	-	\$0	
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>	<b>\$0</b>	
<b>Net Cost/(Surplus) of Service after extraordinary items</b>	<b>\$(225,314)</b>	<b>\$(255,177)</b>	<b>\$(29,862)</b>	<b>12%</b>	<b>\$(3,208,338)</b>	<b>\$(4,074,698)</b>	<b>\$(866,360)</b>	<b>21%</b>	<b>\$(4,219,891)</b>	
<b>Capital Expenditure</b>	<b>\$207,232</b>				<b>\$1,767,318</b>				<b>\$3,233,549</b>	

**Revenue****Month and Year To Date results**

**Investment Interest Income** unfavourable variance is due to the downturn in interest rates available (average of 4.6%) compared to projections (7%).

**Rates** favourable variance represents revenue from penalties.

**Dividend Income** unfavourable variance is due to a lower dividend rate payout by Northland Port Corporation than budgeted.

**Expenditure****Month results**

**Finance & Information Services** favourable variance is due to phasing of computer related costs and an underspend on telephone rental (see explanation below).

**Human Resources** is over budget due to increased legal fees in relation to staff matters, partially offset by the reversal of FBT paid on relocation costs earlier in the year as a result of a law change.

**Other Support** favourable variance for the month is due to a coding correction of legal fees to the correct cost centre.

**Year To Date results**

**Finance & Information Services** favourable variance is due to an underspend on telephone rentals and is likely to result in a permanent cost savings for the year, and the phasing of some budgets, particularly audit fees and computer related costs.

**Human Resources** year to date is overspent due to higher than budgeted recruitment and training costs, and contract/casual staff costs as a result of some HR work being contracted out while a staff member was on maternity leave.

**Other Support** unfavourable variance for the year to date is due to a call on funds made by RiskPool for the next three financial years totalling \$134k, as explained in the February 2010 financial report, and increased costs for the Annual Plan and repairs and maintenance at the Water Street offices.

# Investment Schedule and Performance – Financial Report 31 May 2010

File C4.12

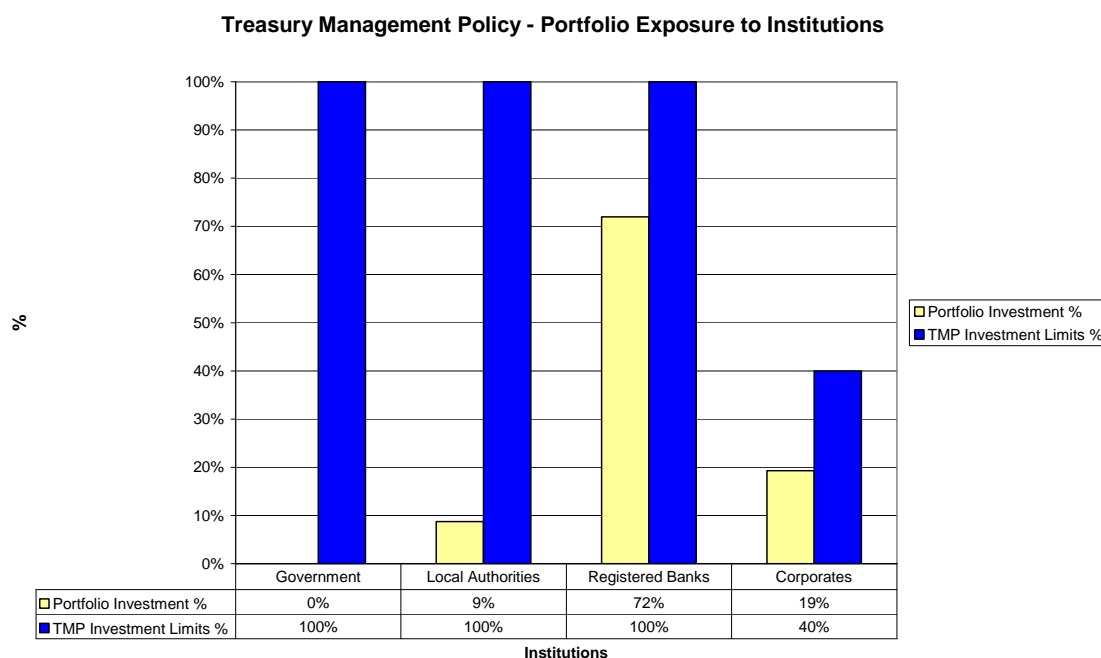
Report from Financial Systems Administrator Kym Ace dated 3 June 2010.

## PURPOSE

This report provides a summary of investment performance for the eleven month period ending 31 May 2010 and to report compliance against the investment policy. The investment policy is a requirement of section 102(4)(a) of the Local Government Act. The investment policy was adopted as part of the 2009-2019 Long Term Council Community Plan.

## INVESTMENT OF CASH AND STOCK/BONDS

The graph below graphically illustrates Council's investment of cash and stock/bonds against the limits set out in the investment policy. Council's investment complies with the investment policy.



## CREDIT RATING OF INVESTMENT COUNTERPARTIES

Under Council's Treasury Management Policy (TMP) section 5.3 allows investments to be made in accordance with the following counterparty/issuer:

Counterparty/Issuer	Minimum long term / short term credit rating – stated and possible	Investments maximum per counterparty (\$m)	Interest rate risk management instrument maximum per counterparty (\$m)	Total maximum per counterparty (\$m)
NZ Government	N/A	Unlimited	none	Unlimited
NZD Registered Supranationals	AAA	20.0	none	20.0
State Owned Enterprises [name]	A-/ A2	5.0	none	5.0
NZ Registered Bank [name]	A-/ A2	20.0	10.0	30.0

Corporate Bonds/ CP [names]*	A-/ A2	2.0	none	2.0
Local Government Stock/ Bonds/ FRN/ CP [name]**	A-/ A2 (if rated) Unrated	20.0 5.0	none none	20.0 5.0

- \*Subject to a maximum exposure no greater than 20% of the NFIP being invested in corporate debt securities at any one point in time.
- \*\* Subject to a maximum exposure no greater than 60% of the NFIP being invested in Local Government debt at any one point in time

This summary list will be expanded on a counterparty named basis which will be authorised by the CEO

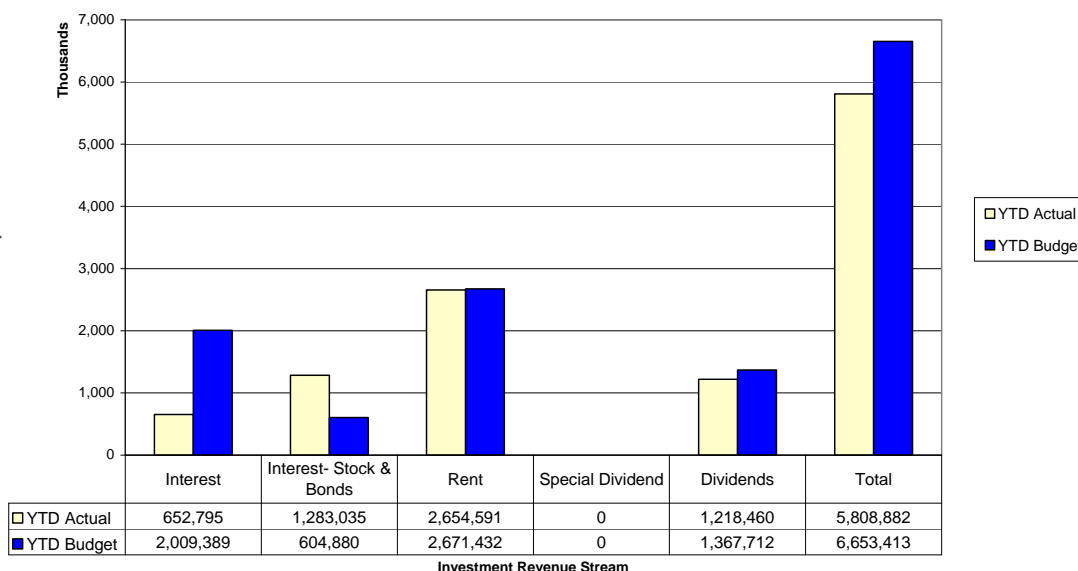
Council currently holds three investments with the same counterparty which are not provided with a credit rating. Council is maintaining a watching brief over these investments and intends to hold these investments to maturity.

