

DRAFT
Annual Plan
2013/14 SUMMARY



Putting Northland first

A word from the chairman and chief executive officer



With no immediate end in sight to the tough economic times Northlanders have been enduring for several years now, we remain committed to keeping costs as low as possible while delivering services to you.

While our rates remain low compared to most other regions, we recognise this is little comfort to those still struggling with the recession's effects.

In our Long Term Plan 2012-2022, general rates for the coming year had been projected to increase by an average of 6%. However, given the ongoing tough times, we took a second, very critical look at our figures and have managed to trim this to a proposed increase of just 3% under this Draft Annual Plan.

Despite some cost-cutting, we have not compromised on the level of services we deliver on behalf of the region, and we will continue to build our Investment and Growth Reserve to support the region's economic development. Our ability to do this has been aided in part by a higher-than-anticipated return on our investments last financial year – we're proposing most of this windfall goes straight into reducing your rates.

Keeping expenditure to a minimum does have some consequences and one of these is that we're not proposing to allocate funds towards any new public requests for funding in the coming year.

However, our Long Term Plan, adopted in June 2012, does set out an agreed work programme for the next decade and we intend to continue that, including the grant funding already committed.

In line with the Long Term Plan, our key areas of focus for 2013/14 will be improving Northland's freshwater management (under our Waiora Northland Water programme), implementing the new Regional Policy Statement, investing in economic opportunities for Northlanders, and delivering a programme of flood protection works.

Local government reform is high on the Government's agenda. Now the law is in place, we look forward to engaging with individuals and communities of interest within the region before we engage with the Local Government Commission, Ministers, and others on reform.

We are also looking forward to our new representation arrangements being in place for the 2013 local body elections, to provide Northland with a more equitable governance structure. Our final proposal would replace the current model – which is based on the region's three district council boundaries – and replace it with seven smaller constituencies served by nine councillors. Final decisions will be made by the Local Government Commission in April 2013.

This year's Draft Annual Plan is one in which we have worked hard to reflect the economic challenges felt by many of our households. We urge you to take this opportunity to comment on it and tell us what you think.

Craig Brown
Chairman

Malcolm Nicolson
Chief Executive Officer

Your place, your say

This Draft Annual Plan 2013/14 outlines our proposed budgets and rates for the coming year's activities. We need to know if we've got it right, so get involved and tell us what you think.

Submissions close at 3.00pm on Thursday, 21 February 2013.

Our proposed work programme is closely aligned with what is set out in the council's Long Term Plan 2012-2022. This Draft Annual Plan focusses on proposed changes or additions, rather than repeating the detailed information in the Long Term Plan.

There are several ways to make a submission:

- Make an online submission at www.nrc.govt.nz/haveyoursay
- Send us an email to mailroom@nrc.govt.nz
- Fill in the submission form on page 11.

Hard copies of the full Draft Annual Plan 2013/14 and the Long Term Plan 2012-2022 can be viewed at any regional council office or public library.

The documents are also available online:

- Draft Annual Plan: www.nrc.govt.nz/haveyoursay
- Long Term Plan: www.nrc.govt.nz/ltp

Focus for the year 2013/14

In this section you'll find the key issues, actions and projects your council has identified as priorities for Northland in the coming year.

