

Northland River Management Policy

Consolidated Document (February 2006)

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SUMMARY

The Northland River Management Policy provides for:

1. An integrated approach to flood hazard management, involving:
 - hazard identification and risk assessment;
 - risk avoidance by controlling development on flood-prone land, or authorising only development that can withstand flooding;
 - risk reduction by undertaking flood mitigation works;
 - site and event-specific emergency management plans to assist communities to cope with greater-than-design events;
 - and disaster recovery plans for communities that are at risk.

The four Councils have supported this integrated approach, which is now contained in the Civil Defence Emergency Management Act 2002.

2. The Northland Regional Council is the “catchment board” for Northland and pursuant to 126 of the Soil Conservation and Rivers Control Act 1941, it is the function of every catchment board to minimise and prevent damage within its district by floods and erosion. District Councils are enabled by the Local Government Act 1974 to undertake river management and drainage works. Section 143(2) of the SC&RC Act requires the catchment board/regional council to exercise a general supervision over the District Councils in how they undertake and manage these powers, functions and duties.
3. The District Councils will continue to manage the river schemes and rural drainage districts that were transferred to these Councils in the Local Government Restructuring Order 1989 – Northland Region. As required by the Regional Water and Soil Plan for Northland, the Councils will prepare comprehensive management plans for each and seek both resource consents under the Resource Management Act 1991 and approval under the Soil Conservation and Rivers Control Act 1941 from the Northland Regional Council.
4. The District Councils will manage rivers and drainage within the urban areas listed in Schedule 18 appended to the Revised Proposed Regional Water and Soil Plan for Northland. As with the rural drainage districts, the District Councils will manage these schemes according to a comprehensive management plan for which they hold resource consents and SC&RC Act approval from the Regional Council.
5. The Regional Council will manage river control and drainage in areas outside of the rural drainage districts and within river catchments transferred to the Regional Council by the District Councils.
6. There is an agreed method of establishing an order of priority for river management investigations and works. This risk assessment method includes a ranking system which has regard to threats to human life, buildings, public infrastructure, access and agricultural production. Any threat to human life is given the highest weighting, while threats to agricultural production are given the lowest ranking.
7. The Regional Council will investigate river management issues, undertake surveys and flood modelling where necessary, prepare management plans, establish funding systems and gain resource consents and SC&RC Act approval for river schemes under its control.

8. The Regional Council will consider funding minor river management works, where the costs of the works are less than \$30,000, on a case-by-case basis. Such support may apply when there is a serious threat to people and property and the beneficiaries are unable to afford even a share of the cost of the work, or where the cost of establishing an alternative user-pays funding system is considered excessive having regard to the value of the proposed works.
9. If a group of ratepayers within an area subject of a comprehensive management plan is dissatisfied with the manner in which their scheme is being managed, it may request the Regional Council to “call in” the parties to the dispute (the landholder, and the district or regional council) and to conduct an inquiry. Commissioners appointed by the Regional Council will conduct such an inquiry.

PART I

Northland River Management Policy

Ratified by the: Far North District Council February 2000
Kaipara District Council February 2000
Whangarei District Council July 2000
Northland Regional Council April 2000

Amended: By resolution of the Northland Regional Council, on the recommendation of the Landcare Committee, 19 July 2000
By resolution of the Northland Regional Council, on the recommendation of the Landcare Committee, 16 October 2002
By resolution of the Northland Regional Council on the recommendation of the Landcare Committee 16 October 2002
By resolution of the Council October 2003
By resolution of the Council February 2004
By resolution of the Council on recommendation of the Landcare Committee 15 February 2005
By resolution of the Council on recommendation of the Landcare Committee 15 February 2006

BACKGROUND

The objective of the policy is to more clearly define the responsibilities of the Regional Council and the three District Councils in respect of river management and drainage, and to reduce the threat to human life and to property by improving the management of the rivers of the region. In defining which Council is responsible for which function in any particular area, it is believed the public confusion that has existed over river management will be overcome.

The policy identifies three key principles of river management in Northland:

1. The expectation that local government (either regional or district councils) will be able to prevent flooding is neither a practical nor financially feasible option. That is, it must be understood that while improved river management can reduce the frequency of flooding, land on floodplains will periodically be inundated.
2. Sustainable river management must involve the community, particularly the adjacent landowners and other beneficiaries, for example downstream landowners.
3. Any agreed policies must provide a linkage between hazard identification, hazard management and emergency management. They should also be consistent with the Regional Policy Statement for Northland.

The Regional Council is able to undertake river management works under the Soil Conservation and Rivers Control Act 1941 and land drainage works under the Land Drainage Act 1908. The district councils may undertake river and drainage works under the Local Government Act 1974 and land drainage under both the Local Government Act and the Land Drainage Act. The Regional Council, as the catchment board for Northland, is required to exercise a general supervision with respect to the exercise and performance by the district councils of any powers, functions and duties relating to river and drainage management and may issue general or specific instructions to the district councils.

There are provisions for funding these works in each of the statutes listed above and in the Local Government (Rating) Act 2002. All drainage and river management activities must be undertaken in accordance with the Resource Management Act 1991, and any Regional or District Plans developed under that Act.

ROLE OF NORTHLAND REGIONAL COUNCIL

The river and drainage management responsibilities identified for the Northland Regional Council in the policy are:

1. **Supervising the River and Drainage Activities of the District Councils** –The Regional Council is the catchment board for Northland and under the Soil Conservation and Rivers Control Act is required to provide a general supervision of the performance of river management and drainage functions by the District Councils. *[See Part III, The Regional Council Exercising its Powers as a Catchment Board, resolution of the Council on recommendation of the Landcare Committee, 26 June 2000]*
2. **Promoting River Management** – Given the experience of its staff in this field, the Regional Council is able to promote river management works, including by way of a landcare/rivercare approach where appropriate. The Regional Council shall be the first point of contact for requests for river management schemes. *[Added by resolution of the Council on recommendation of the Landcare Committee, 16 October 2002].*
3. **Identifying and Quantifying Flood Risk** – The Regional Council is identified in the Regional Policy Statement for Northland as the body with the primary responsibility for identifying areas at risk from flooding and erosion and, where possible, quantifying the risk. Information gathered, in addition to being made available to the District Councils for District Plan purposes as a vital part of a hazard register, be made available to landholders, potential developers and consultants. The hazard identification and risk analysis data also forms an integral part of the emergency management work of both the Regional Council and the District Councils. The Northland Regional Council accepts responsibility for undertaking and funding the survey, design and planning of river management schemes and for gaining any resource consents that may be required. *Resolution of the Council on recommendation of the Landcare Committee, 16 October 2002.]* See Part II, Establishing Priorities for River Management in Northland, 19 April 2000.
4. **Recording Flood Events** – The Regional Council can establish a protocol/procedure for recording the depth, area and duration of flooding during and following flood events. This data can be used for more accurate definition of flood-prone land, flood risk, minimum floor levels, and in designing river management works.
5. **Live Data** – The Regional Council already has a network of telemetered and recorder rain gauges and stream flow-monitoring sites and has access to the sites managed by the National Institute for Water and Atmospheric Research (NIWA). Extension of this network may be justified for both design and flood-warning purposes.
6. **Northern Wairoa River Catchment Floodplain Management Plan** – The Northern Wairoa River catchment extends over one third of Northland and

includes land in all three Districts. A detailed contour survey of the catchment has been completed and a flow model showing the relationship between the main river and its various tributaries and the impact of the tide on the river system. A Draft Management Plan has been prepared and will be finalised when the Regional Water and Soil Plan for Northland becomes operative and the Management Plan can be developed within the context of the Regional Plan.