**FINANCIAL YEAR TO DATE PERFORMANCE**

Year to date, the investment portfolio has made a return of \$5,508,882 against a budgeted return of \$6,653,413. Investment interest includes \$208,191 of internal interest. On call funds are currently earning a return of 3.15% and short term deposits between 4.25 and 5.5%.

The breakdown of the year to date return by investment revenue stream is as follows:

**Fund Performance against Budget**



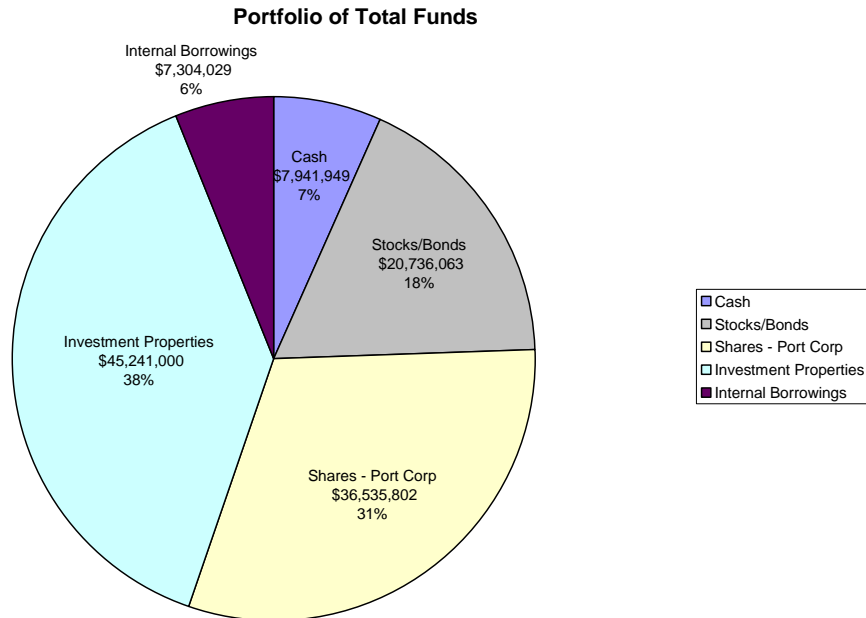
**PORTFOLIO OF TOTAL FUNDS**

The total value of the investment portfolio as at 31 May is \$117,758,843 and is comprised of:

- Cash \$ 7,941,949
- Stocks/bonds \$ 20,736,063
- Shares – Port Corp<sup>1</sup> \$ 36,535,802
- Investment Properties \$ 45,241,000
- Internal borrowing<sup>2</sup> \$ 7,304,029

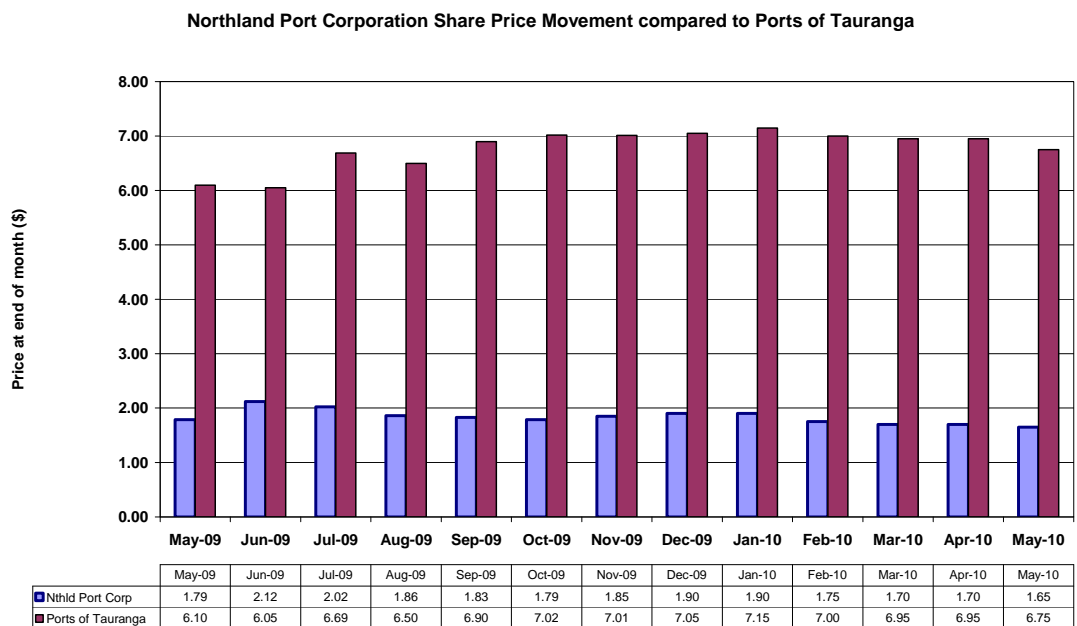
<sup>1</sup>Northland Regional Council holds 22,142,910 shares in Northland Port Corporation (NZ) Limited. The cost value of these shares is \$7,827,563. As at 30 June 2009, the market price of these shares was \$2.12. As at 31 May 2010, the market price is \$1.65.

<sup>2</sup>Internal borrowing is cash used to fund the \$13M contribution made towards the development of the Northland Event Centre. The internal borrowing will be repaid from the Recreational Facilities Rate over an approximate 15 year period.



**NORTHLAND PORT CORPORATION SHARE PRICE MOVEMENT**

The graph below graphically illustrates the movement in the Northland Port Corporation's share price in the current financial year. Share price data for the Ports of Tauranga has been provided for comparative or benchmarking purposes.



**2009/2010**

**Recommendation**

That the Investment Schedule and Performance Report to 31 May 2010 from Financial Systems Administrator Kym Ace dated 3 June 2010 be received.

**COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are in accordance with the Council's Treasury Management Policy which was adopted in compliance with the decision-making requirements of sections 76-82 of the Local Government Act 2002.

## Paid Accounts for Approval

File C4.30

Report from Payments Officer, Rachel Hills dated 31 May 2010.

Set out below is the summary of expenditure that was approved and paid during May 2010.

### Northland Regional Council General Account

Direct Debits	vouchers 101289 - 101306	\$2,981,772.99
Computer Cheques	vouchers 20038 – 20052	\$4,094.39
Direct Credits	vouchers 1026026 - 1026333	\$2,686,848.91
Payroll Transactions		\$727,705.44
<b>Total</b>		<b>\$6,400,421.73</b>

### Analyses of Expenditure Classes

Labour costs	\$727,705.44
Operating costs	\$3,521,315.81
Capital Expenditure	\$51,400.48
Call/Term deposits/Investments	\$2,100,000.00
<b>Total</b>	<b>\$6,400,421.73</b>

The vouchers are available for inspection if required.

This report is tabled in terms of the Council's delegation policy made pursuant to the Public Bodies Contracts Act 1959.

#### Recommendation

That the report from the Payments Officer, Rachel Hills dated 31 May 2010 be received and the payments for May 2010 be confirmed.

#### COMPLIANCE WITH DECISION MAKING PROCESS

The activities detailed in this report are provided for in the Northland Community Plan 2009-2019, and as such are in accordance with the Council's decision making process and Sections 76-82 of the Local Government Act 2002, and the requirements of the Public Bodies Contracts Act 1959.

## Lease Transactions

Files: L105, L142

Report from General Manager Finance and IT, Lisa Aubrey dated 3 June 2010.

The following lease transactions were processed and executed under seal of Council during the past month:

File	L105	Deed of Covenant – DR Watts, KM Watts and EA Angelo Trustees Ltd (as trustees of the DR & KM Watts Family Trust) to NRC – 158A Cameron Street, Whangarei.
File	L142	Deed of Sublease – Reyburn Properties to GGM Limited – Shop 1, 22/24 Reyburn Street, Whangarei

### Recommendation

That the lease transactions and the use of the Council seal outlined in the report from the General Manager Finance and IT, Lisa Aubrey dated 3 June 2010, be approved.

