

Our activities



Our activities

This section includes a full description of the council's activities/services (including expenditure/income budgets) for the next ten years, performance measures and targets, contribution to council objectives, asset information (where relevant), with comparative data from the previous year. It also includes information about the council's council-controlled organisations and its subsidiary, Northland Port Corporation.

For the purpose of this plan the council has arranged its business into six groups of activities, namely:

- Resource management
- River management
- Economic development
- Hazard management
- Transport
- Community representation and engagement.

The following sections of this Plan summarise the plans and programmes for each one of the council's groups of activities in detail for 2012/2013, in indicative terms for 2013/2014 and 2014/2015, and in general terms for the seven years after that. Information is presented to identify the activities within each of the groups and to identify the background rationale for delivery of the activities, including the council objectives to which each group of activities primarily contributes. The estimated levels of expenditure and how that expenditure is to be funded are also outlined; funding is consistent with the council's Revenue and Financing Policy.

Performance measures and targets by which performance may be judged in relation to the intended levels of service are included for each group of activities. These essentially outline the key aspects or outcomes, e.g. standards of environmental quality, which the council expects to achieve from each of its groups of activities. The measures and targets are not totally comprehensive, but those presented have been selected as key indicators, sufficient to allow performance to be meaningfully assessed.

Change in groupings and performance measures

While reviewing its activities and setting its new direction for this Plan the council has taken the opportunity to also overhaul the measures for each group of activities – these are indicators used to determine whether the activities are being delivered as intended and giving ratepayers value for their rates. One of the purposes of developing the Long Term Plan is to define the levels of service delivered by each activity; define the costs in delivering the services/activities and show how we will measure if we are effectively delivering on them.

The previous Long Term Plan had 175 measures across 11 groups of activities. The 2012-22 Long Term Plan has 27 measures across 6 groups of activities. We have not dropped any of the activities but regrouped our activities to better reflect the interaction between them to reduce unnecessary duplication, and to make this Plan more concise. The former communications group of activities has largely been absorbed into the council's support services as communications resources are used by all the council activities. The cost associated with the environmental education activity is within the Community Representation and Engagement new group.

The new set of measures reflect the major levels of service for each group of activities. We identified the major aspects of our activities by:

- Assessing the major risks being managed in delivering the activity;
- The most valued aspect of the activity from residents' perspective (we looked at past submissions; complaints; what the public knows about the activity – the end output or outcome);
- Our legal responsibilities; and
- What could be practically measured for ongoing comparisons.

Resource management

This group of activities includes:

Resource management planning – developing and reviewing regional plans, policies and strategies that support efficient and effective management of Northland's natural and physical resources.

Consents – providing consents advice and processing resource consents.

Monitoring – monitoring and enforcing resource consent conditions, responding to complaints about alleged breaches of the Resource Management Act, and collecting data to assess the state of the environment and monitor effectiveness of plans.

Biosecurity – managing plant pests, animal pests and marine pests (including control and/or eradication) to minimise their adverse effects on the region's biodiversity, primary production, economy and environment.

Land and biodiversity – promoting sustainable land management practices and maintaining the variety of Northland's indigenous life forms.

About Resource management

Northland's resources include our people, our economy, our environment, our infrastructure, and our culture. Our natural and physical resources play a significant part in our economic prosperity, in our health, in our environmental values, and our cultural identity. People depend on a healthy environment and the benefits it provides for their well-being and long-term economic success. For example, our access to resources, such as water, has been fundamental for our development and identity as a region.

Regional councils have the responsibility of managing the region's natural and physical resources for community use and enjoyment today and into the future. Council's aim is to ensure our resources are well governed and managed to meet the needs of Northlanders and Northland. The council ensures that as a region we strike the right balance between the competing values and interests of people in those resources - in their use, development and protection. Within this group of activities council has an active role in managing, working with, and assisting others to manage Northland's resources

wisely; from advice, to managing pest plants and animals, assisting with farm plans and riparian planting, through to issuing consents to undertake activities, monitoring compliance with those consents and taking action to fix issues when required. Our strategy, policy and planning role focuses on how we can enable development and economic and social improvements, and also safeguard the environmental bottom lines, Northland's special places and the things we value.

Managing Northland's natural and physical resources is a complex task. The regional council is not the only body interested in resource management. Individuals, groups, communities, tangata whenua, the district councils, our neighbouring council, Auckland Council, and multiple agencies, are all involved and all wish to see their interests and goals achieved. It is no wonder that there are many different views on how resource management should occur and what should be a priority where competing interest and values arise. We also know we cannot achieve our resource management goals alone. If we can coordinate and integrate our efforts with others, and between the resources themselves, then our ability to manage those resources wisely is greatly enhanced. Council therefore develops and maintains a range of relationships and networks to set and achieve goals. We are working more closely with Māori to develop a better relationship and understanding which will improve resource management in and for Northland.

Effective resource management in Northland therefore involves setting goals and then striving to achieve them through a mixture of advocacy, education, encouragement, regulation, economic assistance, enforcement and other forms of intervention. It depends on working with others, taking a long term view and recognising and considering the social, economic, environmental and cultural effects of our decisions. The council, through its committee structure, is leading the process of identifying the significant resource management issues for Northland, setting new goals and getting the right policies and tools in place to achieve them. As we do with our other plans, council will monitor and critically evaluate how well we have done to meet the goals set in the new Regional Policy Statement for Northland and will gather the evidence and give advice to

council and others on what needs to be done where progress has not been as anticipated.