ROLE OF DISTRICT COUNCILS

1. **Drainage Districts** - The Local Government restructuring scheme for Northland vested all the drainage districts in existence at that time (1989) in the respective District Councils and all three Councils continue to manage these schemes, either directly or through landowner committees. While the rating district on some of these river and drainage schemes includes the whole river catchment, and the Far North District Council is considering a proposal to extend the rating district on the Kaitaia Drainage District to include the whole catchment of the Awanui River, all three Councils wish to restrict their works and maintenance responsibilities to the traditional works boundaries of the various schemes. It is proposed that the Regional Council assume responsibility for managing the rivers upstream of these works boundaries.
2. **Urban Drainage Areas** - The general proposal is that the District Councils continue to manage the existing drainage districts and that they manage the urban areas that each Council has defined in correspondence to the Regional Council. Within the urban areas, the District Councils will manage the river and drainage functions according to stormwater management plans, which have been approved by the Regional Council under the Soil Conservation and Rivers Control Act and for which the District Council holds resource consents.
3. **Transitional Provisions** - The exact boundaries of the works areas of the drainage district, and of the urban areas subject of stormwater management plans will be determined in discussions with each of the District Councils. Transitional provisions will be negotiated between the Councils to provide for the period between when the Regional Water and Soil Plan is operative and the District Councils have gained Regional Council approval and resource consents for their stormwater management plans.
4. **River Works** – The Hikurangi Swamp Scheme, managed by the Whangarei District Council, includes both land drainage and flood control. Similarly, the Kaitaia Drainage District involves a mix of land drainage and flood control works. The Far North District Council requested the Northland Regional Council to take over the management of the Awanui River, the flood management component of the Kaitaia Drainage District, which it did as from 1 July 2005. [Resolution of NRC October 2003]. The Far North District Council also manages the lower Kawakawa River, downstream of State Highway 1. The Kaipara District Council manages a number of river schemes, each within separate drainage districts, covering the lower Kaihu River, the Awakino Scheme, the Tangowahine Stream and the Manganui River. The Kaipara District Council has requested the Regional Council to take over the management of the Kaihu River Flood Control Scheme, [Resolution of NRC February 2004] which it will do on 1 July 2006, subject to the adoption of an interim river management plan before that date. [Updated 21 February 2006.] The Kaipara District Council will continue to manage the other river schemes within its District. The boundary between land under the jurisdiction of the three District Council and that managed by the

Regional Council has been clearly defined on maps agreed to by the respective Councils.

INTER-COUNCIL AGREEMENT

To ensure that the landholders and residents of Northland get the best river management and protection from flooding that they can afford, and to ensure that there is no confusion as to which Council will take the lead in any particular situation, each Council has ratified the policy.

Each council will promote and publicise the policy, although the Northland Regional Council accepts primary responsibility [Amended 16 October 2002], placing particular emphasis on the following basic assumptions:

1. It is neither practically or financially feasible to prevent all flooding in Northland. That is, the people of Northland will need to accept that occasional flooding will occur in many areas within the region and those occupying and using flood-prone land will need to design their buildings and develop their properties to cope with this flooding.
2. River management will largely involve removing obstructions to flow, such as willows and fallen trees, and accumulated sediment from the channels. To further reduce the sediment load on rivers, measures will be taken to reduce the incidence of streambank erosion.
3. River management will include a linkage between hazard identification, hazard avoidance and/or mitigation, and emergency management. Affected communities will be fully involved in formulating and implementing river management plans and in the ongoing maintenance of the rivers.
4. The Regional Council accepts responsibility for undertaking and funding the survey, design and planning of river management schemes and for gaining any resource consents that may be required. [NRC resolution 16 October 2002]
5. Funding of river management will depend on the beneficiaries identified on a case by case, project by project basis. Beneficiaries can include direct beneficiaries, exacerbators or those who, by their land use management activities, contribute to river management problems, owners or managers of affected infrastructure, wider communities, the whole District or the Region.
6. The decision as to whether or not a scheme will proceed, how a scheme will be funded and managed, will be decided in conjunction with the beneficiaries and the appropriate district council. [NRC resolution 16 October 2002]
7. Where survey, modelling and design is not required, the Regional Council, in recognition of the regional benefits of improving the management of rivers or streams, may meet up to 50% of the cost of stream works where only local landholders are beneficiaries of the work, or up to 33% of the cost of the works where another major beneficiary, such as a roading authority, will meet a share of the cost. [Resolution of Council on the recommendation of Landcare Committee, 15 February 2005] Further, on a case-by-case basis, for projects where either the local community cannot afford to pay their share of the costs of the work, or where it is uneconomic to collect the local share of the cost of works using rating or individual contribution funding mechanisms, the Council may consider meeting up to 100% of the cost of the works. The decision as to whether to fund these minor river works is dependent on annually budgeted finance, and is made under delegated authority by

the Chairman of the Landcare Committee and the Chief Executive Officer.
[Resolution of the Council on the recommendation of Landcare Committee, 15 February 2006]

8. All river management and drainage work must be consistent with the Resource Management Act 1991, the provisions of the Regional Policy Statement for Northland, and any Regional and District Plans.
9. Under this agreement, the Regional shall be the first point of contact for the public and the enquirers will be directed to the appropriate river management authority. The District Councils will manage all river and drainage issues within existing drainage districts, river works districts and urban areas. The Northland Regional Council will manage river and drainage issues in all rural areas outside of the urban areas, defined drainage districts and river works areas. Under an agreement with the Far North District Council [2004], the Northland Regional Council will manage rivers from rural catchments which drain through urban areas, but stormwater will continue to be managed by the District Council.

PART II

ESTABLISHING PRIORITIES FOR RIVER MANAGEMENT IN NORTHLAND

In February 2000, the Northland Regional Council adopted the following Draft Method for establishing an order of priority for preparing and undertaking river management schemes. This Draft Method was circulated to officers of each of the District Councils but no feedback was received. This method has, however, since been used by the far North District Council and the Northland Regional Council to rank some 55 communities in the Far North District according to their susceptibility to eight different natural hazards.

Report from the Land Operations Manager to Landcare Committee, 19 April 2000.