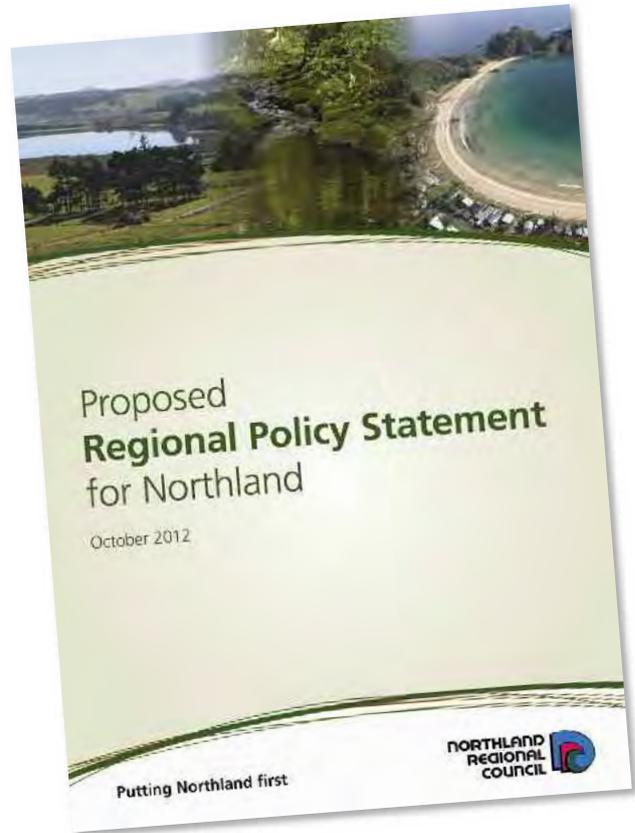
Improving Northland's freshwater management

Water is one of Northland's most precious natural resources and much of council's work revolves around it. Our rivers and streams, lakes, aquifers and wetlands are important for our survival and economic prosperity. They provide important habitats for a range of plants and animals and have cultural and historical value to Northlanders.

Waiora Northland Water incorporates our water quality work, including the Government's new direction for improving the management of the region's freshwater lakes, rivers, aquifers and wetlands, and it has given us an extra impetus to make some changes for the benefit of the region.

During 2013/14 we will continue to work within our priority catchments and set new objectives with associated quality and allocation limits. Catchments have been prioritised on the basis of known issues, and we will continue to incentivise and develop existing good management practices, and develop programmes and set objectives, limits and flows for the most urgent water bodies first.

For more information on Waiora Northland Water, see the Resource Management activities section in the Draft Annual Plan.



New Regional Policy Statement

Developing and implementing the new Regional Policy Statement for Northland continues to be a major focus. This is arguably our most important planning document as it sets out how the region's natural and physical resources will be managed. With this document, we aim to enable development and economic and social improvements, but also safeguard environmental bottom lines, Northland's special places and the things we – and those who will come after us – value.

We are currently completing the formal consultation process on the Proposed Regional Policy Statement, which was notified for public submissions in October 2012. This represents the culmination of a process that began more than three years ago and has involved input from a wide range of individuals and groups along the way.

We aim to have a council decision on the Proposed Regional Policy Statement around the start of the 2013/14 year. It is likely that, given the scale and scope of the Proposed Regional Policy Statement, some decisions will be appealed. Appeals will affect the timing of when the whole Regional Policy Statement will have legal force.

For more information on the Regional Policy Statement, see the Resource Management activities section of the full Draft Annual Plan or visit www.nrc.govt.nz/newrps



Economic development

Our efforts in economic development will focus on funding projects that will increase jobs in Northland, increase the average weekly household income of Northlanders and increase the GDP of Northland. These projects will be funded from the Investment and Growth Reserve (which was established under the Annual Plan 2011/12 and is funded from our investment income). Applications for funding are being administered by Northland Inc (a council-controlled organisation).

In 2011/12 we started to transition our investment income away from funding operations. In the Long Term Plan 2012-2022 the council decided on a ten-year transition – that means in 2013/14, 70% of the council's investment income will still fund operations and 30% will go into the Investment and Growth Reserve to fund economic development projects. Eventually the reserve will receive all of our investment income (approximately \$6.7 million yearly).

For more information, see Economic Development activities section of the full Draft Annual Plan.

Flood protection improvements

Our ongoing priority rivers project, to develop or update flood risk reduction plans for the 27 rivers in Northland with the highest levels of flood risk, is progressing well.

Several major flood protection schemes are underway around Northland, and work is planned to continue over the coming year as set out in the Long Term Plan 2012-2022.