Resource management planning

The council has developed and maintains (through reviews and plan changes) a number of regional planning documents to address Northland's resource management issues, implement central government requirements and comply with legal requirements. They are the Regional Policy Statement, which promotes the sustainable management of natural and physical resources by providing an overview of the significant resource management issues of the region and setting the goals, and policies and tools to manage them, and Regional Coastal Plan, as well as the Regional Water and Soil Plan and a Regional Air Quality Plan, which each address specific resource management concerns).

Our regional planning documents are therefore intended to enable activities that have minor adverse effects to be carried out with minimal controls, cost effectively, while providing greater guidance and direction (including the requirement to get a resource consent) for activities that could produce a greater negative environmental, social, cultural or economic effect.

We are developing a new Regional Policy Statement for Northland. It is council's intention that it should:

- Focus on Northland's significant resource management issues;
- Better balance economic and environmental needs, values and aspirations in its management approaches;
- Put people at its centre;
- Enable working in partnership with others – individuals, land owners, the community, tangata whenua;
- Be affordable and be effective;
- Capable of adapting to changing circumstances; and
- Encourage innovation.

Northland's regional and district plans must implement the new Regional Policy Statement when it takes effect – which will be in the first half of the lifetime of this Long Term Plan. The new Regional Policy Statement will therefore be a key regional framework for achieving the environmental, social, cultural and economic well-

being of Northland and its people. (For more information see page 91.)

Key to the development and implementation of these planning documents is tangata whenua and community, stakeholder and district council participation and engagement, which relies on strong relationships and a willingness to explore new opportunities and ways of managing Northland's resources.

Council also scans the horizon, gathers information from a variety of sources, including other councils, and analyses trends and events that may affect the council's ability to plan for the wise management of resources on behalf of Northlanders and the effectiveness of Northland's regional plans and policy statement. We prepare and review strategies, policy, legislation, regulations, and guidelines in co-operation with internal and external groups and working parties and make submissions, comment and respond to other organisations' resource management documents and policy initiatives and provide input into district council planning and consent processing. We meet with others face to face and appear in support of our submissions at hearings where this is in the interests of residents.

We support a precautionary approach to genetic engineering, including a precautionary approach being taken by the Environmental Protection Authority and provide a contingency fund for expert assessment of applications for outdoor trials or use of genetically modified organisms in Northland as notified by the Authority (\$10,000). We also participate in the Northland inter-council working group on the management of genetically modified organisms in Northland.

We do all this with the aim of improving decision making, promoting regional interests and policies, and to achieve the integrated management of resources. This is important in ensuring that the regional community is represented in other processes that have a potential impact on the current and/or future well-being of Northland.

Consents

The council processes resource consent applications in a way that results in sustainable resource management as determined by regional plans and the Resource Management Act. Applications are assessed against the policies, objectives, rules and standards set in the regional

plans and requirements of the Act to determine the extent to which others are potentially affected by the proposal and should be involved with its consideration. The council aims to be efficient in processing resource consents as it recognises that timeframes are important for developers and residents wishing to undertake a project or develop their business. The council issued 1284 resource consents last year and maintained an excellent performance record, processing 98% of consent applications within the statutory timeframes.

The resource consents fall into the following categories:

- Discharge of contaminants to land, air and water;
- Land use activities including riparian management areas;
- Coastal structures and other activities in the foreshore and seabed;
- Water takes both surface, geothermal and groundwater;
- Dams;
- Bore construction;
- Diversion of water.

We are committed to ensuring our processes and procedures create a business friendly environment and will review them regularly for opportunities for improvement. We will work with the business community to identify critical consent process improvements required within the council and how best to implement them. Where these opportunities require changes to our planning documents these will occur where possible with other plan changes, in a timely and cost effective manner. This complements the work council does feeding lessons learnt in the consenting process through to its strategy, planning and policy work.

Alongside providing advice on resource consents to potential applicants, council provides advice and responds to enquiries from others on consents and plan requirements to enable the community to better understand the implications of the legislation and to participate more effectively in consent processes.

Monitoring

Monitoring is critical to ensuring Northland's resources are managed sustainably. Resource managers need to know and understand the current state, trends and pressures on our resources to be effective. They need to know if

the issues, goals, policies and plans they have are suitable and whether their implementation is effective. It provides information to show how we are performing in relation to our environmental targets this also allows us to determine how effective our plans are in achieving the stated targets.

Council reports to the public regularly on the state of Northland's resources through our State of the Environment reporting programme, which covers Northland's people, environment, economy, infrastructure, heritage and is comprehensively updated every five years with annual reports in the intervening years. (This can be accessed at <http://www.nrc.govt.nz/Resource-Library-Summary/Environmental-Monitoring/State-of-the-Environment-Monitoring/>) Monitoring results are presented in report cards, technical reports and through real-time or up-to-date data on our website. Council gathers the information to report using a range of monitoring networks (river, lake, groundwater, bathing site, coastal, air, biological and habitat, and rainfall) and programmes, from others including government and local authorities, in partnership with others for example from industry and research institutes, and through specific council investigations and research into particular resources and issues, such as groundwater and sediment.