BACKGROUND

Prior to the passing of the Soil Conservation and Rivers Control Act in 1941, rivers had been managed in an ad hoc manner, with flood protection works on one part of a river often causing an adverse effect elsewhere on the same river system. Extensive soil erosion on previously bush-clad hill country in the upper catchments was generating so much sediment that the riverbeds were rising and protection works were being overwhelmed. The new Act provided for and required catchment-wide management of land and water.

The Northland Regional Council is the catchment board for Northland. It is the duty of the Council, using the Soil Conservation and Rivers Control Act 1941 and the Resource Management Act 1991, to promote and, if necessary, require comprehensive and coordinated management of rivers and of land use activities that lead to accelerated soil erosion and increase flooding.

While the Soil Conservation and Rivers Control Act gives the Regional Council all the powers it needs to promote, design, build and maintain river management works, because of its environmental management responsibilities under the Resource Management Act, the Council would prefer not to be actively involved in designing, building and maintaining works. That is, the Regional Council will promote river management and is prepared to contribute towards the funding of works that provide regional benefits (see later discussion), but will encourage the respective District Council or community groups to undertake the “design, build and maintain” stages of river schemes.

In recognition of the wider regional and even national benefits of avoiding or reducing the incidence and severity of flooding and soil erosion, subsidies were, until the late 1980's provided by Government for flood and erosion control works. The rate of subsidy, or the Government's share, was dependent on the off-site benefit of doing the work and premium rates were available for comprehensive and integrated schemes. That is, control of gully erosion and streambank erosion, for example, which contribute large volumes of gravel and silt to river systems, attracted a higher Government share than control of slip erosion, which has largely an onsite benefit. Higher subsidies were also made available to encourage all the landholders within a catchment or on a particular area of a river floodplain to work together to manage the river.

The subsidy system also recognised that comprehensive river management, while often beyond the resources of the current generation of landholders, provides benefits for

generations to come. These inter-generational benefits are evident in the southern part of Northland, which was within the Northland Catchment Commission district from 1962 and where rivers were cleared of willow blockages, for example, with subsidy assistance. The area now covered by the Far North District was added to the Northland Catchment Commission progressively between 1979 and 1984. Soon after 1984, the Government dismantled the subsidy system, so depriving the Far North of the benefits of the scheme. The current generation of landholders and residents of the Far North District, rather than inheriting a number of reasonably well maintained river systems, instead a huge backlog of work to restore their seriously neglected waterways.

Given this backlog of work, which is not confined solely to the Far North District, and acknowledging that in some of the areas where work is required, funding of the work will be beyond the resources of the local landholders and residents, not only must funding sources be investigated, but there is also a need to establish an order of priority for doing the work.

OBJECTIVES OF RIVER MANAGEMENT IN NORTHLAND

While the existing river management schemes on the Awanui, Wairua and Northern Wairoa Rivers and the lower reaches of the tributaries of the Northern Wairoa River, comprising extensive stopbanking, flood channels and even pumping systems, will be maintained and probably enhanced, it is unlikely that any new schemes of this type will be built. Instead, river management in Northland will largely involve restoring river channels to their previous size and form by removing accumulated silt and gravel from the bed and banks, removing blockages caused by fallen trees, controlling streambank erosion, managing the gravel load in the rivers, and accepting that floodplains will flood, albeit less frequently when the channels are well maintained.

To reduce the risk to property and to life, in addition to raising the awareness of people as to the risks of flooding in Northland, greater control needs to be exercised over the siting of, in particular, houses and urban development on flood-prone land. The vehicles for exercising these controls are the respective District Plans and by way of the building consent process.

Any river management schemes and flood avoidance measures will be “designed” to a standard of protection that the community can afford or, conversely, a level of risk the community is prepared to accept. In designing and formulating these measures, it will be recognised that when the system is overwhelmed by a greater-than-design event, it will overtop or be breached at known points and floodwaters will flow along known overflow paths. The contingency or civil defence response plan to deal with these major events can therefore be quite site or community specific, rather than relying on a district-wide response plan.

Floodplain management in Northland will therefore comprise an integrated system of river management, hazard avoidance, limited flood control works and site-specific civil defence/contingency plans for those occasions when the flood control and avoidance standards are exceeded.

The objective of this discussion paper is to consider a methodology for determining an order of priority for investigating river systems, preparing management plans and undertaking river works in Northland.

DETERMINING PRIORITIES

With a limited rating base in Northland, neither the District Councils, nor the Northland Regional Council will be able to commit large sums to river management. To get the

best value from available funds, there is a need to list the works in some order of priority which is rational and avoids any suggestion of political favouritism.

The following are some of the parameters that may influence the order in which schemes are constructed:

1. **Threat to human life** – Whether river management involves cleaning out river channels, construction of protection works, raising the floor level of existing houses to get them above flood level. Or moving houses out of flood-prone areas, the first order of priority must be those communities where the risk of flooding is so great that human life is threatened. These will tend to be individual dwellings or communities which are sited on alluvial fans or adjoining fast flowing mountain streams.
2. **Threat to buildings** – There are settlements in Northland where both commercial and residential buildings are at risk of flooding. Design standards for river control schemes are often based on the expected life of the buildings under threat, with the building not expected to be flooded more than once in its lifetime. Residential buildings are often given protection from floods that are likely to occur, on average, no more than once in 50 years. Because of the greater value of their contents, commercial areas may be given protection from floods that are likely to occur on average once in 100 years or more. Unfortunately, many Northland communities, even those with flood control schemes, are likely to flood much more frequently.
3. **Loss of Access** – Given the topography of Northland and the often unstable nature of sloping land, many roads are sited on the flood plains of rivers. It would be very expensive to make all Northland roads, even major arterial routes, completely flood-free. Much larger bridges would be required and roads traversing floodplains would need to be raised on causeways. Already, works to raise some roads to make them less prone to flooding have increased flooding on adjoining land. While occasional loss of access is acceptable, the deteriorating state of many river channels means that access is being lost more frequently and for longer periods at a time. Some communities are accessible by only one road and these may assume a higher priority than those where flooding is only inconvenient, causing longer detours. In others, important facilities such as hospitals, fire stations and other emergency services may be isolated or directly threatened by flooding.
4. **Threats to Infrastructure** – In some communities, public infrastructure such as roads, railway lines, water supply intakes, pump stations and pipelines, sewerage lines, pump stations and treatment facilities, telecommunications, electricity substations and transmission lines, and river protection works themselves may be under threat of inundation, damage, or destruction. As with roads, relocation away from the threat of flooding or flood damage will always need to be considered as an option.
5. **Threats to Farmland** – Floods damage fences, crops, raceways, culverts and sometimes farm buildings. Stock may be drowned, pastoral production may be lost if the water ponds on the land for any length of time, and if the river is carrying a heavy sediment load, the pastures may be coated with silt or completely buried. If the velocity of the floodwaters is sufficient, soil may be eroded to a considerable depth or, at the very least, the more fertile top centimetre of topsoil may be lost.