### COMPLIANCE WITH DECISION MAKING PROCESS

The documents for sealing contained within this report are in accordance with the Council's Treasury Management Policy which was adopted in compliance with the decision making requirements of Sections 76 to 82 of the Local Government Act 2002 and the execution of the seal is part of the Council's day to day operations and as such is provided in the Council's 2009-2019 Long Term Council Community Plan.

## Documents Sealed

### File T2.6

**Report from General Manager - Projects and Information Linda Stansfield dated 4 June 2010.**

The following document was executed under seal of Council during the past month:

**File: T2.6**            Approval of 30 Year Transport Strategy for Northland  
(incorporating the Regional Land Transport Strategy).

#### **Recommendation**

That the use of the Council seal outlined in the report from the General Manager - Projects and Information dated 4 June 2010, be approved.

#### **COMPLIANCE WITH DECISION MAKING PROCESS**

The documents for sealing contained within this report are in accordance with the Council's Treasury Management Policy which was adopted in compliance with the decision making requirements of Sections 76 to 82 of the Local Government Act 2002 and the execution of the seal is part of the Council's day to day operations and as such is provided in the Council's 2009-2019 Long Term Council Community Plan.

## Consents Decisions, Notified Applications in Process, Objections and Appeals

### File E2.1

Report from Consents Senior Programme Manager Dr Rob Lieffering, dated 1 June 2010.

The Consents Senior Programme Manager's report on resource consent decisions made since 1 May 2010 is circulated to Councillors under separate cover. Progress on notified applications, objections, and appeals is as set out in the following tables:

### NOTIFIED APPLICATIONS

#### Publicly Notified

Applicant	Proposal	Notification Period	Comment
Far North District Council CON20070283501 CON20070283601 CON20071912101	Kaitaia Public Water Supply	9 August to 7 September 2007	The only submitter wishing to be heard has agreed in principle to withdraw his wish to be heard provided conditions take into account his concerns. Recommendations have been drafted and circulated to the applicant and submitter for agreement. Formal hearing very unlikely.
Far North District Council CON20080257701	Replacement consents for Rawene Waste Water Treatment Plant (WWTP)	13 August to 9 September 2008	Public meeting held to discuss upgrade option. Likely hearing date at end of July will be requested by applicant.
Golden Bay Cement Limited CON20080505901	Replacement consents for various water takes, stormwater and contaminant discharges at the Portland site	12 January to 11 February 2009	No submissions received. Currently in discussions with the applicant regarding draft conditions for all activities. It is hopeful that delegated decision made, or hearing date set, by end of June.
Kaipara District Council 20090110201	Wastewater treatment and disposal system servicing Te Kopuru	26 February to 25 March 2009	Decision under delegated authority made to grant consent.
Whangarei District Council CON20010752101 CON20080752102	Replacement consent for sewage overflows from Okara Park Pump station. New application for sewage overflow into Waiarohia Stream	28 October to 25 November 2008	As a result of upgrades to the Okara Park Pump Station, the applicant has advised the NRC that it wishes to withdraw its (new) application for a discharge to Waiarohia Stream and to amend its Okara Park Pump Station discharge application to only allow discharges to occur "from time to time". Independent Commissioners have been appointed to jointly hear this

Applicant	Proposal	Notification Period	Comment
			application and the application to change the Whangarei WWTP consent conditions. Hearing scheduled to begin week of 14 June 2010.
Whangarei District Council CON20090435202	Change to Condition 16 to allow increase in volume of wastewater discharged from Whangarei WWTP during "extreme wet weather"	17 December 2009 to 4 February 2010	Independent Commissioners have been appointed to jointly hear this application and the Okara Park pump station application. Hearing scheduled to begin week of 14 June 2010.
Li Liangren Family Trust CON20092425301	Earthworks and stormwater consents for 118 lot subdivision at Tinopai	13 March to 13 April 2010	Six submissions received. Applicant has requested application be placed on hold, to enable investigation of wastewater treatment options.
Ballance Agri-Nutrients Limited CON20090706801	Discharge contaminants to air from fertiliser works	20 March to 20 April 2010	Thirty-seven submissions received, 15 wishing to be heard. Further information requested from applicant as a result of the contents of submissions.
Kaipara District Council CON20040111601	Replacement consents for Kaiwaka WWTP	7 April to 5 May 2010	Two submissions received, one wishing to be heard. Discussion with the submitters taking place. Very likely the issues will be resolved and no formal hearing will be required.

#### Limited Notified

Applicant	Proposal	Notification Period	Comment
Fonterra Co-op Ltd CON20060437319	Condensate discharges from Kauri site to Wairua River	4 October to 7 November 2007	One submission received against proposal. Applicant given a time extension to attempt resolution of issues raised and investigate re-use of condensate. The Applicant has advised that under current economic circumstances the re-use of condensate is not viable. Fonterra has a meeting scheduled for 9 June 2010 to discuss options including water supply issues during recent drought. NRC and the applicant to meet soon after this to discuss the way forward with this application.
New Zealand Transport Agency CON20102544301	Earthworks and stormwater consents for upgrade of SH 11, Lily Pond to Quarry	23 April to 21 May 2010	Three submissions received, none wishing to be heard. Being processed and decision to be issued under delegated authority.

**PRE-HEARING MEETINGS**

<b>Applicant</b>	<b>Proposal</b>	<b>Held</b>	<b>Outcome</b>
Whangarei District Council CON20060257601	Replacement Ngunguru sewage discharge consents	Pre-hearing held 13 December 2006	Finalised conditions circulated to the submitter for agreement. Delegated decision expected by the end of June.
Explore NZ (2004) Limited CON20071904701	Proposed jetty in Hahangarua Bay, Moturua Island	31 October 2007	Application has been withdrawn.
AFFCO Moerewa CON20070738112	Activities resulting from inclusion of a proposed milk powder plant at Moerewa	4 February 2009	Draft conditions circulated to the submitters for their comment. Meeting likely to be required with the submitters to discuss the proposal and conditions. It is hopeful that a decision can be made without the requirement for formal hearing.
Whangarei District Council CON20090869102	Replace timber seawall with rock revetment at Te Maika Road, Ngunguru	26 April 2010	Outstanding issue resolved with the submitter who had previously wished to be heard and a decision issued under delegated authority on 27 May 2010.

**HEARINGS**

<b>Applicant</b>	<b>Proposal</b>	<b>Date of Hearing</b>	<b>Decision Issued/Comment</b>
J C W Robinson CON20060788201	Section 128 Review of quarrying consent conditions	Postponed to allow Consent Holder to review technical report	Staff re-assessing the need for review of conditions.
Orange Centre Limited CON20071987601	Visitor centre, including accommodation and service station, SH 10 Kerikeri	Hearing held 17–18 May 2010; to be reconvened 6–7 July 2010	Applicant, the Council and submitter technical experts have discussed the revised wastewater treatment proposal.
Far North Holdings Limited CON20080838526	18 pile mooring berth extension to Opua Marina	Hearing scheduled for 30 April 2010	Application has been withdrawn.
Juken New Zealand Limited CON20090706202	Discharge isocyanates to air from Triboard and Strandboard Mill	Hearing held 27 and 28 May 2010	Awaiting Hearings Committee's decision.
Whangarei District Council CON20102496401	New bridge across the Hatea River and associated roading	Hearing concluded 21 May 2010 following receipt of written right of reply	Hearings Committee has requested further information from staff and the applicant. Currently awaiting committee decision.