A \$6.7 million detention dam for Whāngārei is currently scheduled for construction during the coming summer (pending land negotiations and consent applications). This will be funded by the targeted rate established last year under council's Long Term Plan.

Design work for capital works on the Kerikeri-Waipapa and Awanui River Flood Management Schemes will also be progressed over the coming year.

For more information about the flood protection work planned for Northland, see the River Management activity section of the full Draft Annual Plan.

Local government reform

Local government reform is currently high on the Government's agenda, and parliament has passed legislation to amend the purpose of local government.

Councils are still required to enable democratic local decision-making and action by, and on behalf of, communities. However, our other purpose – to promote the four well-beings – has been removed and replaced with achieving cost-effective good-quality local infrastructure, local public services and regulatory functions. It's early days in terms of what that means in practice, so we will need to listen to and adapt to any guidance we receive, including your submissions, as we go.

The amended legislation is also intended to make local government reorganisation easier. We agree that changes need to be made to the local governance arrangements in Northland to deliver better governance and services to you. However, we believe that change should be community driven, so we opted to stay out of the debate before we knew what the new law would look like and what options would be available to communities. Now the law is in place, we look forward to talking with our communities during early 2013 so we can put forward an informed proposal for improving local government in Northland.

We are also looking forward to our new representation arrangements being in place for the 2013 local body elections. Our representation review recognised that Northland needs a more equitable governance structure that embraces diversity. We have endeavoured through the review to transform the council into a body more connected with its communities, more engaged with its people and more representative of the myriad of different needs and priorities of our region.



Money matters

Operational spending

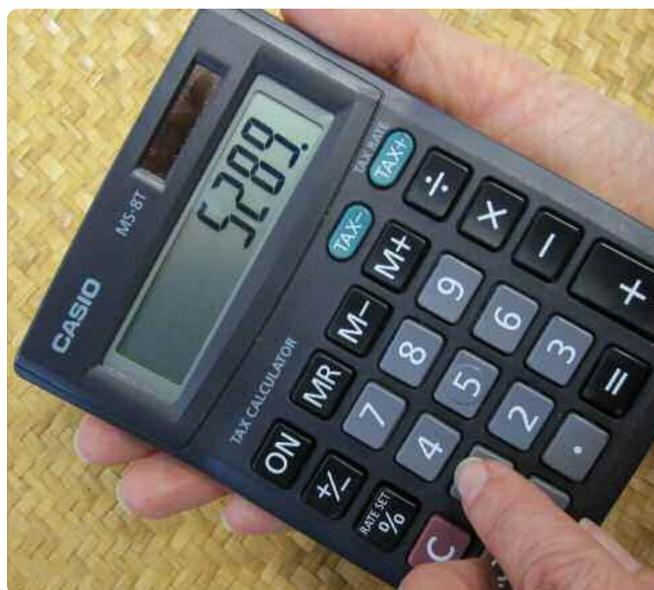
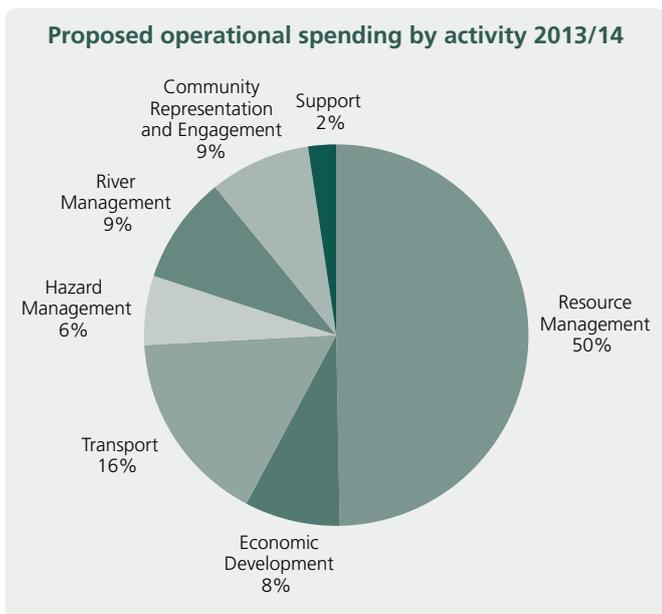
We are forecasting total operational spending of \$27.5 million during 2013/14.