RANKING SCHEMES

To assist in deciding whether river management works should proceed, to establish some order of priority and to fairly and effectively allocate available funds, there is a

need to develop an assessment and ranking system that is easily understood and is acceptable to all affected parties.

The above parameters, while listed possibly in a descending order of priority, would not carry equal weightings and “points’ would not simply be summed. It is suggested that weightings, multipliers, be applied to each parameter. The following weightings are simply suggestions to assist discussion on this subject. (It is possible, using benefit/cost analysis, to develop weightings which would be robust enough to withstand careful scrutiny.)

Ranking Method

For each of the identified threats, rank the risk on a 0 to 4 scale, where:

- 0 is no significant risk,
- 1 is a slight risk,
- 2 is moderate,
- 3 is severe, and
- 4 is extreme.

A multiplier is then used to weight each of the identified risks.

WEIGHTING MATRIX

THREATS	SCORE (Out of 5)	WEIGHTING (Multiplier)	TOTAL
Life		x 10	
Buildings		x 5	
Access		x 3	
Infrastructure		x 2	
Farmland		x 1	
(Ability to pay)		x 2	
(Land ownership)		x 1	_____

RANKING/PRIORITY SCORE

Using this or a similar system, a “score” can be assessed for each scheme, so enabling the various schemes to be ranked in an order of priority.

Example 1 – Kaeo

Threats	Score	Multiplier	Weighted Total
Life	2	x 10	20
Buildings	3	x 5	15
Access	4	x 3	12
Infrastructure	3	x 2	6
Farmland	2	x 1	<u>2</u>

Example – Peria Valley

Threats	Score	Multiplier	Weighted Total
Life	1	x 10	10
Buildings	1	x 5	5
Access	2	x 3	6
Infrastructure	0	x 2	0
Farmland	3	x 1	3
			24

Under these weightings and this ranking system, a river management scheme for Kaeo would rank higher than one for Peria. In both examples, the “ability to pay” and “land ownership” have not been included in the assessment and ranking system. These parameters may be better used in a second stage ranking system and be linked to discussions on funding options. Ability to pay becomes an important issue when comparing different river management options. When deciding on the type of work to be done, careful consideration must be given to both the finance available for the initial work and for ongoing maintenance.

RANKING OF NORTHLAND RIVERS

This discussion document is part of a longer ranking and funding discussion document previously forwarded to the Far North District Council as part of a package of information in support of an application for Government assistance in the Hokianga. It has not been discussed by either the Regional Council, or by the Kaipara or Whangarei District Councils, and no feedback has been received from the Far North District Council. Further discussion between the Councils is required before the method is used to decide upon either regional or district priorities for river management. For example, the weighting given to the different threats may need to be changed.

It is recommended that a meeting be held involving representatives of the four councils to further develop this ranking method and to prepare a draft policy for consideration by all of the Councils. Such a common policy would assist the Regional Council to decide on a regional order of priority and where it needs to concentrate its river management resources year by year over, for example, the next ten-year planning period.

PART III

THE REGIONAL COUNCIL EXERCISING ITS POWERS AS A CATCHMENT BOARD

Report from Land Operations Manager, dated 26 June 2000, to the Landcare Committee meeting of 19 July 2000.

BACKGROUND

At its meeting of 19 April 2000, the Landcare Committee recommended and the Council subsequently resolved to ratify the Northland River Management Policy, but requested that procedures be developed explaining how the Regional Council will exercise its catchment board powers of supervision over the performance of river management and drainage functions by the three District Councils. The Northland Regional Council and the Landcare Committee have spent a considerable time reviewing the Council's involvement in river management and drainage. The objectives of this review included ensuring the Council is meeting its statutory obligations, and to more clearly define the roles of the Regional Council and the District Councils in respect of these functions. Only the Whangarei district Council has yet to ratify the policy.

The review has identified a need for a system under which the Regional Council will exercise its powers, as a catchment board, of supervising the management of river control and drainage functions by the District Councils. The following draft procedures are set out for consideration by the Landcare Committee and the Council. If adopted by the Council, it is proposed to send the draft to the three District councils for comment before bringing it back to the Regional Council for adoption.

NEED FOR PROCEDURES

With the adoption of the Northland River Management Policies and with each of the District Councils preparing management plans for rural drainage districts and comprehensive stormwater management plans for urban areas, there is a need for the Regional Council to adopt procedures for:

- “approving” the management plans under the SC&RC Act;
- monitoring the performance of the management plans;
- issuing general or specific instructions to district councils;
- resolving disputes between landholders within drainage/river districts;
- to conduct inquiries and to resolve disputes between landholders and the district council.

Currently, the Council has delegated authority to the General Manager and, through him, to the Land Operations Manager to issue instructions under Section 143 of the Soil Conservation and Rivers Control Act. The Manager, at his discretion, may bring matters before the Council requesting that it issue instructions. This was the case when the Council instructed the District Councils to prepare management plans for each of the drainage districts under their control, a requirement now contained within the Proposed Regional Water and Soil Plan for Northland in respect of the environmental management of these schemes.

RECOMMENDED PROCEDURES FOR APPROVING RIVER MANAGEMENT PLANS

It is recommended that the Council adopt procedures for granting SC&RC Act approval for river, drainage and comprehensive stormwater management plans similar to those it has adopted for granting resource consents.

That is, that:

1. The authority (or consultants acting on their behalf) managing the drainage district, river scheme, or urban drainage area applies to the Northland Regional Council for catchment board approval of the scheme as set out in a comprehensive management plan;
2. The receipt of the application is publicly notified and any person who is a land owner or a resident within the area subject of the scheme and who considers that he or she may be affected by the proposed scheme may make a submission to the Regional Council;
3. Regional Council staff will seek to resolve any issues raised by the submissions by facilitating discussions between the applicant authority and the submitters;
4. Where the matter cannot be resolved by discussions between the parties, a Councillor or a panel of Councillors sits as hearing commissioners, a (Regional Council) staff report backgrounds the proposed scheme and makes recommendations, the applicant and the submitters are given an opportunity to present their cases, and the Commissioners make a final and binding decision.
5. Should either party not be satisfied with the decision of the Council/Commissioners, it may appeal to the Minister for the Environment under Section 33A of the Soil Conservation and Rivers Control Act 1941.

In practice, the resource consent and catchment board approvals would be dealt with at the same time. That is, the applications for a resource consent and for catchment board approval would follow one consent process, any hearings would be held conjointly, but in issuing a decision, the hearings commissioners (or officer operating under delegated authority) would issue a decision under each Act. It is unlikely that a consent would be required under one Act and not under the other.

The implementation of such a policy is consistent with the integrated catchment management policies contained within Section 13 of the Revised Proposed Regional Water and Soil Plan for Northland (RW&SP). In particular, the process may help to resolve any conflicts between the objectives set out in Section 8 (Discharges), Section 9 (Surface Water Quantity Management), Section 11 (Use of River and Lake Beds and Development of Floodplains), and the streamside management objectives of Section 12 (Land Management) of the RW&SP.