**APPEALS/OBJECTIONS**

<b>Applicant</b>	<b>Proposal</b>	<b>Progress</b>
Far North District Council CON20070757701	Renewal of consent to take groundwater for public water supply at Kaikohe	Objection to consent condition met by postponing hearing to coincide with renewal applications for other public groundwater takes at Kaikohe.
Pouto Farms Limited CON2008215801	Flood protection works at Kaihu River	Objection to decision to return application documents as incomplete but the applicant still seeking stay of hearing, pending receipt of flood model data to enable completion of application detail.
O B Holdings Ltd CON20041213701	Earthworks for 4.5 km access road for 40 lot subdivision at Cove Road, Langs Beach	Environment Court hearing adjourned until week commencing 31 May 2010.
Crest Energy Kaipara Limited CON20061607601	Proposed tidal power generation in Kaipara Harbour entrance	Environment Court Interim Decision issued 22 December 2009. Further information required by the Court.
Far North District Council Bay of Islands Community Wastewater Scheme CON20060110804	Expansion of Paihia WWTP to receive and treat additional wastewater from Kerikeri, Waipapa, Waitangi, and Russell if necessary	Legal counsel for the appellant and Section 274 parties has provided the applicant with conditions for withdrawal of appeal and Section 274 notice. Applicant is considering offer. NRC to provide update report to the Court on 4 June 2010.
Far North Holdings Limited CON20060545411	Proposed waterfront redevelopment at Paihia	Appeals resolved with all but one Section 274 party. Court has declared that it does not need to convene a hearing about the issues raised by the remaining Section 274 party. Awaiting either further directions or decision on draft Consent Order from the Environment Court.
KiwiRail CON20071988401	Oakleigh to Marsden Point Rail Link	KiwiRail has objected to the costs of both the Whangarei District Council and the Northland Regional Council: discussion with the applicant to occur upon final invoices from both councils.
		Goldpine Industries Limited has appealed the NRC decisions (but not the RCA recommendation). Goldpine considers that the rail corridor will split their working farm in half and this will result in losses in efficiencies.
		KiwiRail has appealed the NRC's decisions and recommendation on the RCA. It is in general support of the decision but has concerns regarding a number of the conditions imposed. Mighty River Power is a Section 274 party to this appeal.
Neil Construction Limited CON20082200401	Proposed 179 lot residential subdivision, Kapiro and Redcliff Roads, Kerikeri	Draft Consent Order resolving appeal has been filed with the Court for the Judge's consideration. Court has delayed issuing Consent Order until appeal on District Council decision has been dealt with.

<b>Applicant</b>	<b>Proposal</b>	<b>Progress</b>
Far North District Council CON200404369 (01-02) CON200407356 (01-08)	Consents associated with water supply for Omapere/Opononi. Existing water takes from Waiotemarama Stream and dam on Waiarohia Stream.	Applicant has reached a tentative agreement with Pakanae Hapu Management Committee to resolve its appeal. Applicant and NRC staff have also reached tentative agreement to resolve their appeal. NRC and FNDC now in a position to discuss agreements with Section 274 parties. Update to Court due on 4 June 2010.
North Holdings Limited CON20082038401	Construction and operation of a wastewater treatment wetland, Ruakaka	Three appeals against decision. All parties have requested formal mediation by the Court. Informal mediation meeting held between the applicant, NRC and NIWA to discuss NIWA appeal. NIWA have provided additional info to applicant for consideration. Still awaiting formal mediation date.
Marine Farms transferred under Aquaculture Reform Act 2004 (ARA)	Review of consent conditions under Sections 10 and 20 of the ARA	Objections received within time from 25 of the 45 consent holders involved in this review.

### **Recommendation**

That the report from the Consents Senior Programme Manager Dr Rob Lieffering, dated 1 June 2010, on resource consent decisions, notified applications in process and objections and appeals, be received.

### **COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009/2019 LTCCP, and as such are in accordance with the Council's decision-making process and sections 76-82 of the Local Government Act 2002.

# Report on Environmental Monitoring for the Period 1 - 31 May 2010

## Files E3.1

Report from Monitoring Senior Programme Manager Riaan Elliot dated 2 June 2010.

This report covers the period 1-31 May 2010 and contains a graphical view summarising resource consent compliance monitoring events, state of the environment monitoring events and environmental and maritime incidents reported by the public and staff. Only significant non-compliant events are reported in the tables.

### ABBREVIATIONS KEY:

<b>WDC</b>	Whangarei District Council	<b>FNDC</b>	Far North District Council	<b>KDC</b>	Kaipara District Council
<b>DOC</b>	Department of Conservation	<b>NPC</b>	Northland Port Corporation	<b>NZRC</b>	NZ Refining Company
<b>NRC</b>	Northland Regional Council	<b>FNHL</b>	Far North Holdings Ltd	<b>CH</b>	Consent Holder
<b>STS</b>	Sewage Treatment System	<b>POD</b>	Point of Discharge	<b>PA</b>	Permitted Activity
<b>ESCP</b>	Erosion and Sediment Control Plan	<b>RAQP</b>	Regional Air Quality Plan	<b>RWSPN</b>	Regional Water and Soil Plan for Northland
<b>RC</b>	Resource Consent	<b>CMA</b>	Coastal Marine Area		

### CONSENT COMPLIANCE – AGENDA CODE DESCRIPTION:

This code indicates:

- the degree of environmental **Impact**
- the **Response** taken, or to be taken, by staff
- the **Status** of the situation

#### Impact to the Environment

N	<b>Natural Event</b>	Such as flooding, earth movement or algae blooms over which there is little or no control.
U	<b>Unknown</b>	Results do not clearly differentiate between contamination and natural causes; or an incident has been reported sometime after its occurrence and the impact cannot readily be estimated.
0	<b>None Detected</b>	Inspection and-or sampling shows no impact.
1	<b>Minor</b>	The impact of the activity on the receiving environment was minor; effects were localised and/or temporary with non-significant deterioration in water quality, flows, and amenity value and or land stability.
2	<b>Significant</b>	Environmental impact is likely to extend over some distance or area, and/or could continue for some time (1-3 days), and/or a significant human health risk is likely.
3	<b>Large</b>	The impact is large with the environment requiring restoration or a substantial amount of time to recover (more than 1 week) and/or a major human health risk is likely.

#### Response of Regional Council

N	<b>None Required or Warranted</b>	It is a natural event or no impact has been detected. Source unknown further investigation is not warranted. Report resulting from a routine monitoring event where no follow up is required.
F	<b>Further Investigation Required</b>	To confirm impact, to assess impact, to locate source, or to determine compliance.
I	<b>Information or Advice</b>	Given on how to avoid future adverse effects.

R	<b>Request</b>	An explanation of the situation or how the situation arose, a statement of the mitigation measures proposed or request certain mitigation measures to be undertaken, maintenance or upgrading to prevent impacts occurring in the future.
W	<b>Written Warning</b>	Written warning to avoid recurrence.
C	<b>Clean Up</b>	Clean Up by Regional Council.
E	<b>Formal Enforcement</b>	Abatement Notice, Enforcement Order, Infringement Notice, Prosecution.

**Status**

R	<b>Resolved</b>	Party has fully complied with Regional Council's requests and there is no unacceptable impact to the environment, natural event that the Regional Council cannot realistically influence, no response required or warranted.
P	<b>Pending Inspection</b>	Prevention or mitigation measures have been reported to the Regional Council, as being in place but this has not yet been confirmed by re-inspection.
U	<b>Unresolved</b>	Regional Council requests to prevent or mitigate environmental impacts have not yet been met. The situation has not yet been investigated thoroughly enough to determine environmental impact. The time given for requested or required mitigation measures to be put in place have not elapsed.
M	<b>Routine Monitoring</b>	Routine Monitoring.