Operational spending provides for the council’s day-to-day operations and services; things like working with the community to care for Northland’s environment – air, land, water and coast.

The prospective statement of comprehensive income shows our budgeted operating revenue and expenditure.

Prospective Statement of Comprehensive Income	LTP Forecast 2013/14 \$ Excl GST	Draft Annual Plan Forecast 2013/14 \$ Excl GST	VARIANCE
Total Revenue	31,118,492	30,761,178	(357,314)
Total Operating Expenditure	27,905,912	27,530,777	375,135
Net Surplus/(Deficit) from Operations	3,212,580	3,230,401	17,821
Gain/(Loss) on Infrastructure Asset Revaluation	742,795	742,795	–
Transfer from/(to) Reserves	(2,822,547)	(2,764,984)	57,563
Total Comprehensive Income after transfers from/(to) Reserves	\$1,132,828	\$1,208,211	\$75,384

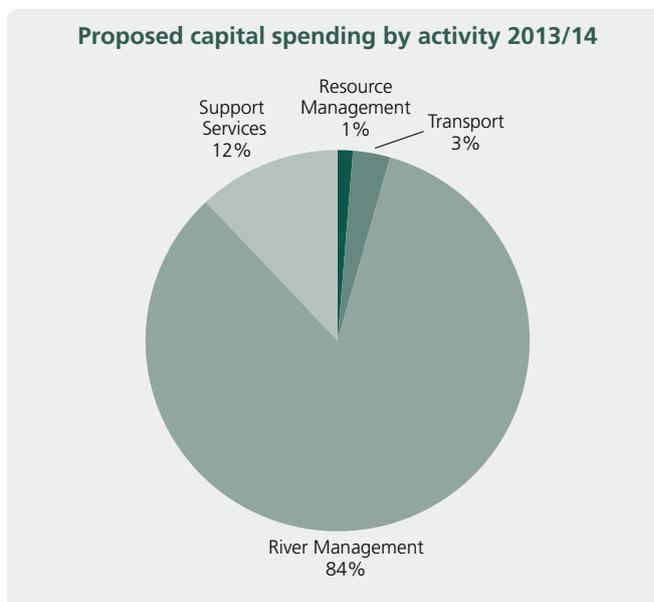
The graph (below) shows our activity groups and what proportion of our total operating expenditure they will account for in the coming year.



Capital spending

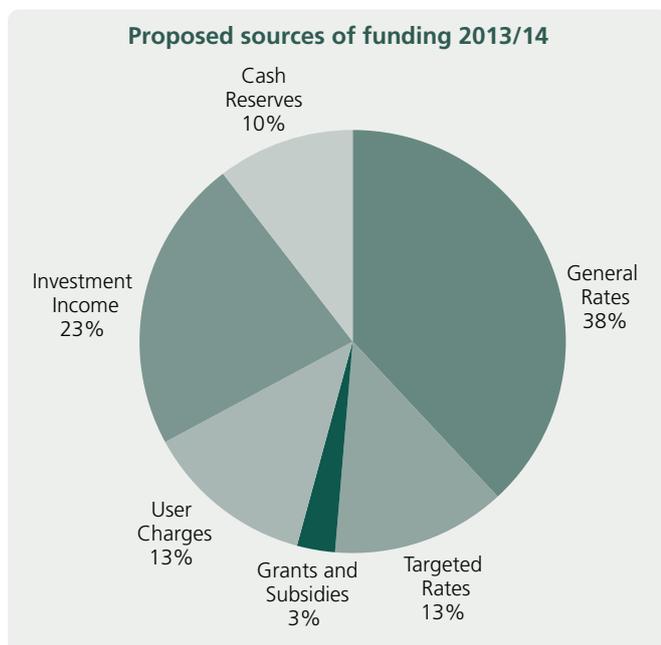
Our proposed capital spending for 2013/14 is \$7.7 million. The Whāngārei detention dam accounts for \$6.4 million of this; the remainder is made up of equipment replacement, information technology, vehicle replacement, and work for the Awanui River Flood Management Scheme.