Monitoring provides us with much of the evidence for the resource management issues council prioritises and funds through this plan and the management tools we use. Council uses this information to assess where it or others could effectively intervene, generating options such as education, advocacy, economic assistance, through partnerships (with for example, iwi or hapu, industry, or other public bodies), using the Regional Policy Statement and/or our Regional Plans, which it can then test with others.

The monitoring information is therefore critical to all our resource management work. It shows if we are on track, it highlights the gaps in our knowledge and shapes what we need to do, or learn more about, for the future. Without it our strategic resource management planning and actions would not be defensible. The information is also useful to others, including government, the district councils, researchers, businesses looking to locate or expand here, organisations and interest groups.

The council also uses a range of methods to promote, and if necessary, enforce good resource management practice and compliance with resource consents, regional plan rules and other statutory environmental standards. These methods include advice, education, workshops, warnings, abatement notices, infringement notices and prosecutions. In 2010-11 the council monitored over 4000 resource consents, taking formal enforcement action on over 400 with five leading to prosecutions. The council's vision is for all consent holders to be compliant with their consent conditions and we will continue to work with consent holders to enable this to occur.

Council's monitoring department is also responsible for responding to the council's 24 hour, 7 day Environmental Hotline. The environmental hotline handled 1057 calls last year compared to 979 the previous year. The highest categories of incidents related to air pollution, burning or smoke- nuisance. The majority of the reported incidents did not require follow-up being the result of natural events or were allowed under legislation and regional plan rules. Last year 12% were referred to other agencies for action and 7% had enforcement action taken by the regional council. As proposed in our draft Long Term Plan 2012-2022, the council will reduce our level of response to the Environmental Hotline – further details are described below.

Waste management and contaminated sites

For contaminated sites council carries out incident response, and has a role in investigating and documenting its findings. In particular it:

- Maintains a database of potentially contaminated sites;
- Promotes the assessment and remediation of significantly contaminated sites; and
- Promotes the availability of contaminated sites information through the LIM and PIM systems by providing information to the district councils on potentially contaminated sites, related site assessments and remediation.

Land and biodiversity

Promoting the use of sustainable land management practices is an important council activity. Sustainable land management helps to buffer the whole regional economy against climatic events, such as floods and droughts, and product-price fluctuations, whilst assisting to

maintain and enhance the environment of the Northland region. Sustainable land management practices minimise the offsite effects of primary production, helping to protect water quality, coastal environments, soil health and also to maintain and enhance biodiversity.

Our goals in this area are to increase the amount of erosion control work completed in the priority areas, reduce sedimentation, maintain productivity and contribute to improved water quality. The council is concentrating on the following interrelated priorities:

- Water quality - nutrient/sediment management, the Soil Conservation and Sediment/Erosion Control programme, the Dairying and Clean Stream Accord and regional implementation plan, and using natural processes and techniques such as wetlands and planting along the river margins and banks to enhance water quality.
- Biodiversity - wetland (Top Wetland project) and lake enhancement along with better ways of monitoring whether our activities are achieving the goals we seek (as opposed to monitoring the amount of activity we do).
- Soil conservation - conservation, erosion prevention and control and the tree planting of non-productive or at risk land including investigating carbon farming options.
- For coastal environments - management of vehicles on beaches; the CoastCare programme and the protection and enhancement of coastal dunes for erosion control; estuary and land-interface management.

To achieve its goals council works with primary sector interest groups, community groups and land owners to optimise the promotion of sustainable land management activities and our land and biodiversity advisors often have an educational role and act as change agents with individuals and within the wider community. The council's Environment Fund is used as an economic incentive for the implementation of sustainable land management practices, by providing funding assistance to landowners for implementing works that result in sustainable land management outcomes. The fund is targeted to supporting activities within the priority resource areas.

In this plan, we have also increased core funding for soil conservation, biodiversity and water quality initiatives, such as farm plans, to achieve Northland's resource management goals. Council has recognised that alongside a stronger regulatory approach to water management, which will be driven by our NPS Freshwater implementation programme, there is a need to provide an additional \$200,000 of funding for the delivery of land management initiatives that aim to support pastoral farmers to protect and improve water quality to complement the work advanced by the Environment Fund. This funding will come from the Land Management Rate. Council will review the suite of management tools it uses regularly, and our first task is to prepare a business case for the use of the additional funding and the Environment Fund to achieve our objectives.

Biosecurity

Harmful pests threaten our forests, waterways and marine life, putting our health, culture and regional economy at risk. The council works with other agencies and communities to control pests, remove others and identify new pests before they can have an impact. The method of pest control depends on the severity of the problem. Some pests are so well established they are unable to be eradicated; however, where the infestation is caught early we can aim to remove the pest altogether or keep it isolated to certain areas. The council works with landowners to target regional pest plants and animals and helps the rural economy by controlling introductions of wild animals which could introduce diseases like bovine tuberculosis.