**Compliance Code Key**

<b>SNC1</b>	Repeated minor non-compliance or significant non-compliance resulting in minor to moderate effects	<b>SNC2</b>	Significant non-compliance with significant effects	<b>FUS</b>	Follow up significant non-compliance
-------------	--	-------------	---	------------	--------------------------------------

**ENVIRONMENTAL INCIDENTS**

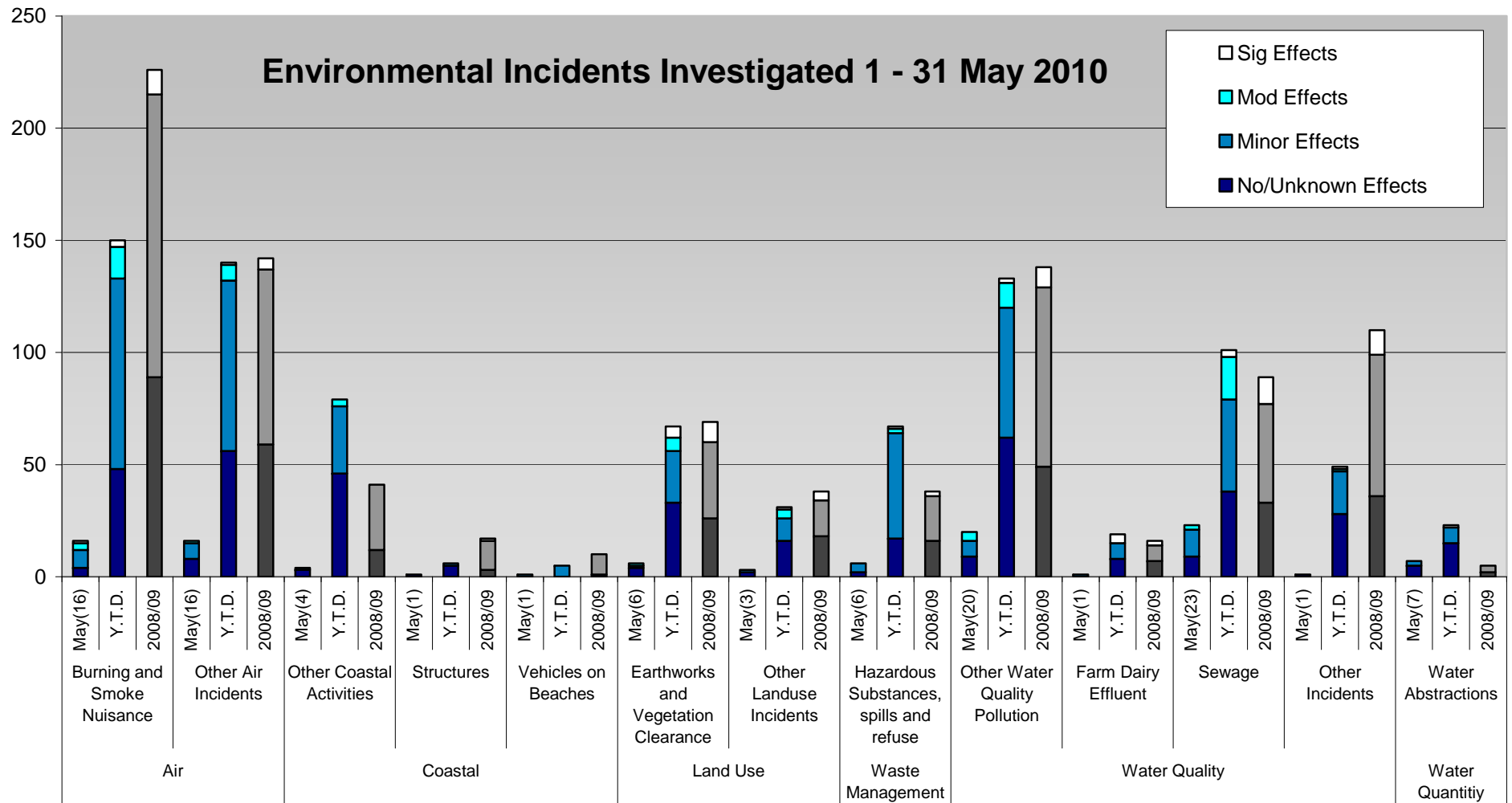
S	<b>Significant Impact</b>
M	<b>Moderate Impact</b>

**MARITIME INCIDENT RESPONSE CODES****Response**

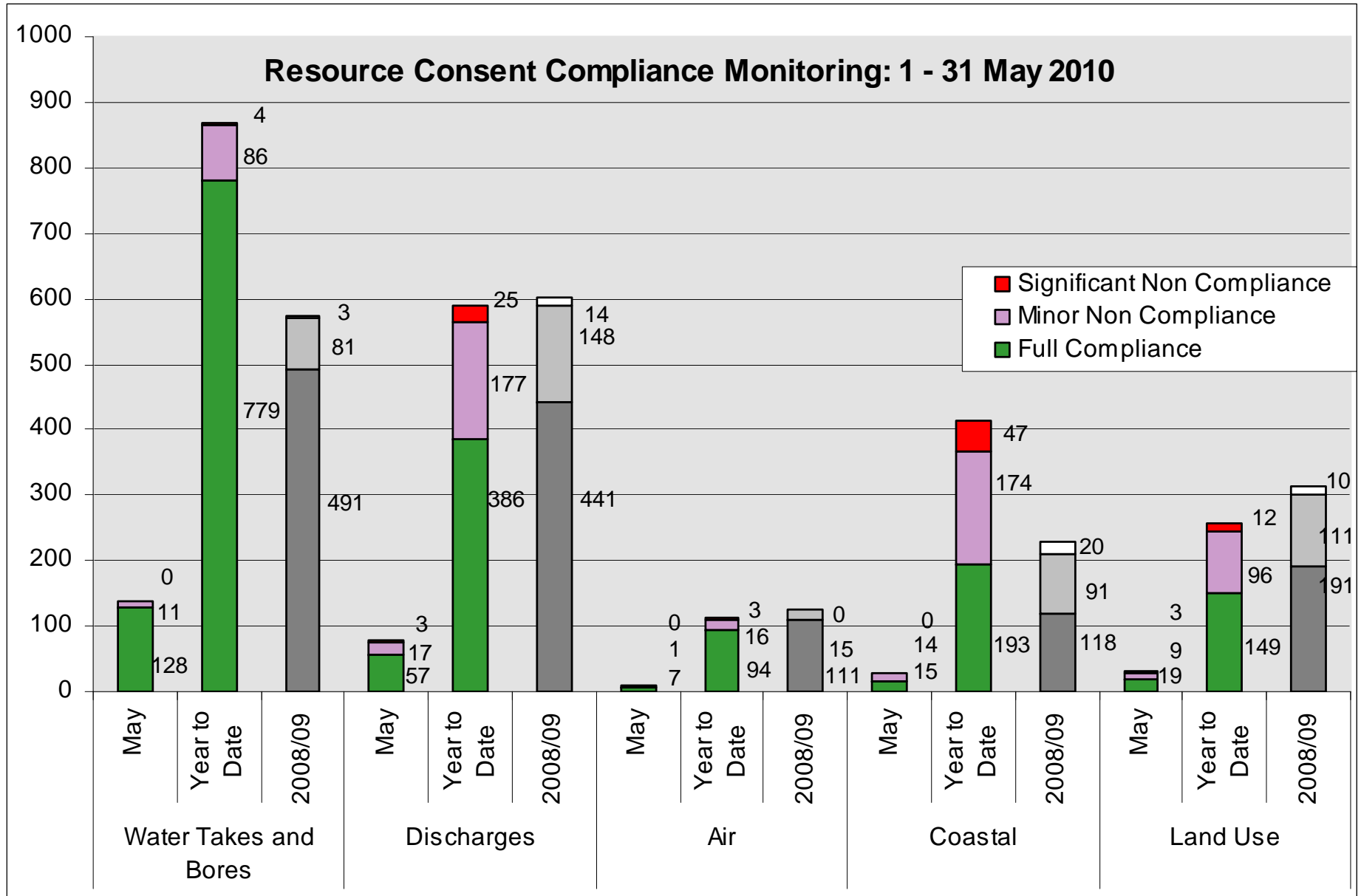
N	<b>No Response Required</b>
F	<b>Further Investigation Required</b>
I	<b>Information or Advice</b>
R	<b>Repaired/Replaced/Removed</b>
W	<b>Written warning issued to offender (offence notice, abatement notice)</b>
P	<b>Prosecution action pending</b>
O	<b>Other Agency</b>

**Status**

R	<b>Resolved</b>	Party has fully complied with Regional Council's requests and there is no unacceptable impact to the environment, natural event that the Regional Council cannot realistically influence, no response required or warranted.
P	<b>Pending Inspection</b>	Prevention or mitigation measures have been reported to the Regional Council, as being in place but this has not yet been confirmed by re-inspection.
U	<b>Unresolved</b>	Regional Council requests to prevent or mitigate environmental impacts have not yet been met. The situation has not yet been investigated thoroughly enough to determine environmental impact. The time given for requested or required mitigation measures to be put in place have not elapsed.
M	<b>Routine Monitoring</b>	Routine Monitoring.