The graph (opposite) shows our activity groups and what proportion of our total capital expenditure they will account for in the coming year.



Where will the money come from?

Our expenses are funded through rates, fees and charges, grants and subsidies and other income. The graph (overleaf) shows what proportion each of these sources contributes to our total funding for the next 12 months.



Rates

Keeping rates as low as possible has been a key focus under this Draft Annual Plan.

This plan calls for a general rates increase of 3% – that’s less than half of what was forecast for the year under the Long Term Plan.

We can achieve this by using extra investment income we expect to receive, plus looking closely at our budgets for further cost savings.

Currently the council’s investment income is split between funding council operations and the Investment and Growth Reserve (to be used for economic development projects). Our investment income has been higher than forecast in the Long Term Plan, and we plan to split it on the same basis – that means 70% of the additional income would go into council operations (effectively a rates subsidy), and 30% would go to the Investment and Growth Reserve.

The cost savings we have identified should not compromise what we have committed to deliver in our Long Term Plan. Some of the savings will be offset by a higher provision for ‘doubtful debt’ (\$250,000 primarily relating to non-payment of rates). The overall targeted general rates are about \$504,000 less than signalled in the Long Term Plan.

Note that targeted rates collected for river management schemes and urban bus services are excluded from the above figures. These targeted rates remain largely unchanged from what was set in the Long Term Plan 2012-2022, with the exception of the Whāngārei and Kaitiāia Transport Rates. These have been adjusted to cover the costs of rates remissions and administering these two bus services. Proposed increases are \$0.52 cents including GST per annum for the Whāngārei bus service and \$2.10 including GST per annum for the Kaitiāia bus service.

The final rates levels adopted by the council will effectively depend on submissions made during the public consultation period on the Draft Annual Plan.

What level of rates can you expect to pay?

Targeted general rates are made up of two rates; the Council Services Rate and the Land Management Rate. Targeted general rates are paid on all rateable properties in Northland.

Other targeted rates include river flood management rates in several areas, the

Regional Recreational Facilities Rate, the Regional Infrastructure Rate, the Transport Rate (Whāngārei District), the Kaitiāia Transport Rate (Far North) and the Rescue Helicopter Service Rate.

Note that the Land Management Rate and Regional Infrastructure Rate are set as a rate in the dollar per dollar of land value. The rate in the dollar is different for each district as the rates are equalised using data provided by Quotable Value to effectively align the three districts’ values dates. If the valuation dates were aligned, the Land Management Rate and Regional Infrastructure Rate would be set as the same rate in the dollar across all three districts.

The table (below) identifies what your rates will be if your property has a land value of \$225,000. It doesn’t include river management rates or Kaitiāia Transport Rate (these are levied on localised areas).

Proposed 2013/14 rates (assuming Land Value is \$225,000)	Far North	Kaipara	Whāngārei
	(per SUIP) \$ Incl GST	(per RU) \$ Incl GST	(per SUIP) \$ Incl GST
Council Services Rate	93.75	100.13	107.96
Land Management Rate	61.04	65.08	69.86
Regional Recreational Facilities Rate	5.75	5.75	28.75
Regional Infrastructure Rate	6.93	7.47	8.01
Rescue Helicopter Service Rate	8.18	8.18	8.18
Transport Rate (Whāngārei District)	–	–	12.64
TOTAL (including GST)	\$175.65	\$186.60	\$235.40

Other proposals

Proposed amendments to Charging Policy

We impose fees and charges for some of our services. Fees and charges are applied in accordance with the council's Fees and Charges Policy.