Pest management includes the development, review and implementation of management strategies aimed at reducing or preventing the unwanted damage of pests and ensuring Northlanders are informed and active in pest management. To achieve this, council:

- Undertakes control or eradication of certain species;
- Undertakes surveys of pest populations;
- Prepares plans for pest control ;
- Liaises and collaborates with other pest management agencies such as the Department of Conservation, the Ministry of Agriculture and Forestry, Biosecurity New Zealand and research organisations such as Landcare research, NIWA and universities;

- Educates and works with community groups to encourage participation in pest control programmes in their local areas; and
- Develops smarter, more cost effective control tools such as biological control agents, in collaboration with other agencies and research agencies.

In this plan we have increased the funding to biosecurity to accelerate our efforts (see below.) The council's Environment Fund provides a funding stream to assist landowners protecting high value private forest from pest animals (possum, rats, mustelids and cats). We now have 36 Community Pest Control Areas established where neighbours and communities have banded together to control pests within a particular site. These represent more than 800 owners and cover 32,675 hectares of private land involving individuals, community trusts and Māori shareholder land. The scheme requires a signed management agreement between the council and landowners in which the council agrees to the initial knock-down of pests and subsidises a share of the maintenance costs over five years. After the first year the landowners/communities accept an increasing share of the control costs so that by year six the community is maintaining the project using its own resources.

Both funding streams are incentives to get the community and private landowners involved in pest management as council resources alone cannot battle the problem in a sustainable manner.

Why we provide Resource management

In summary, Northland's resources are the building blocks for the well-being of Northland and Northlanders. Northland's economy is largely based on primary industry, with well over half the region's land devoted to farming, along with extensive exotic forestry and horticultural land uses. Our natural and physical resources are a large part of who we are and what makes Northland special and their wise management generates opportunities for Northlanders.

The regional planning documents and the processes used to develop them provide the basis for the long term management of the region's natural and physical resources to achieve the

maximum benefits possible, minimise conflict and allocate resources efficiently while ensuring environmental bottom lines, and the needs and values of Northlanders are met.

A regional approach is necessary to ensure that Northland's significant resource management issues are tackled in an integrated, coordinated, comprehensive, cost effective and forward looking manner. The council's consenting, monitoring, biosecurity, and land and biodiversity functions deliver the plans and measure our progress against the intended results.

The council has statutory responsibilities to deliver these functions under the Resource Management Act 1991, the Soil Conservation and Rivers Control Act 1941; the Biosecurity Act 1993, the Hazardous Substances and New Organism Act 1996, national policy statements and national environmental standards.

How Resource management contributes to the council objectives

Our resource management activity contributes to the following council objectives:

- Maintain and improve the quality of Northland's overall environment.
- Encourage the sustainable access and use of our environment in ways that will progress our collective quality of living.
- Build a business friendly environment that encourages business and employment opportunities.
- Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment in order to encourage our collective pride in Northland.

The development of the new Regional Policy Statement, implementing national policy, such as the Freshwater National Policy Statement (and for example delivering its objectives around maintaining and improving the region's water quality) and the New Zealand Coastal Policy Statement our consenting, monitoring and reporting, our land and biodiversity and our biosecurity work all contribute to the quality of our environment and our understanding of it.

We are working with Northland's district councils on identifying and managing Northland's special places, mapping its high and outstanding natural character areas (in the coastal environment) and its outstanding natural landscapes and features.

We are committed to ensuring our processes and procedures create a business friendly environment and will review them regularly for opportunities for improvement. We will work with the business community to identify critical consent process improvements required within the council and how best to implement them within the legislative framework we must work within. Where these opportunities require changes to our planning documents these will occur where possible with other plan changes, in a timely and cost effective manner, making the most of planned consultation with our communities. This complements the work council does feeding lessons learnt in the consenting process through to its strategy, planning and policy work.

Through the development of our regional plans we engage with a wide sector of the community which raises the awareness of Northland's unique features and heritage. The biosecurity, monitoring and land and biodiversity departments are active across Northland with communities at promoting sustainable land management practices; pest control practices and an appreciation of Northland's environment.

There are no significant negative effects on well-being from the Resource management activity at the regional level, although the effects on individuals may be significant to them. Effects on community well-being are assessed during the development and reviews of the council's major planning documents, and for individual resource consent applications. The overall objective of this activity is to achieve the sustainable management of the region's natural and physical resources which means striking the right balance between the use, development, and protection of resources for the benefit of current generations and future generations. There are costs and benefits in attempting to do this and they are explicitly factored into the goals and the management approaches chosen.

Key outcomes of consultation

National Policy Statement for Freshwater Management Implementation Programme

Council consulted on three options for its staged programme approach to implementing the National Policy Statement for Freshwater Management (NPS Freshwater) as part of the draft long term plan consultation. There was overwhelming support for council to take a prioritised approach to implementing the NPS Freshwater and for it to move at pace. On 23 May 2012 the council resolved to adopt "Option A – prioritised catchments (medium paced)" with interim limits as its implementation programme.

The programme can be found on our website but in summary it addresses catchment issues on a priority basis, instead of all at once. Catchments are prioritised on the basis of known issues, with objectives, limits and flows set for the most urgent first. Council considers this approach limits the risk of further over-allocation and uncertainty for water users in the most vulnerable catchments and enables adequate time to gather data and consult with those that value and use the water bodies. It also provides the flexibility to speed up the programme as knowledge improves, to adapt to emerging guidance and information, and for the council to learn from our own experience and the experience of others.