(note – number of incidents *investigated* will differ from number of incidents *reported* during period)



**DISCHARGES TO AIR**

No significant non-compliant events were recorded during May 2010.

**COASTAL ACTIVITIES**

No significant non-compliant events were recorded during May 2010.

**LAND USE CONSENT**

Date	Consent	Details	Location	Comment	Code	Comp
19-May-10	937901	Hancock Forest Management (NZ) Ltd: Taheke Forest	Taheke	Several minor non compliances. Two of the landings were significantly non compliant.	2RM	SNC1
24-May-10	1930701	Kensington Heights Ltd: Subdivision works.	Russell Rd, Kensington	Sediment controls were insufficient resulting in sediment-loaded discharges to water. CH agreed to repair the sediment pond to TP 90 standards.	2IU	SNC1
31-May-10	1939501	Westpoint Management Ltd: Subdivision works.	High St, Whangarei	Uncontrolled erosion occurring on site and potential for discharges. Maintenance required.	2WU	SNC1

**DISCHARGES TO WATER OR LAND**

Date	Consent	Details	Location	Comment	Code	Comp
11-May-10	739901	FNDC: Discharge treated municipal sewage.	Hihi STS	The ecoli levels at the downstream stream site were elevated. The plant is scheduled to be upgraded.	1RM	SNC1
17-May-10	720501	FNDC: Discharge treated municipal sewage.	Dip Road, Kaeo	The system was discharging after a few months of the discharge being contained due to blue/green algae levels. The marsh discharge had elevated faecal coliform and ammonia levels, however the river sampling did not indicate significant adverse effects. The upgrade of the STS has not been commissioned as required by the RC.	2RM	SNC1
25-May-10	998401	Matapouri Park Ltd: Discharge treated wastewater to ground.	Matapouri Rd	STS had not been installed as per RC. Irrigation lines not covered. Awaiting a variation to the RC to be processed.	2IU	SNC1

**FARM DAIRY EFFLUENT DISCHARGES - CONSENTED (MCO)**

Date	Consent	Details	Location	Comment	Code	Comp
15-Apr-10	1176601	Parua Bay Farms Ltd: FDE 2025	Kerr Road, Whangarei Heads	Both ponds cleaned. Stormwater control operational. Cow numbers will reduce for 2010-11 season.	1IU	FUS

20-Apr-10	999401	Hanmarc Holdings Ltd: FDE 677	Puketi Rd, Okaihau	Second pond less than industry recommended surface area. Will construct additional pond if future SNC.	1IU	FUS
21-Apr-10	352601	Clark P M Family Trust: FDE 7532	4225 Maromaku Rd, Maromaku	Upgrade done but shallow ponds still 500m <sup>2</sup> less than required surface area.	1IU	FUS
21-Apr-10	1177301	Campbell N J & M J: FDE 7623	Maromaku Rd, Maromaku	Maintenance and pond upgrade agreed.	2IU	FUS
21-Apr-10	1201501	Share Farms Ltd: FDE 7479	Russek Rd, Hikurangi	Ponds undersized. Low dilution in receiving waters. Recommended land application by gravity.	2IU	FUS
21-Apr-10	1471001	Foote B J & J F Ltd: FDE 9010	Russell Rd, Whakapara	Assessed site for suitability of weeping walls, additional storage and land application. Farmer agreed that this was best option for upgrade.	2IU	FUS
27-Apr-10	1170401	Karuhi Farms Ltd: FDE 776	Karuhiruhi Rd, Whirinaki	Pond upgrade agreed by 28 February 2011.	1IU	FUS
27-Apr-10	921801	Bawden J: FDE 607	Hawkins Rd, Kohukohu	Additional 800m <sup>2</sup> shallow pond agreed.	1IU	FUS
27-Apr-10	925401	Semenoff K & K: FDE 597	Mansbridge Rd, Broadwood	Retention pond for feedpad agreed before pad is used. Increased pond capacities agreed by 1 February 2011.	2IU	FUS
27-Apr-10	997601	Berghan D & G L: FDE 616	Mangamuka Rd, Kohukohu	Farm is on market. Owner currently in Australia.	1IU	FUS
28-Apr-10	1134001	Bellamy P W & K L: FDE 8583	Robert West Rd, Tangiteroria	Solids and effluent from bottom half of pad will go to treatment ditches.	0NR	FUS
04-May-10	1284601	Bristow A P: FDE 938	Ngapipito Rd, Moerewa	Storage and stormwater control required. No discharge at the time of inspection.	1IU	FUS
04-May-10	450101	McGraths Stocks & Poultry Ltd: Discharge treated poultry wastewater.	Pipiwai Rd, Whangarei	Well maintained system. New sump & pump installed. No discharge at the time of inspection.	0NR	Y

#### FARM DAIRY EFFLUENT DISCHARGES – NON CONSENTED (MNC)

Date	Consent	Details	Location	Comment	Code	Comp
05-May-10	804060	Taylor G R N & S J: FDE 9013	SH 12, Paparoa	Permitted Activity. Improvement required.	1IU	MNC
27-May-10	800463	Northland Port Corporation: FDE 2837	One Tree Point Rd, Ruakaka	Visit at owner's request. Agreed a new storage pond with irrigation pump to be moved to the pond.	1IU	FUS

#### WATER TAKES

No significant non-compliant events were recorded during May 2010.

**SOE MONITORING**

<b>Date</b>	<b>MNC</b>	<b>Project</b>	<b>Location</b>	<b>Comment</b>
<b>Air, Lakes and Water</b>				
28-Apr-10	700045	Okiato Point & Opuia Surface Water Sampling	Okiato Point, BOI	Water samples collected from surface water sites.
03-May-10	802739	Mangere Stream Water Quality Investigation	Mangere Stream	Routine water quality sampling of six sites in the Mangere catchment to investigate poor water quality. Water levels low at all sites.
04-May-10	804219	Faecal source tracking and site investigations	Waipapa Stream	Follow up sampling undertaken of the Waipapa Stream at various different locations.
12-May-10	801302	Regional Water Quality Monitoring Network	Far North	Routine monthly monitoring carried out on the Mangamuka, Victoria, Awanui, Kaeo and Oruru Rivers.
12-May-10	801303	Regional Water Quality Monitoring Network - Western	Western region	Monthly sampling of Kaihu, Waipoua, Waimamaku, Punakitere, Utakura, Mangakahia and Opouteke Rivers. River levels rising in first flush after 6months dry weather.
12-May-10	801314	Regional Water Quality Monitoring Network	Southern region	Routine monitoring of Ruakaka, Hakaru, Manganui, Mangere and Waipao Rivers, Paparoa Stream and two sites on the Waiarohia Stream. Water levels are up and most streams were discoloured due to the recent rain.
12-May-10	801338	Regional Water Quality Monitoring Network	Eastern region	Monthly sampling of Waitangi, Waipapa, Kerikeri, Waiharakeke, Waiotu, Ngunguru, Hatea and Whakapara Rivers and two sites on Mangahahuru Stream.
17-May-10	801300	Water Quality - Boat Run	Whangarei Harbour	Coastal water quality sampling was conducted at all 16 sites in Whangarei harbour. The results of this monitoring are pending.
17-May-10	700115	Waipu Catchment Water Quality Project.	Waipu	Routine monitoring of the Waipu catchment. Water levels still low.
18-May-10	801128	Otiria/Orauta Stream Investigation	Otiria, Moerewa	Monthly sampling completed.
19-May-10	802032	Aupouri Lakes	Aupouri Peninsula	Routine monitoring of lakes Carrot, Heather, Ngatu, Ngakapua North, Ngakapua South, Rotoroa, Rotokawau, Waiparera, Waihopo, Waipara, Morehurehu, Te Kahika and Waiporohita undertaken 17-19 May. Water levels still low despite recent rainfall.
25-May-10	802033	Pouto Lakes	Pouto Peninsula	Routine monitoring of Lakes Swan, Karaka, Mokeno, Rototuna, Wainui, Kanono, Humuhumu and Whakaneke. Lakes Kahuparere, Rotokawau, Kapoai and Waingata were not monitored as ground too wet to access.