The council is proposing to increase its fees and charges across most activity areas by approximately 1.8% to reflect inflation-related cost increases.

This includes things like our staff charge-out rates, consent application fees and fees for moorings and marine structures (for example, jetties and boat ramps).

The Resource Management Act 1991 and the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 authorise the regional council to fix resource consent charges relating to the council's functions and responsibilities under the Act.

Costs are also recoverable under the Building Act 2004, Biosecurity Act 1993, the Local Government Act 2002 and Property Law Act 2007 and under the Local Government Official Information and Meetings Act 1987. Costs may also be recovered under the authority of the council's Navigational Safety Bylaws.

For more information about proposed amendments, see the charging policy section of the full Draft Annual Plan.



Proposed amendments to Navigation, Water Transport and Maritime Safety Bylaw charges 2012

Proposed Amendments included in the Draft Annual Plan 2013/14 are:

Section 3(b) (1-13) – a 1.8% increase in Navigation Safety Bylaw Fees, to reflect inflation-related cost increases.

Sections 4 and 5 – a 1.8% increase in fees for Hot Work Permits and Safe Operating Licenses, to reflect inflation-related cost increases.

Section 7(a) and 7(b) – for ships with gross tonnage (GT) greater than 18,000 tonnes, a 1.8% increase in pilotage and shipping fees, to reflect inflation-related cost increases. For vessels under 18,000 GT, the fees have been assessed as correct and no increase is proposed.

Section 7(c) – a new Navigation and Safety Services Fee of \$1.00/GT for ships over 45 metres that enter the Poor Knights Area To Be Avoided (with an exemption from Marine Protection Rule 190.3). Maritime New Zealand is now approving exemptions to the rule to allow vessels to visit this area, so the proposed fee would contribute towards safety services that the council provides (for example, buoys, beacons, approval of passage plans and harbour safety advice).

Section 9 – a 1.8% increase in fees for the Application For Reserved Area For special Event (clause 3.13 of the Navigation Safety Bylaw 2012), to reflect inflation-related cost increases.

For more information about proposed amendments, see the 'Proposed amendments to the Navigation, Water Transport and Maritime Safety bylaw charges 2012' section of the full Draft Annual Plan.

No extra funding for public requests

In line with our strategy for keeping expenditure to a minimum during these tough economic times, we are not proposing to allocate funds towards any new public requests for funding in the coming year.

Our activities

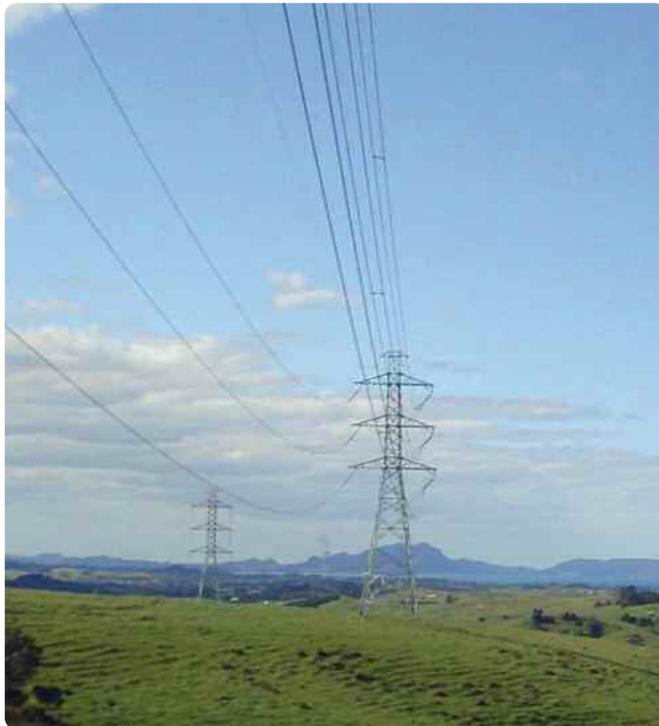
Over the coming year we aim to continue with the activities set out in our Long Term Plan 2012-2022. This section provides a snapshot of those activities.