While the catchment is usually regarded as the appropriate management unit for understanding and managing biophysical processes within relevant social, cultural and economic contexts, council will use sensible catchment/sub catchment/water body groupings where they exist (i.e. catchments/water bodies with no/limited issues and pressures could be managed as a group).

Each water body/catchment will be prioritised based on an assessment of its:

- Ecological values;
- Direct and indirect use values (e.g. water takes, swimming);
- Cultural and spiritual significance;
- Influence on coastal water quality;
- Interaction with other water bodies (e.g. groundwater);
- Level of existing allocation (quantity) and water quality; and

- Future pressures (e.g. population growth, climate change, and land use intensification).

Initial priority one water bodies/catchments prior to reviews being completed:

- The outstanding water bodies (Kai Iwi Lakes (Taharoa, Waikere and Kaiwi) and Waipoua River); the Mangere River (part of the greater Wairoa Catchment that drains to the Kaipara Harbour); Waitangi and Upper Whāngārei Harbour catchments (Hātea, Otaika, Raumanga, Waiorohia).



Hatea River at Mair Park

Outstanding water bodies

The criteria to identify outstanding water bodies is that the water bodies:

- Have catchments which are dominated by indigenous vegetation and which are largely unmodified natural ecosystems or ecological sequences from headwaters to lowlands; or
- Are recognised by any judicial authority or which subject to agreement by the council in consultation with an iwi authority are recognised to be a taonga requiring flow preservation in a natural or near natural state; or
- Are an essential part of an outstanding natural feature or landscape, and where changing the water level or flows would adversely affect those values.

The initial list of outstanding water bodies, which clearly meet the criteria are:

- Kai Iwi Lakes (Taharoa, Waikere and Kaiwi)
- Waipoua River

Council's collaborative governance entity for the programme is the Environmental Management Committee, with members from a wide variety of sectors and interests represented on it.

- Collaboration with other committees, such as the Regional Policy Committee, and other entities and stakeholders already responsible for, or impacting upon, freshwater management will occur. For example, the Intergrated Kaipara Harbour Management Group, or through projects such as the Whāngārei Harbour Improvement Strategy, Coastcare programmes, land care and industry groups.
- Sub-committees and working parties may be established for specific catchments, water bodies or specific purposes as appropriate, predominantly where existing groups and locally driven collaborative process do not exist, and issues are not generic to the region or a group of catchments.

Collaborative processes will develop over the course of the programme's implementation in light of experience, national guidance, and Treaty Settlements.

Land management water quality initiatives

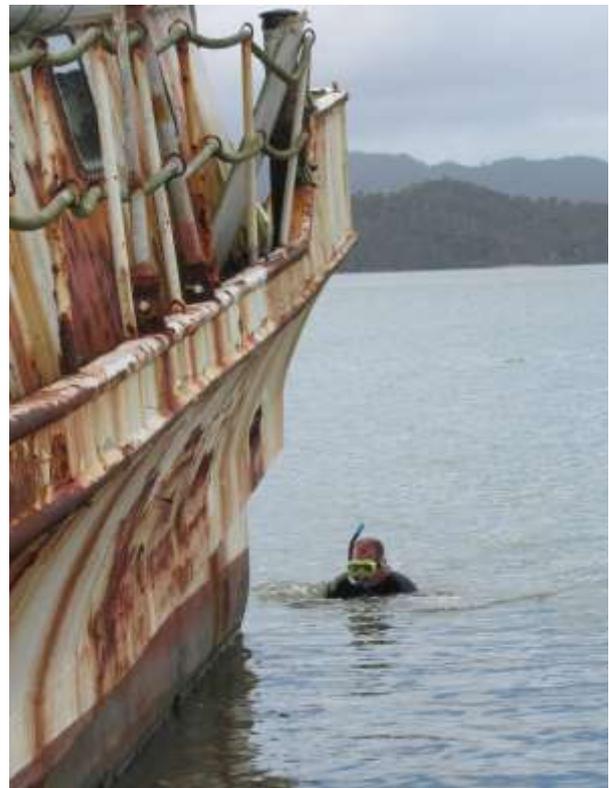
As part of this Plan council has included the extra resources needed to implement the adopted programme, including an additional \$200,000 of funding for the delivery of land management initiatives that aim to support pastoral farmers to protect and improve water quality to complement the work advanced by the Environment Fund. During the first year of this plan priority areas for council work, including how we will work with landowners and groups to achieve the aims of the NPS Freshwater, will be established and approved by council. Council has also reprioritised some of its Water and Soil Plan changes and diverted the resources associated with this work to the establishment of interim limits during the first three years of this plan.

Reduced services for monitoring activity

Council consulted on reducing bathing sites monitoring from 85 sites to 55 sites, ceasing its chemical collection service and reducing responses (by 30 per cent) to the Environmental Hotline. Council decided to change the monitoring activity levels of service as proposed. As a result of submissions council officers will submit a proposed response plan for the Environmental Hotline to the Environmental Management Committee for approval before the changes to the Hotline service occur.