**ENVIRONMENTAL INCIDENTS**

<b>Date</b>	<b>ICE No.</b>	<b>Description</b>	<b>Location</b>	<b>Comment</b>	<b>Code</b>
11-May-10	420267	Smoke nuisance.	Pataua South	Smoke was thick and blowing towards Pataua town. There was a noticeable, unpleasant odour noted as far away as the Pataua Nth bridge. Requested that fire be put out at time of visit. Formal enforcement action taken.	M
12-May-10	420268	Burning of tyres.	Tavinor Rd, Whangarei	The fire service described the plume as 300-400 m high by 150 m across. Enforcement action will be taken in order to prevent further fires and also to ensure that ashes are removed from the watercourse.	S
18-May-10	419699	Sewage spill from gravity line.	Rewarewa Rd, Whangarei	Site cleaned up and blockage cleared. Downstream samples showed no significant effect on water quality.	M
20-May-10	420318	Odour nuisance.	Waikaraka	The odour was apparent from quite some distance from the site. Enforcement action is being taken.	M
21-May-10	420243	Discharge to tidal creek.	Whangarei Heads Rd, Waikaraka	Water samples were collected and the incident investigation is continuing.	M
24-May-10	420200	Smoke nuisance.	Hill St, Hikurangi	Smoke nuisance quite noticeable at complainant's property. This is an on-going issue, with the industrial operator working to minimise emissions.	M
24-May-10	420193	Possible illegal discharge of sludge to land.	Rama Rd, Marsden Point	Discharge of sludge and associated water to ground. This is not permitted by the site's RC. Formal enforcement has been taken and the sludge has since been removed.	M
24-May-10	420153	Vegetation clearance in wetland.	Dune Plc, Ruakaka	Formal enforcement has been taken against the offender for vegetation clearance in the Ruakaka dune lake.	M
25-May-10	420299	Fire burning causing a strong odour.	SH 1, Kaiwaka	A site visit confirmed non vegetative material was being burnt in contravention of the RAQP. Enforcement action taken.	M
25-May-10	420206	Oil discharge on ground from punctured oil drums threatening waterways.	Fraser St, Port Whangarei	Waste oil discharged from drums that had been punctured to allow them to drain. The site manager had no prior knowledge of the incident. NRC personnel took measures to manage the incident and remove all contaminated soil. The owner of the site was notified.	M
28-May-10	420346	Sewage Spill	Hatea Pump Station	Water samples were taken at various points following this incident being reported. River flows were very high at the time. The Health Protection Officer was also advised.	M
31-May-10	420357	Slurry washed into s/w system.	Gumdigger Pl. Whangarei	Discharge of concrete cutting washwater into the stormwater system was confirmed to have occurred. A warning was issued and an information pack sent to the contractor.	M

**MARITIME INCIDENTS**

<b>Date</b>	<b>ICE</b>	<b>Description</b>	<b>Location</b>	<b>Comments</b>	<b>Code</b>
02-May-10	3546	Floating tree trunk posed a potential navigation hazard.	Hatea River	Local navigation warning broadcast over Coastguard Radio.	IR
02-May-10	3547	Vehicle abandoned on beach.	Opononi	Vehicle removed from the beach by tow company.	RR
03-May-10	3548	Application to immobilise ship's main engine at berth.	Marsden Point	Approval granted by Harbourmaster.	IR
04-May-10	3549	Commercial vessel passed at high speed close to vessel with divers.	Deep Water Cove	Incident being followed up by Harbourmaster.	FU
05-May-10	3550	Two logs lost overboard while loading.	Whangarei	Logs recovered by stevedore.	OR
06-May-10	3551	Wooden barge half submerged in bay.	Oneroa Bay, Russell	The owner refloated and removed the barge.	IR
10-May-10	3552	Two logs lost overboard while loading.	Whangarei Harbour	The logs were recovered by stevedores shortly afterwards.	RR
11-May-10	3554	Navigation light reported extinguished.	S3 Starboard Beacon, Kaipara Harbour.	Batteries were replaced, light is now operational.	RR
11-May-10	3555	Overtaken runabout on rocks.	Marsden Point	Vessel was recovered by the owner without further incident.	RR
11-May-10	3559	Supertanker inward transit delayed due to swell.	Marsden Point	Inward transit completed safely once swell had moderated.	IR
12-May-10	3558	Yacht grounded after mooring line parted during storm.	Taurikura	Vessel was recovered by the owner.	RR
17-May-10	3560	Potential navigational hazard caused by sunken dinghy on mooring	Tapu Point	Dinghy salvaged by the owner.	RR
19-May-10	3561	Fishing vessel adrift near Main 3.	Port Whangarei	Vessel had been set adrift by vandals. Retrieved safely by its owner.	OR
21-May-10	3563	Log reported washed up on shore.	One Tree Point	Log recovered from harbour by stevedores.	OR
21-May-10	3568	Supertanker unable to transit entrance channel due to swell conditions.	Marsden Point	Tanker entered harbour safely once swell moderated.	IR
24-May-10	3564	Report of a small yacht aground on rocks.	Parua Bay	Grounded vessel removed from rocks by owner. No oil/diesel spill occurred.	RR
24-May-10	3566	Vessel left at anchor for a period of more than 14 days.	Hatea River	A warning letter was given to the vessel owner.	IU
27-May-10	3570	Navigation hazard caused by jetty floating down the inlet.	Kerikeri inlet	Remains of jetty secured to Moturoa wharf by harbour warden pending removal by NRC.	RR
28-May-10	3578	Navigation hazard caused by floating log.	Opuā	The log was removed from the marina by FNHL.	RR
29-May-10	3576	Report of a vessel sinking.	Opuā Marina.	Vessel pumped out and removed to hardstand by boatyard personnel.	IR

02-May-10	3545	Small oil slick reported on the water inside marina complex.	Marsden Cove Marina	Site visit could not locate the slick so it may have dispersed naturally.	0N
03-May-10	3544	Diesel oil slick in and around marina.	Whangaroa Marina	Site visit found very small quantity of diesel scum, source could not be identified.	1N
12-May-10	3557	Exercise Bream Bay - Large oil slick on water.	Bream Bay	Exercise completed with all exercise objectives having been achieved.	0N
19-May-10	3562	Diesel slick on water.	Hatea River	Unable to identify the source of the spill. The slick was left to disperse.	1N
23-May-10	3565	Oil slick observed between finger berths.	Marsden Cove Marina	Minor slick left to break down naturally. Investigation failed to determine the source.	0F
31-May-10	3577	Diesel slick, possibly from a vessel bilge discharge, reported on the water.	Between Bird Rock and Cape Brett	Slick was left to disperse naturally in open sea conditions. Offending vessel was not identified.	NU

**Recommendation**

1. That the report from the Monitoring Senior Programme Manager Riaan Elliot dated 2 June 2010 be received.
2. That the follow-up action taken by staff resulting from monitoring or environmental/maritime incidents 1-31 May 2010 be supported.

**COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009-2019 Long Term Council Community Plan, and as such are in accordance with the Council's decision-making process and Sections 76-82 of the Local Government Act 2002.

## **Hatea River Channel Working Group**

### **File R4.14**

**Report from Maritime Senior Programme Manager Ian Niblock dated 31 May 2010.**

### **BACKGROUND**

Councillors may recall that the Hatea River Channel Working Group was established in September 2006 as a joint Whangarei District and Regional Council initiative. The Working Group was chaired by Councillor Jensen and, in consultation with key upper Whangarei Harbour stakeholders, was originally tasked with carrying out the LTCCP performance target:

*“Complete investigations for dredging of the Hatea Channel jointly with the Whangarei District Council by 30 June 2007.”*

The Working Group continued with its advisory role as preparations were made to dredge the Hatea River Channel and upgrade the Aids to Navigation. The dredging and Aids to Navigation upgrade was completed in December 2008 with an associated improvement in navigation safety for harbour users. A hydrographic survey was completed in January 2009 and confirmed that the objective of achieving a 25 metre wide channel at not less than 1.0 metre below Chart Datum had been achieved.

Having achieved its objectives, the Working Group was put on hold with the understanding that any future dredging requirement would prompt its reactivation.