Resource management

This area of work includes resource management planning, consents and monitoring, biosecurity, land management and biodiversity. Two of our key projects in this area are:

- Waiora Northland Water – a broad programme for improving freshwater quality, quantity and management in the region; and
- New Regional Policy Statement – working through the final stages of its development (decisions, and appeals) and beginning its implementation.

For more information, see the Resource Management activities section in the Draft Annual Plan.



Economic development

This area of work includes economic development and the rating for the rescue helicopter, the Northland Events Centre and the Marsden Point Rail Link Joint Venture. The council plans to continue directly supporting economic development by:

- Embedding economic well-being into the key planning documents of the council;
- Implementing internal improvement processes to build a business friendly environment that encourages business and employment opportunities;
- Collating and producing a quarterly “State of the Economy” report tracking regional economic performance and trends; and
- Investing in economic development projects that are eligible for funding from the Investment and Growth Reserve.

For more information, see the Economic Development activities section in the Draft Annual Plan.

River management

This area of work covers flood protection and control works, with a specific focus on the 27 priority rivers that have been identified around Northland. Key work planned for the coming year includes:

- Construction of a detention dam in Whāngārei;
- Preparations for stage 2 of the Kaeo flood scheme works, currently scheduled for 2015/16;
- Ongoing maintenance for the Kaihū River channel;
- Detailed scoping for proposed flood protection works in the Kerikeri-Waipapa Rivers and Awanui River; and
- Minor works on several rivers around Northland.

For more information, see the River Management activities section in the Draft Annual Plan.



Transport

Our key projects in the transport areas are:

- Regional transport management – strategic planning for the future transport needs of the region and active involvement in regional road safety issues;
- Passenger transport administration – administering urban bus services in Whāngārei and Kaitiāia and investigating their viability in other areas, and administering the Total Mobility Scheme; and
- Harbour safety and navigation – promoting the safety of people and vessels using the harbours and coastal areas of Northland, providing and maintaining navigational aids, and undertaking education and enforcement activities.

For more information, see the Transport activities section in the Draft Annual Plan.



Hazard management

This area of our work includes civil defence emergency management, natural hazard management and oil pollution response. Our key projects include:

- Implementing, monitoring and reporting on the Civil Defence Emergency Management Group Plan for Northland;
- Reviewing the Civil Defence Emergency Management Group Plan for Northland in preparation for the next plan; and
- Preparing and adopting a new plan in 2014, in accordance with the Civil Defence Emergency Management Act.

For more information, see the Hazard Management activities section in the Draft Annual Plan.

Community representation and engagement

During 2013/14 there is potential for local government reorganisation in Northland.

We believe any change needs to be community driven, and in 2013 we will start talking with individuals and communities of interest throughout the region.

This is a key project for council over the coming year– we plan to hear the community's views on local government reorganisation so we can advocate on their behalf in our own proposals or in response to reorganisation proposals others may put forward.

For more information, see the Community Representation and Engagement section in the Draft Annual Plan.



Have your say

Consultation on the Draft Annual Plan is open for one month, from 19 January to 21 February 2013. This is your chance to have your say on the council's budget and activities for 2013/14, so get involved and tell us what you think.

During that month, council staff will be available to talk you and interested community groups and stakeholders about the proposals in this plan. To arrange a meeting please call us on 09 470 1200 or 0800 002 004 or email us at mailroom@nrc.govt.nz

After consultation closes you will have the opportunity to present your views in person at the council hearings (we will notify submitters of dates and times). The councillors will have read your submission, so this is a chance to highlight your key points and provide any clarification required by the councillors. Your submission will be printed and made publicly available to anyone interested in reading them.