Increased resourcing for biosecurity

There was overwhelming (ninety five per cent) support for the additional funding for biosecurity, with many submitters highlighting the serious weed issues that Northland faces. There were also submissions in support of targeting some of this funding to marine pest management. The council has therefore included an additional \$100,000 funding for each year of this plan for biosecurity and is directing 25% of the additional funds to target marine pests and 75% to increasing the scale and diversity of projects currently undertaken in weed control. Council will use its Regional Pest Management Strategies to prioritise specific action, including the species to be targeted and the locations.



Marine biosecurity survey

Projects

New Regional Policy Statement

We are developing a new Regional Policy Statement for Northland. This is important because:

- The new Regional Policy Statement provides an overview of the region's significant resource management issues and sets out how they will be managed. It will focus the efforts of council, and others, in resource management.
- Regional and District Plans must "give effect" to its management approaches. (Ensuring we all have common objectives and consistent policies for managing Northland's resources and that they are managed in an integrated way.)
- Resource consent decisions across Northland must have regard to the Regional Policy Statement - so it could directly affect what you want to do or protect in the future in Northland.

Council started this process in 2010 because reviews of Northland's current Regional Policy Statement showed us that a lot had changed since the 1990s, when we started developing the current one. For example:

- The law has changed. The direction of any new Regional Policy Statement will now have greater influence on regional and district plans and we are required to integrate infrastructure with land use.
- There is increased regional emphasis on the economic and social well-being of people in Northland.
- New or more significant challenges, such as climate change, water and integrated infrastructure, are required to be addressed as a matter of priority.
- Co-governance and shared management with Māori has evolved.
- We have a much better understanding of the pressures on our environment, how our economy works, patterns of development, and how the natural and social systems inter-relate.
- We also saw some shortcomings in the scope of issues identified in the current Regional Policy Statement, the options we chose and the resources we had available to do the job. As a result, we decided that we need to write a new Regional Policy Statement.

Early work developing the new Regional Policy Statement has identified the regionally significant issues for tangata whenua. Key resource issues identified so far include:

- Water (both its quality and availability);
- Ecosystems (communities of plants and animals that live and interact in the same area);
- The best use of resources for Northland's economic well-being;
- Our built environment and infrastructure;
- Natural hazards and their risks;
- Northland's outstanding features, landscapes, natural character and historic heritage.

Currently the council is preparing a new Regional Policy Statement for formal statutory consultation during the latter half of 2012. The council is committed to a collaborative process that inspires fresh thinking about options to manage our resource and development activities. Things will change and improve as we further develop the new Regional Policy Statement and programmes to implement it, which will occur over the first half of this plan.

National policy direction – national policy statements and environmental standards

NPS Freshwater Implementation Programme (described above) - on 23 May 2012 the council resolved to adopt "Option A – prioritised catchments (medium paced)" with interim limits as its implementation programme. This is a significant programme of work and will be a priority work programme for the council.

Alongside our work delivering the NPS Freshwater we will also review and make changes to the relevant regional plans and the Regional Policy Statement to give effect to other national policy statements and environmental standards such as the New Zealand Coastal Policy Statement.

Soil conservation and sediment-erosion control

Over the next three years the council intends to further support and promote soil conservation and sediment-erosion control initiatives through a programme of works that involves collaboration with landowners and industry. We propose to target clusters of erosion prone land within catchments and collaborate with land owners in the implementation of soil conservation resources in priority areas. The objectives of this approach

are to increase the amount of erosion control work completed in the priority areas, reduce sedimentation, maintain productivity and contribute to improved water quality.



Soil erosion event, Purua, 30 January 2011

Top Wetlands Strategy

The council will progress with phases two and three of the Top Wetlands Strategy project, which aims to work with interested landowners to maintain and enhance their wetlands on a priority basis. Phase one identified 355 of Northland's best wetlands ranking them into groups of the best wetlands by region, ecological district and wetland type. From this list, the owners of the 153 best wetlands will be contacted, explaining the intentions of the project and providing information specific to their wetland.

Phase Two of the project is to develop generic care standards for the different wetland types which can be used as a template when developing individual wetland restoration plans. These standards will be described in a Wetlands Strategy for Northland. The Strategy will set out time bound objectives and options for wetland care, recovery and monitoring and will link in with council plans as well as national priorities. Phase Three of the project involves implementation and monitoring. The council intends to work with landowners of Top Wetlands to address the needs of their wetland by offering advice, encouragement and funding support for works that will protect or enhance their wetland.

Marine protected areas

The council is working with others on the potential to establish (or similar) a marine protected area for Northland's east coast. Preliminary investigations acknowledge the potential value of a (national) marine park or something similar could offer the region, and the importance of

protecting and promoting iconic sites and activities in the proposed park area. The marine park proposal is also in keeping with the council's desire to manage the region's natural resources for community benefit and realise economic benefit. This proposal is not purely about protection, but includes the potential for economic as well as social activities to occur. There is also an opportunity for iwi engagement and collaboration.

A budget of \$25,000 has been provided for each of the first three years to progress business case investigations for the east coast proposal and other opportunities to improve the management of the marine environment. The council has also written to central government to support the government's Marine Protected Areas policy implementation in Northland.

Lakes Strategy

Council is developing and will implement a regional strategy for the management of Northland's unique lakes based on a broader range and depth of research than has previously been undertaken. This work will combine management of water quality, biodiversity values and biosecurity of Northland lakes and land use in their catchments, both surface and groundwater.