REGIONAL COUNCIL/CATCHMENT BOARD INTERVENTION

On occasions, the Regional Council is called on by landholders, ratepayers, or residents within drainage districts or other areas within which a district council manages drainage or flood control functions. To date, the Land Operations Manager has been able to resolve most of these matters by encouraging or facilitating discussions between the District Council and the affected landholder(s). There will however be occasions when it is beyond the powers and ability of Council officers to facilitate an agreement between the parties. In these cases there is a need for a forum at which both or all parties can

present their cases and if a mediated agreement cannot be reached, an independent authority can make a binding decision.

There may also be occasions when the monitoring of a District Council's management of a flood control or drainage scheme indicates that the scheme is not being managed according to the approved plan, that is, the plan approved by the Regional Council as the catchment board. On these occasions, the Regional Council needs a "call in" procedure, a process whereby it can determine whether there has been a departure from the approved scheme.

If the departure from the approved scheme is also contrary to the resource consents, the Resource Management Act provides enforcement mechanisms ranging from instructions, through infringement and abatement notices, to enforcement orders and prosecution. The SC&RC Act does not contain such mechanisms. Instead, the catchment board may issue "general or specific" instructions. The Land Operations Manager, via the General Manager, has delegated authority to issue these general or specific instructions, but this delegation is exercised sparingly. There is a need for a process for those occasions when the Manager or the General Manager believes that the matter should be referred to the Council.

PROCEDURE FOR CALL IN

It is recommended that the Council adopt a procedure that when:

- due to its own monitoring or auditing of a flood control or drainage scheme managed by a district council, it believes the scheme is not being managed according to the approved management plan;
- a resident or landholder within an urban area subject of a comprehensive stormwater management plan, or within an drainage district subject of a management plan submits a complaint in writing to the Council;
- and the matter cannot be resolved by Regional Council officers,

the Regional Council will "call in" the district council and the affected parties and conduct an inquiry. It is recommended that the inquiry be conducted before commissioners following similar procedures to those explained for the approval of management plans, and are currently used for resolving disputed applications for resource consents.

WHEN THE REGIONAL COUNCIL IS THE SCHEME MANAGER

Outside of urban areas and gazetted drainage districts, the Regional Council is responsible, under the Northland River Management Policy, for managing flood control schemes. In most cases, the District Council, local Community Board, or a group of landholders will be encouraged to take over the management of the scheme, once the initial works have been completed. There will be times when, either during the design and promotion of the initial works, or when the works have been completed and the river is being maintained according to the management plan, landholders or affected parties do not agree with the way Council officers are managing the scheme. If the concern relates to the way an officer is exercising his/her delegated authority, the matter will first be reviewed by the General Manager.

In each of these situations where the matter cannot be resolved at an officer level, it is recommended that the Council implements the same procedures as those outlined above, that is, the matter is heard before commissioners appointed by the Regional

Council, either Councillors or outside commissioners. It would be advisable in such cases, however, for the reports usually referred to as "staff reports", to be prepared for the commissioners by independent consultants.

COSTS

The District Councils each fund land drainage activities within gazetted drainage districts by way of rating. Within the urban areas which will be subject of comprehensive stormwater management plans, drainage activities are usually funded from the General Rate, part of which is clearly identified as being allocated to this activity. It is recommended that where the Regional Council is required to intervene in a dispute within a District Council drainage area, or where the Regional Council has cause to believe that the drainage or flood control function is not being managed according to an approved management plan, the cost of the call in and inquiry process is met by the Drainage District or its supervising District Council.

Within these areas where the Regional Council is the scheme manager, the Regional Council would bear the costs of the inquiry.

THE COUNCIL EXERCISING ITS POWERS OF SUPERVISION AS A CATCHMENT BOARD

File: 815.2, 815.3

Memorandum from Land Operations Manager dated 26 June 2000

The Committee recommends:

That the Council, as the catchment board for Northland, adopts the procedures set out in the memorandum from the Land Operations Manager, dated 6 July 2000, for approving management plans for river control and drainage schemes and for reviewing the performance of drainage and river management functions by the District Councils, and by its own officers when acting under delegated authority.

Cr Farnsworth

Mr Higginson

<u>The Committee Recommends:</u>	
That the Council, as the catchment board for Northland, adopts the procedures set out in the memorandum from the Land Operations Manager dated 6 July 2000, for approving management plans for river control and drainage schemes and for reviewing the performance of drainage and river management functions by the District Councils, and by its own officers when acting under delegated authority.	
Cr Farnsworth	Mr Higginson

PART 1V

NORTHLAND RIVER MANAGEMENT POLICY FUNDING

August 2002

Northland Regional Council Resolution 16 October 2002 based on this report:

- 1. That the Northland Regional Council accepts responsibility for undertaking and funding the survey, design and planning of river management schemes and for gaining any resource consents required.*
- 2. That the decision as to whether or not a scheme will proceed, how it will be funded and managed, will be decided in conjunction with the beneficiaries and the appropriate district council.*

Amendments to this Policy were made by resolution of the Council on the recommendation of the Landcare Committee on 15 February 2005 and 15 February 2006, as shown below.

OBJECTIVE

- To develop an equitable and consistent policy for funding river management in Northland.

THE PROBLEM

River management in Northland has been neglected over the last 12 years, with only one new scheme, on the lower Kawakawa River, being implemented and even this scheme was proposed and designed prior to 1989. The general condition of the region's rivers has deteriorated with many channels becoming clogged with willows and fallen trees, gravel has accumulated behind these blockages, increasing the frequency of flooding and causing streambank erosion, and sediment has been deposited on riverbanks, reducing the cross-sectional area of the channels. The frequency of damaging floods has increased, with communications being disrupted more frequently and more buildings being affected.

In the Northland River Management Policy, ratified by all four Northland Councils in the first half of 2000, it is recognised that it is neither practical nor financially feasible to prevent all flooding in Northland. Instead, river management must involve communities in managing river systems and using flood-prone land in a manner that people's lives and buildings are not put at risk and there is minimal disruption to communications.

Improved management of river systems will involve costs, both in restoring rivers so that trees and gravel no longer block the channels, and in maintaining the rivers free of these obstructions. There are also costs involved in accurately delineating flood-prone land and ensuring that either buildings are not erected in areas that are subject to flooding or that they are build in way that they and their occupants are not threatened by floods. The benefits from improved river management extend further than just the flood-prone land, with identifiable benefits to the local community, to the wider district and to the region. It can also be argued that there are national benefits in reducing flood risk.

While the Northland Regional Council has accepted, by ratifying the Northland River Management Policy, that it is responsible for managing rivers outside of established rural

drainage districts and designated urban areas, it has to date only provided funding for investigating river schemes, not for undertaking works. The only two exceptions to this general rule are in respect of the four Hokianga communities devastated by the January 1999 floods, Pawarenga, Panguru, Whirinaki and Pakanae, and more recently, the Kaeo River scheme. In the former schemes, the Regional Council, the Far North District Council and Central Government each met one-third of the cost of remedial work on the streams. In the Kaeo Scheme, the Regional Council and Far North District Council are each meeting one-third of the cost and the local community is meeting the remaining one-third. In agreeing to meet one-third of the total cost of the Kaeo River scheme, the Regional Council stressed that this decision should not be seen to create a precedent.