How to make a submission

You can:

- Fill in a form online at www.nrc.govt.nz/haveyoursay
- Email us at mailroom@nrc.govt.nz
- Write to us and post it to: Northland Regional Council, Annual Plan Submission, Freepost 139690, Private Bag 9021, Whāngārei 0148
- Fill in the submission form (opposite) and post or scan/email it to us
- Visit us at our regional offices or phone us (09 470 1200 or 0800 002 004) and we will record your submission for you.

Submissions close at 3.00pm on 21 February 2013

Submissions received after 3.00pm are considered "late submissions". Late submissions are considered at council's discretion.



What is a submission?

A submission is a letter, fax, email or any other form of written communication, which outlines your opinion on a particular matter in the Draft Annual Plan 2013/14. Please use the submission form (opposite).

In accordance with Section 83(k) Local Government Act 2002 and subject to the Local Government Official Information and Meetings Act 1987, all submissions on this plan or policies will be made available to the public.

Where to find more information

Full Draft Annual Plan

- On our website at www.nrc.govt.nz/haveyoursay
- At your local library
- At our regional offices in Whāngārei, Dargaville, Kaitiāia and Ōpua
- Phone us on 09 470 1200 or 0800 002 004 for a copy to be sent to you.

Long Term Plan 2012-2022

- On our website at www.nrc.govt.nz/ltp
- At your local library or a regional council office
- Phone us on 09 470 1200 or 0800 002 004 for a copy to be sent to you.

If you have any questions about the Draft Annual Plan and the submission process, please contact the regional council on 09 470 1200 or 0800 002 004.

Key consultation dates

19 January 2013	Public consultation begins
21 February 2013	Public consultation ends – submission period closes
27 February 2013	Letters advising hearing appointments sent out
11 March 2013	Submission hearing in Dargaville
12 March 2013	Submission hearing in Kaikohe
13 March 2013	Submission hearing in Whāngārei
26 March 2013	Council meeting to make decisions
16 April 2013	Council meeting to adopt final Annual Plan and set rates for 2013/14.

submission form

Draft Annual Plan 2013/14

Submitter details (please print clearly)

First name:	Surname:	Mr	Mrs	Ms
Organisation (if applicable):				
Postal address:				
Email address:		Post code:		
Business hours telephone:		After hours telephone:		

Please write your comments in the space provided and forward your submission to:

Draft Annual Plan 2013/14 Submission Northland Regional Council Freepost 139690 Private Bag 9021, Whāngārei Mail Centre Whāngārei 0148	Online: via www.nrc.govt.nz/haveyoursay Fax: 09 470 1202 e-mail: mailroom@nrc.govt.nz
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Submissions should reach the council by 3.00pm, Thursday 21 February 2013

Submissions received after 3.00pm are considered "late submissions" and are considered at council's discretion.

Would you like to attend a hearing in person to tell councillors more about your views?

Please tick Hearings will be held in Dargaville, Kaikohe and Whāngārei.

<input type="checkbox"/>	I DO NOT wish to appear in support of my submission				
<input type="checkbox"/>	I DO wish to appear in support of my submission (please indicate preferred venue – date)				
<input type="checkbox"/>	Dargaville – 11 March	<input type="checkbox"/>	Kaikohe – 12 March	<input type="checkbox"/>	Whāngārei – 13 March

Your submission to the Draft Annual Plan 2013/14

I support / oppose:

Because:

I support / oppose:

Because:

How did you find out about this consultation on the Draft Annual Plan 2013/14?

- Word of mouth Community Group Newspaper Email alert from us Twitter/Facebook
 Council website Radio advertising Letter from us

There is space on the next page for more comments – you can also attach more pages if necessary.

Signature: _____ Date: _____

Draft Annual Plan 2013/14 Submission Form

I support / oppose:

Because:

I support / oppose:

Because:

I support / oppose:

Because:

Attach extra pages if necessary.

Signature: _____ Date: _____

Submissions presented to council are considered public documents subject to the provisions of the Local Government Official Information and Meetings Act 1987.