Lake Owhareiti

Northland has over 400 freshwater lakes, many of which are coastal dune lakes. Other lake types include volcanic lakes, those created by lava flows damming streams and a small number of man-made lakes. Dune lakes, the most common lake type in Northland only occur in five places in the world. Northland has the highest number of dune lakes both nationally and internationally, including a full range of lake types, but understanding about the functioning and value of these lakes is currently limited.

The final lake management strategy will include an assessment of the environmental, economic, social and cultural values and the threats to those values. This will enable the strategy and subsequent management actions to contribute to council objectives and other policies and plans such as the Regional Water and Soil Plan, Regional Policy Statement and National Policy Statement for Freshwater Management. All aspects of the development of the strategy will be undertaken in collaboration between council, research providers, the Department of Conservation, district councils and Māori.

Internal business improvement

Council is at the forefront of some of the most challenging issues for Northland. The decisions it makes directly influence Northland's well-being and have far-reaching economic, environmental, social and cultural implications, not just today but for generations to come. Over the lifetime of this plan, council will continually review its policy and planning processes to ensure that decision making is based on good advice, which is informed by a range of stakeholders and interests, skills and expertise, mindful of the contexts in which we and Northland operates, with relevant criteria for judging options. We know that to get the good advice we need the right processes, systems, frameworks and culture and that this is an ongoing process of improvement and refinement. These internal improvements and projects are therefore cross-organisational.

We want to develop monitoring and targets that lead to better outcomes, that are more indicative of Northland's well-being, and which can be attributed to our actions and the actions of those around us. We will investigate and develop a suite of sustainability measures – measuring what truly matters to Northlanders. This will go wider than gross domestic product and the environmental monitoring results reflected in this plan and will take into account cultural, social and environmental costs and benefits as well as the benefits of a growing economy.

The way we implement our decisions is also important. We will work with the business community to identify critical consent process improvements required within the council and how best to carry them out. We will continue to work with our partners on the ground, the individuals and their representative organisations, to share knowledge, develop management

approaches and to improve resource management performance in Northland.

How we measure our performance

The council has a specific committee, the Regional Policy and Development Committee, to oversee the development of the new draft Regional Policy Statement. The committee includes members from the three district councils in the region.

The council's Environment Management Committee receives regular project updates on the activities within the monitoring, biosecurity and land and biodiversity activities and oversees the development and review of the Regional Pest Management Strategy. It will also be the governance entity for the NPS Freshwater Implementation Programme.

Every five years the council produces the State of the Environment Report for the region which collates information on the health of our region's natural and physical resources and helps us to review what is happening in our environment, why it is happening and what we are doing about it.

The council's Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the Resource management group of activities; these are also captured in the council's Annual Report.

Council will report annually, through its Annual Report, on the progress it has made in implementing the NPS Freshwater programme.

Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Level of service	Why it is important	Performance measure	Performance target	Baseline
Promote Māori participation in resource management and decision-making.	Strong, effective and inclusive engagement and decision making that reflects kaitiakitanga responsibilities is likely to achieve better resource management outcomes that meet community aspirations and values.	Management and governance arrangements for resource management include Māori.	Maintain or increase the number of contracts, joint management agreements, joint decision making and planning arrangements, monitoring programmes, between council and iwi/hapu.	2010/2011 Contracts - 2 Joint management agreements – 0 Joint decision making and planning arrangements – 0 Monitoring programmes – 2 (Biosecurity (CPCA) and Monitoring (Aurere Estuary)).
Reduce the impact of introduced pests on environmental, economic and social values.	Reducing pests will contribute positively to the region's economy, environment and culture.	The number of community pest control areas (CPCAs) achieving their targets for pest reduction.	90%	New measure
Promote community involvement in pest management.	Expanding the resources involved beyond council and government funds is necessary for successful pest management in Northland.	The number of active community pest control areas (CPCAs).	Increases by five annually.	2010/2011 - 36
Maintain and enhance water quality for swimming and shellfish collection.	The community expects that water quality at popular bathing sites and at food collection spots is at a safe level not to cause ill-health. Swimming and other water recreational pursuits are integral to Northland's culture and attraction to visitors/tourists.	The water in our priority harbours, rivers and at the coast is suitable for swimming except for 2-5 days after rain. Shellfish collection is safe in open coastal areas.	The compliance rates for meeting the Suitability for Recreation Grade (SFRG) is maintained or improved based on the 20 core bathing sites monitored for trends. Levels of indicator bacteria in open coastal waters at 15 popular shell fish collections sites is maintained or improved.	Refer below for the 20 core bathing sites results. New measure – the 2012/13 measurements will act as the baseline for future reporting.
Protect the life-supporting capacity of water, in-stream uses and values.	Having healthy rivers support our region's biodiversity and is a community expectation.	The water in our streams supports a healthy habitat for flora and fauna.	The macroinvertebrate community index (MCI) at 10 regionally representative sites show improving or maintained trends.	Refer below for the 10 representative river network sites with their associated median macroinvertebrate community index scores.
Maintaining and enhancing water quality in our rivers and coastal waters.	Consented activities should operate within their consents and not lower downstream water quality to ensure the integrity of the regional plans and overall environment.	The number of annual significant non-compliance events resulting in a reduction in water quality of receiving waters.	2013 Less than 100 2014 Less than 80 2015-22 Less than 60	2010/11 - 111