### **CHANNEL DEPTH MONITORING**

Ports of Auckland Limited was commissioned by Council to carry out a hydrographic survey of Kioreroa Reach and the Hatea River Channel to provide complete hydrographic data from Victoria Bridge in the Town Basin to Onerahi. This work was completed in April and the survey results received on 17 May 2010.

The survey shows that some shoaling of the Hatea River Channel has occurred, particularly in the Town Basin where there are patches at 0.6 metres below Chart Datum and immediately north of Limeburners Creek at 0.7 metres below Chart Datum. The Channel shoaling indicates the need for maintenance dredging and it is recommended that the Hatea River Channel Working Group be reactivated to oversee this work.

### **FUNDING**

Following completion of the dredging, Council prudently established an annual targeted rate to fund any future dredging and it is understood that the Whangarei District Council took a similar initiative. The Regional Council fund currently contains \$40,700, with a similar figure expected to be raised during the coming financial year. The cost of the maintenance dredging is unclear at this stage but obtaining this figure would be a priority for the Working Group.

**Recommendation**

1. That the Hatea River Channel Working Group Report from Maritime Senior Programme Manager Ian Niblock dated 31 May 2010 be received.
2. That the Hatea River Channel Working Group be reactivated to scope the need for maintenance dredging and advise Northland Regional Council and Whangarei District Council on the work to be carried out.
3. That Councillor .....be appointed to chair the Hatea River Channel Working Group.

**COMPLIANCE WITH DECISION MAKING PROCESS**

The receiving of this report is provided for in the Council's 2009-2019 Long Term Council Community Plan, and as such is in accordance with the Council's decision making process and sections 76-82 of the Local Government Act 2002.

## National Water Quality

File: E3.30

Report by Environmental Monitoring Officer – State of the Environment  
Rochelle Carter dated 4 June 2010.

### INTRODUCTION

The Ministry for the Environment (MfE) recently released two reports on national water quality. These reports provide a snapshot of river water quality in New Zealand over the period 2003-2007, with trend analyses from 1998-2007. Results were compared between councils, and also between different River Environment Classifications (REC) such as topography: eg lowland, hill, mountain, glacier; and land cover: eg pasture, urban, indigenous forest, exotic forest). The findings of the reports are summarised below.

### FINDINGS AT A NATIONAL LEVEL

Trend	Is water quality getting better or worse?
Increasing trend for conductivity	Worse
Increasing trend for total nitrogen	Worse
Increasing trend for total phosphorus	Worse
Decreasing trend for <i>E. coli</i>	Better
Decreasing trend for faecal coliform	Better
Decreasing trend for ammoniacal nitrogen	Better
Decreasing trend for water clarity	Worse

REC analyses found clear differences in water quality based on land-use and topography. Water quality was most impacted in lowland, pasture and urban environments. Many of these rivers had median water clarity and median TN concentrations that did not meet national guidelines.

The study also highlighted the importance of non-point source inputs (eg catchment runoff) as a primary determinant of water quality.

### NORTHLAND SITUATION

Trend	Is this better or worse than the national trends?
Increasing trend for total phosphorous	Same
Decreasing trends in dissolved reactive phosphorus (DRP).	Same
Decreasing trend for ammoniacal nitrogen	Same
Decreasing trends in nitrate nitrogen (NO <sub>3</sub> N). 75% of sites in Northland, showed decreasing trends for oxidised nitrogen	Better
Decreasing trends in TN.	Better
The 95 <sup>th</sup> percentile for <i>E. coli</i> exceeded the MfE and MoH (2003) guideline 100% of the time.	Worse
Decreasing trend for water clarity	Same

The comparison between regional councils does not take into consideration the number of sites per council, the sampling frequency (monthly versus quarterly), or differences between geology and landuse throughout the country. Since the time the data was collated, many councils have expanded their water quality networks to provide better regional representation, and increased sampling frequency. Subsequently the results from this comparison can be misleading. NRC has increased its river monitoring network from 14 to 30 sites.

### **CONCLUSION**

- Based on the REC comparisons, it can be expected that lowland and pasture/urban sites will have lower water quality. 78% of the 14 NRC sites used were classified as lowland pasture. Subsequently the results are what would be expected based on site classifications. Generally we are doing no worse than other parts of the country.
- Northland is performing better in relation to total nitrogen levels in rivers. This is considered to be a result of improved land management systems (upgrading FDE systems, fencing off waterways and riparian planting, soil and erosion control, better nutrient management) in many of our catchments.
- In relation to *E. coli* counts in Northland, our most pristine catchment (Waipoua) did not meeting the MfE and MoH 2003 guideline. Consequently, other more impacted catchments in Northland have little chance of meeting this guideline. If near pristine catchments cannot meet the guideline value, it raises questions about the validity of the 95<sup>th</sup> percentile as a guideline on a national scale or the use of it when comparing SOE freshwater sites which include winter samples. If the median guideline values for *E. coli* were used, 92% of our original 14 sites would have complied.

### **Recommendation**

That the report on National Water Quality by Environmental Monitoring Officer – State of the Environment Rochelle Carter dated 4 June 2010 be received.

### **COMPLIANCE WITH DECISION MAKING PROCESS**

The activities detailed in this report are provided for in the Council's 2009-2019 LTCCP, and as such are in accordance with the Council's decision making process and sections 76 to 82 of the Local Government Act 2002.

## **Setting Operative Date for Plan Changes 2 (Marine 1 Review - Whangarei Harbour) and 3 (Mangroves) to the Regional Coastal Plan for Northland**

**File E1.20**

**Report from Policy Specialist Ben Lee dated 2 June 2010.**

### **PURPOSE**

To set the operative date for Plan Changes 2 (Marine 1 Review - Whangarei Harbour) and 3 (Mangroves) to the Regional Coastal Plan for Northland.

### **BACKGROUND**

The Regional Coastal Plan (RCP) for Northland was publicly notified in December 1994. The plan was made operative on 1 July 2004.

There are currently four plan changes to the RCP in process. Plan Changes 2 (Marine 1 Review - Whangarei Harbour) and 3 (Mangroves) are now ready to be made operative.

Plan Change 2 (Marine 1 Review - Whangarei Harbour) adds a suite of new Marine 1 (Protection) Management (MM1) Areas within Whangarei Harbour.

Plan Change 3 (Mangroves) sets out objectives, policies and rules outlining the circumstances when mangrove removal is appropriate.

Appeals on both plan changes were resolved in early 2008 and subsequently adopted by Council later that year. They were then sent to the Minister of Conservation for approval. The Minister finally approved the plan changes on 17 February 2010.

### **NOTIFYING THE OPERATIVE DATE**

Section 20 of the First Schedule of the RMA requires a local authority to publicly notify the date on which a plan becomes operative at least five working days before the date on which it becomes operative.

It is proposed to publicly notify these changes the week of 19 July 2010, with the Plan Changes becoming operative on Friday 30 July 2010.

### **Recommendation**

That, pursuant to section 20 of the First Schedule of the Resource Management Act, 1991, Plan Changes 2 and 3 to the Regional Coastal Plan for Northland be publicly notified the week of 19 July 2010, with the Plan Changes becoming operative on Friday 30 July 2010.

### **COMPLIANCE WITH DECISION MAKING PROCESS**

The decisions detailed in this report relate to a Regional Coastal Plan Change being progressed in accordance with the processes set out in the First Schedule of the Resource Management Act 1991. Pursuant to Section 76(5) of the Local Government Act 2002, the requirements of the Resource Management Act 1991 take precedence.

## **Business with the Public Excluded**

### **File D2.2 (105.2)**

#### **Recommendation**

That pursuant to the Local Government Official Information and Meetings Act 1987, the public be excluded from the remainder of the meeting to consider:

- Authorisation to Enter into a Memorandum of Understanding with the Ministry of Economic Development.

The reason for excluding the public is public conduct of the proceedings would be likely to result in the disclosure of information, the withholding of which is necessary to protect information which is subject to an obligation of confidence and to allow the Council to carry on, without prejudice or disadvantage, negotiations pursuant to sections 7(2)(c) and (i) of the Local Government Official Information and Meetings Act 1987.