This lack of certainty as to how river management works and maintenance will be funded makes it very difficult to investigate, design and promote river management. Schemes could be designed and simply shelved because no authority is prepared to accept responsibility for funding the work. As the catchment board, the Regional Council has that responsibility.

CURRENT FUNDING SYSTEMS

The Northland Regional Council is the catchment board for Northland, and under the Soil Conservation and Rivers Control Act 1941. The Council has a duty to protect property from flooding and erosion and also exercises a power of supervision over the river control and drainage functions of the District Councils. Until the 1999/2000 financial year, the Northland Regional Council had not been directly involved in river management. The small sum of money that the Regional Council now spends on river management, \$150,000, is funded by way of a Works Rate struck on Land Value basis on all rateable land in Northland. The Regional Council has the equivalent of one full time officer working on river management and this officer's time and support services, approximately \$80,000 per annum, is funded from the General Rate, which is a Capital Value-based rate struck on all rateable land within the region.

Each of the District Councils is involved to some extent, under the Local Government Act 1974, in river management and land drainage. There is however no consistency in the way the river management work of the District Councils is funded. Some schemes are funded by way of catchment-wide rate struck as a flat rate on a Land Value basis, some are based on a differential rate over part of a catchment, some are funded from the General Rate, which is struck on Land Value. The Far North District Council is now funding river management by way of a uniform annual charge across all rateable properties within two community board areas and is considering funding flood control in urban areas by way of a Capital Value rate.

The Regional Council is now heavily involved in investigating, designing and promoting river management schemes. It has become obvious however that if these schemes are to be implemented, the Council will also have to become involved in funding the works. As the catchment board, the Northland Regional Council has a statutory duty to protect property from flooding and erosion. As required, this will involve managing the funding of such works.

SUPPORT FOR MINOR RIVER WORKS *[Added by resolution of the Council on the recommendation of the Landcare Committee 15 February 2005]*

There are recognised regional benefits in having well managed river systems. In more comprehensive schemes, the Regional Council has agreed to meet the cost of survey, modelling, design, gaining resource consents and establishing an appropriate funding mechanism to fund works.

Where survey, modelling and design is not required, the Regional Council, in recognition of the regional benefits of improving the management of the river or stream, will meet up to 50% of the cost of stream works where only local landholders are beneficiaries of the work, or up to 33% of the cost of the works where another major beneficiary, such as a roading authority, will meet a share of the cost.

The responsibility for subsequent maintenance of the river works will be subject of and agreement between the direct beneficiaries of the work and the Regional Council and the other parties prior to the initial work commencing. Where necessary, the Regional Council will enforce maintenance requirements, according to the agreement between the parties and using its statutory powers as a catchment board where required.

FUNDING OF SPECIAL CASE MINOR RIVER WORKS [By resolution of the Council on 15 February 2006, on the recommendation of the Landcare Committee]

Some of the communities in greatest need of river management work to reduce the threat to human life and to dwellings are the least able to fund such works. Many landholders or residents are dependent on benefits and are unable to pay extra rates to fund river management works. Many do not pay rates or the probability of being able to collect river management rates is so low that this method of funding is not practicable.

Experience to date in establishing special rating areas to fund river works is that such a funding method is only economic in larger or more highly rated rating areas. The cost of collecting rates or agreed contributions tends to increase as the total sum collected decreases. Where the cost of collecting special rates to fund river management works is considered by the Council to be proportionally too high, relative to the cost of the works, the Council may, on a case-by-case basis, decide to provide additional funding for the work from its Minor River Works budget. That is the Council has discretion to vary the level of support from 50 up to 100%, up to a total cost per proposal of \$30,000, should it consider such support is necessary to ensure the implementation of the scheme. The level of support will be dependent on funding available in any year.

Further, the Council delegated authority to approve funding support for river works on a case-by-case basis, under the Minor River Works section of the Northland River Management Policy, to the Chairman of the Landcare Committee and the Chief Executive Officer. This includes the approval of up to 100% of the cost of works where the beneficiaries of such work are unable to meet the local share of costs, or where it is uneconomic to recover the cost under other funding mechanisms.

FUNDING RIVER MANAGEMENT – THE CURRENT SYSTEMS

Section 122F of the Local Government Act 1974 requires regional and district councils to, wherever possible, clearly identify the beneficiaries of any public works and/or those who create a need for such works, to establish the extent to which these people benefit or create a need for the works, and to recover the costs of the works from the beneficiaries and exacerbators according to the level of benefit or extent to which they create the need. This same requirement is expounded in the Biosecurity Act 1993.

Differential and Benefit Rating Systems - The Soil Conservation and Rivers Control Act 1941, prior to an amendment in 1988, contained a provision which enabled the funding of river control work by way of a differential rating classification based on benefit.

This same provision is carried through into sections 38 to 41 of the Rating Powers Act 1988 (now Local Government (Rating) Act 2002, which enables catchment boards (regional councils) to establish rating districts based on benefit and exacerbator impact. While, since the 1960s, there has been recognition of both direct and indirect benefits from flood control schemes and rating districts have been established accordingly, it is only in the last few years that the landholder in the upper catchment has been identified as an “exacerbator” and asked to pay towards the management of rivers further down the catchment. The argument is that by clearing land of forest and increasing the rate at which water runs off land, or increasing the sediment load in the river, the landholder within the upper catchment is increasing the need for river management. The exacerbator rate, or so called “rainfall tax”, has been introduced or is being considered within the Piako and Waikato River catchments to help fund the maintenance of the flood control works along these large river systems.

Awanui River Flood Control Scheme - The river management schemes in Northland are funded in a number of different ways. The flood control works on the Awanui River downstream of Pamapurua have, over the last ten years, been funded from rates over the Kaitaia Drainage District struck according to benefit on a Land Value basis. This rating system has been challenged by some landholders on the grounds that the rating district was established and a differential/benefit rating system created to manage the drainage network, not flood control on the Awanui River. The Far North District Council has this year separated the land drainage component of the works from river management work and proposes to fund these separately.

Kawakawa River - The flood control work on the Kawakawa River downstream of State Highway 1 has been funded from the Far North District Council’s Land Value-based General Rate.

Hikurangi Swamp Flood Control Scheme - There are two rating districts within the Hikurangi Swamp catchment, the Hikurangi Swamp Major Scheme Rating District and The Hikurangi Swamp Drainage District. As the names suggest, one funds the river management scheme and the other network of publicly managed drains. The Major Scheme rate is a benefit-based rate struck on a Land Area basis over all land within the catchment. Land that benefits directly from the flood control scheme is classified from “A”, maximum direct benefit, to “E”, minimum direct benefit, and the hill country part of the catchment is classified “F” and pays a rate determined on indirect benefit. This should not be confused with an “exacerbator rate, although it has the same effect. The maintenance of the drainage network is funded by way of a two class, “A” and “C”, benefit rate based on land value, and in recent years, an “F” class rate on the hillcountry.

Kaipara River and Drainage Schemes - The Kaipara District Council inherited a large number of drainage districts from its predecessors, the Hobson and Otamatea County Councils and Raupo Drainage Board. While previously funded by way of a benefit-based rate on the land which benefited directly from the maintenance of the drainage network, that is the flat land that has an outfall to a maintained drain, the Council has in recent years extended the rating districts to include whole catchments and now strikes a separate rate on a Land Value-basis across the whole catchment of each drainage district. While this rate is collected on a uniform basis from across the whole catchment of each drain or river, the Council only funds works within the former works areas of the drainage districts. This same rating system applies to river management work on the lower reaches of the Kaihu, Awakino and Manganui Rivers and the Tangowahine Stream. That is, while a rate is collected on a uniform basis across the whole catchment, only activities on the lower reaches of the rivers, the old works areas, are funded from the rate.

Northland Regional Council River Management - The Northland Regional Council funds its involvement in river management from three sources. The labour and support costs of officers dealing with river management are funded from the Land Management Rate, a Land Value-based rate struck across all rateable land in Northland. This includes costs of survey, design consultancy and minor works. The Land Management Rate also funds animal pest and pest plant management. As with other Council activities, river management receives about one-third of its funding from the income from Council investments.

FUNDING RIVER MANAGEMENT – ISSUES AND OPTIONS

The objective is to establish an equitable funding system that is easy and inexpensive to administer. While it would be possible to develop a very sophisticated differential rating system for funding river management based on the direct, indirect benefit and exacerbator-impact for almost every property or even parts of a property, such a system would be expensive to administer. The study to collect data, to design and to support the case for such a system would be extremely expensive and it would require a sophisticated rating system to collect the rates.

The other problem that must be faced in Northland is that those who may gain the greatest benefit from improved river management may not be the most able to pay. That is, there is little point in identifying a rate share that an individual landholder should be paying if there is no practical means of collecting that rate. Instead, as with other services, there will be a need to adopt a pragmatic rather than idealistic approach to funding river management.

River management works involve considerable investigation and design costs and require a considerable capital investment during the implementation of the works programme. If each affected area must wait until sufficient funds have been accumulated before work commences, many schemes would simply not go ahead and the river systems in Northland would deteriorate even further. There is therefore a need to establish a wide enough funding base to enable schemes to be investigated, designed and implemented. There will also be a need for an ongoing maintenance programme on each of the rivers.

In discussions with the Far North District Council over funding of the Hokianga rivers affected by January 1999 floods and the Kaeo River Scheme, three general areas or groups of benefit were identified:

1. **Regional Benefit** – While there is no one river in Northland that if it flooded would directly affect the whole region, there are a number of regional effects of flooding. Frequent flooding anywhere in Northland can attach a stigma to the whole region. This can affect investor confidence, property values, insurance premiums and the attraction of the region as a tourist destination. The impacts of damage to property and to production extend much further than the immediately affected property. Flooding of roads and other utilities disrupts communications, transport and services. It adds costs to both goods imported into and distributed around the region and to products exported from the region. There is therefore a case for a level of regional funding for river management.
2. **District Benefit** – Just as there are regional benefits to reducing the incidence of flooding and damage to property, there are also District benefits. In addition to those listed for the region, the District Councils, as asset managers, are faced with extra costs due to flooding. The diversion of funds to repair flood damaged roads and

bridges has been a major funding issue for each of the District Councils in Northland and is one of the reasons for delays in improvements to the roading network. Similarly, the District Councils are faced with repair costs for flood-damaged sewerage and water supply systems after each significant flood. Council roads are also being damaged by streambank erosion at many sites in Northland, erosion which could be controlled as part of river management schemes. The District Councils can also be faced with major costs during civil defence emergencies. Investment in flood mitigation and/or avoidance works will help to reduce the costs of or even avoid these emergencies.

3. **Local Benefit** – In any river management scheme there will be some landholders and residents who will benefit more than the district or regional beneficiary in general. Those who occupy flood-prone land will benefit if the land floods less frequently, to a lesser depth or for a shorter time. Their houses or other buildings will be flooded less frequently and their livelihoods will be disrupted less frequently by flooding. These people are usually the ones also most affected by road closures and access problems. There is therefore an argument for these direct beneficiaries to pay their share of river management scheme costs. Unfortunately, as noted above, the people who would benefit most from a river management scheme may be the least able to pay for it.

In taking a pragmatic approach to funding the Kaeo River Management Scheme, it was by the Northland Regional Council, the Far North District Council, the Whangaroa Community Board and the local community that a “fair” distribution of benefit, and therefore funding, would be a simple three-way split between the Northland Region, the Far North District and the local community. The Regional Council’s share would cover the cost of surveys, investigations, design, resource consents contract supervision and a part of the construction costs. That is, the Regional Council will promote the scheme through to the stage where work is ready to commence and the Far North District Council and local community share will be devoted totally to works. The balance of the Regional Council share will also be spent on works.

As noted, this was a one-off decision in respect of the Kaeo River Management Scheme, but it could well be a formula that could have wider application in Northland. The shares to be met by the respective beneficiaries are open to debate on a scheme by scheme basis and could, with further analysis be allocated differently. Given however the size of the various Northland schemes and the total sum available to spend on works, it would not be cost-effective to undertake a sophisticated study into the apportionment of costs between the various beneficiaries. With limited funding available from each of the sources, it is important that as much as possible of the available funding is spent on physical works rather than on investigating and implementing funding systems.

FUNDING THE LOCAL SHARE

As many of the communities most at risk are the least able to fund the local share of the cost of a river management scheme, it may well not be possible for the directly affected property owners, the properties receiving direct benefit from the river management works, to meet their individual share of the scheme costs. A benefit-based or differential rating system may well fairly apportion the costs between the direct beneficiaries but rating of these properties may not yield the required funding. Where valuable properties or the assets of relatively affluent landholders are at risk, striking a differential rate or collecting a lump sum contribution may be a practical means of funding a scheme. Where however the community at risk is relatively poor and there is a low percentage rate collection, rating the immediate local area may not be a realistic option.

An alternative or additional source of funding proposed to finance the local share of the Kaeo River scheme is to strike a uniform annual charge on all rateable properties in the Whangaroa Community Board area. This proposal recognises that there are benefits to all the citizens in this wider area from reducing the flooding risk in Kaeo. It is suggested that funds from this source would be devoted solely to river management, firstly on the Kaeo scheme and then on other schemes at, for example, Matangirau, Tauranga Bay, Wainui and Te Ngaere. The advantage of this proposal is its simplicity; the disadvantage, unless it is used in association with some form of direct benefit-based funding, is that it does not differentiate between those who will receive direct benefit and those who will receive less direct benefit. It could be seen as unfair.

One of the disadvantages of each of the above local funding options, differential/benefit rating from the direct area of benefit, or a uniform annual charge over a wider area, is that unless the landholders within the rating district or contributing area are able to pay a considerable annual sum, it may take several years to complete the scheme. Spreading the work to match the availability of funding may deprive the scheme of the economies of scale available when all the works are undertaken over a short period of time. This could be overcome by raising a loan to do the work and then paying off the loan from the rating or uniform annual charge. Funding the local share by way of a loan will however increase the costs.

FUNDING URBAN FLOOD CONTROL

Urban flood control works are generally treated as part of stormwater management, with the basis of funding varying between the District Councils. The Far North District Council is considering funding urban stormwater management by way of a special, Capital Value-based, rate over defined urban areas. It has been proposed that where the river to be managed is totally within an urban area, the works will be funded from the urban stormwater management rate. Where however, the river works affect both urban and rural land, a proportion of the local share of the scheme costs will be funded from the urban stormwater management rate and the balance from whatever rural scheme funding provisions are approved. Kaipara District Council funds stormwater management by way of a separate rate based on property value and in Dargaville, a differential is applied to urban and primary industry land uses. Whangarei District Council funds stormwater management from the General Rate, which is struck on a Land Value basis.

Unless the Regional Council and the respective District Councils reach agreement on a uniform funding system for river management schemes, any regional contribution will need to be negotiated on a scheme by scheme basis.

CURRENT FUNDING ANOMALIES

Because of the different river management funding systems currently operating and the changes in the type and extent of services provided in different parts of the region, there are some ratepayers who could claim that they are paying twice for river management services and are not yet receiving these services. The Kaipara District Council, in a submission on the Northland Regional Council's Draft Annual Plan, opposes the Northland Regional Council funding river management works. It argues that the ratepayers of the Kaipara District are already funding river works through their Drainage District Rates and should not have to pay rates to the Northland Regional Council to fund river works in other parts of Northland. As explained previously, in the late 1980s or early 1990s, the Kaipara District Council changed the rating systems within its Drainage Districts from a benefit-based rate only on the areas receiving a direct benefit, to a uniform Special (Land Value) rate across all the land within each of the catchments draining via Drainage Districts. The funding collected within each Drainage District can

only be spent within that District and only on the public works part of the Districts. For example, the rate collected from land within the whole of the Kaihu River catchment is spent only on the river downstream of Mamaranui and on the drains maintained by the Drainage District.

The Regional Council, if it wished to undertake work on the river upstream of Mamaranui would need to collect a rate from the landholders in that area to fund the local share. These same ratepayers have already expressed concern that they are paying a rate to the Kaihu River Drainage District but receive no assistance in return. A proposal by the Far North District Council to strike a rate over the upper catchment of the Awanui River, in the form of an exacerbator rate, attracted a similar response, particularly when it was explained that the revenue would be used only to fund works downstream of Pampauria and could not be used to control serious streambank erosion in the upper catchment.

These anomalies have arisen because the rating structure for the original river and/or drainage schemes has been or is proposed to be extended over the whole catchment without any review of the wider river management needs of the catchment. This could well have been resolved in the Awanui River catchment, where the Far North District Council has separated the flood control works from the land drainage works. The Kaitia Drainage District rates will in future be used only for maintenance of the land drainage network and not for flood control. Funding of the Awanui River flood control scheme will require the adoption of a new funding policy involving the Regional and District Councils and the urban and rural parts of the catchment. The review of the management of the Kaihu River may also point to the need for a more equitable funding system. So too may a review of the management of the stopbanking system of the Northern Wairoa River result in a change to the funding of works on this part of the river.

FUNDAMENTALS OF A FUNDING MODEL

Confidence - It is difficult to discuss a river management proposal with an affected community without including a discussion, early on in the process, on if work does go ahead, how it will be funded. It would be preferable to enter into those discussions with some certainty that if the scheme qualifies according to District and/or Council criteria, a management plan can be investigated and the scheme promoted with some certainty that providing the local share can be found, the scheme can be implemented.

Simplicity - Elaborate systems are available for identifying and quantifying the level of benefit that individual landholders may receive or the exacerbator impact that an area of land is having on the flooding problem, but gathering the required data for such analyses is an expensive process. On many Northland river management schemes such studies may prove more expensive than actually doing the river management work. Rather than undertaking such cost-benefit studies each time a scheme is proposed it would be preferable to take a pragmatic approach and agree on a simple sharing formula which would apply generally, either within each District or across the region as a whole. The one-third regional, one-third district and one-third local formula proposed for the Kaeo scheme is model worth considering across the whole region. A similar, simple formula for apportioning local benefit amongst local beneficiaries and exacerbators would help to reduce the cost of decision-making on funding individual river schemes.

Accountability – Despite the adoption of the Northland River Management policy, there is still considerable confusion, both within and between the Councils and in the minds of the public as to who is responsible for river management in Northland. This confusion is being fueled by the lack of certainty as to who funds river management schemes and by having the overlapping funding mechanisms described above. A funding mechanism

that clearly defines who is paying what to whom and what the payer is getting for his investment is required.

FUNDING OPTIONS

Striking Separate Regional and District River Management Rates – Recognising that there are regional and district-wide benefits from improved river management, it would be possible to strike separate regional and district rates or uniform annual charges proportional to the levels of regional and district benefits. This would provide identifiable sums for funding the regional and district shares of river management schemes.

Amalgamating the Regional and District Funding Share - An even simpler method which may be considered is for the Northland Regional Council, as the catchment board for Northland, to take over river management throughout the region and to strike an appropriate works rate or river management rate to fund this wider responsibility. This would mean that under the simple sharing formula outlined earlier in the report, the Regional Council would fund up to two-thirds of the cost of river management schemes, incorporating the regional and district-wide benefits of such work. The Council could consider rating on a Land Area, Land Value or Capital Value basis, or it might consider funding at least part of this activity by way of a uniform annual charge (subject to the enactment of the Local Government Amendment Bill). Under this option, the District Councils would continue to manage the land drainage functions within their existing drainage districts and would continue to manage urban stormwater, but the Regional Council would fund all river management, including within urban areas.

Funding the Local Share - Once agreement is reached on any regional and district sharing of costs, equitable but cost-effective methods of collecting the local share need to be established. Options available involve:

- spreading part of the local share across a whole community board area, as has been agreed for Kaeo, either as a rate or as a uniform annual charge;
- meeting the urban part of the local share from stormwater management rates that are already being levied, again as is proposed for Kaeo township;
- establishing a differential rating district across the immediate area of direct benefit;
- including the whole river catchment upstream of the proposed works area or area of benefit and providing for an exacerbator contribution;
- agreeing on a lump sum capital contribution according to an agreed benefit formula;
- raising a loan and then using one of the above funding options to repay the loan and interest.

Each of these options can have advantages in specific areas and combinations of methods may have to be considered.