Level of service	Why it is important	Performance measure	Performance target	Baseline
Efficient and effective compliance monitoring of resource consents.	Non-consented farms should comply with the permitted activity criteria which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	The number of annual significant non-compliance events resulting in any unauthorised/prohibited discharge to water.	2013 Less than 40 2014 Less than 30 2015-22 Less than 20	2010/11 year – 60 2011/12 year – 45 Inspections for the 2011/12 year have already been completed.
Maintaining a high standard of ambient air quality.	The community expect that air quality will be maintained to acceptable levels.	Air sheds meet the national environmental standards.	100%	2010/11 year – 100%
Efficient and effective compliance monitoring of resource consents.	To ensure compliance with conditions which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	Those consents requiring monitoring are monitored as per the council's monitoring programme.	100%	2010/11 year – 90%
Efficient and effective compliance monitoring of resource consents.	The community expect that consent conditions will be met so that the environment is protected.	The appropriate action is taken to rectify significant non-compliances.	100%	2010/11 year – 75%
Efficient and effective response and resolution of reported environmental incidents.	To ensure timely and appropriate response to environmental incidents that has the potential to result in significant environmental effects.	Incidents reported to the Environmental Hotline, where more than minor environmental effects have been confirmed, are resolved within 30 working days.	70%	New measure. Baseline to be determined in the 2012/13 year.
Efficient and effective processing and administering of resource consents.	Keeping to timeframes is important to applicants in order to manage their own business and personal endeavours.	All resource consent applications are processed in a timely manner.	At least 98% of all applications are processed within the statutory timeframes with bore permits processed within 5 working days (shorter than statutory timeframe).	2010/11: 99.5% 2009/10: 98.8% 2008/09: 98.6% 2007/08: 98.1% 2006/07: 98.3% 2005/06: 98.4%

These measures were selected as the major aspects for Resource Management after considering the level of risk either posed by the council's activities or the risk that these activities are intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, the Environmental Hotline, presentations to council meetings); the government's policy direction and the council's objectives.

Bathing sites - Suitability for Recreation Grade (SFRG)

The Suitability for Recreation Grade (SFRG) is calculated by combining the Microbiological Assessment Category (MAC) – a review of the water quality data available for a site – and the Sanitary Inspection Category (SIC) – a review of potential and actual sources of contamination at a site.

Compliance rates for permanent bathing monitoring sites

Site Name	Site Number	% Compliance 2007-08	% Compliance 2009-10	% Compliance 2010-11
Opononi	106011	100	100	92
Taipa	105777	92	100	92
Paihia – Waitangi bridge	101183	92	100	75
Pahi – rocky groyne	102579	100	89	100
Tinopai – below shops	102310	100	100	100
Taurikura	101262	92	100	88
Matapouri – second bridge	100712	85	94	88
Church Bay	105448	100	100	94
Pacific Bay	108313	100	94	82
Pataua South – east of beach	104986	92	100	94
Onerahi – play ground	101600	100	94	88
Ruakaka – by motor camp	108314	100	94	88
Lang's beach – mid beach	108318	100	100	94
Teal Bay	101331	92	100	100
Waipu Cove	108316	100	94	94
Kerikeri – Stone Store	101530	77	72	67
Waipoua River	108613	85	83	92
Waipapa River – Puketi	103248	92	100	100
Lake Waro – Hikurangi	107272	100	100	82
Raumanga Stream	103246	54	100	82

River water quality – Macroinvertebrate Community Index (MCI)

Stream macroinvertebrates are an ideal indicator of stream health and are monitored annually at each river network site. The quantity and types of macroinvertebrates (e.g. mayflies, caddisflies, true flies, snails) present within a stream reflects the environment over their life cycle (of at least a year or more) as macroinvertebrates do not move great distances, and are more or less confined to the area of stream being sampled. The macroinvertebrate community of a stream lives with the stresses and changes that occur in the aquatic environment, whatever their cause, including those that are due to human activities (such as nutrient enrichment from diffuse and point-source discharges) as well as natural events such as floods and droughts.

The higher the macroinvertebrate community index (MCI) result the better the condition of the stream. A score of 120 or greater indicates 'clean water', scores between 100 and 119 indicate 'possible mild pollution', scores between 80 and 99 indicate 'probable moderate pollution', and scores lower than 80 are considered as having 'probable severe pollution'.

MCI median results for 10 representative river network sites

River network site	MCI median	Period
Waipoua at SH12	129.01	2004-2011
Victoria at Thompsons Bridge	116.08	1997-2011
Waiarohia at Whau Valley	101.37	1997-2011
Opouteke at suspension bridge	94.25	1997-2011
Punakitere at Taheke	99.26	2001-2011
Whakapara at cableway	94.06	1997-2011
Kaihū at gorge	87.49	2004-2011
Mangere at Knight Rd Bridge	80.40	1997-2011
Manganui at Mitaitai Rd	70.21	2001-2011
Waitangi at Watea	56.55	1997-2011

Assumptions specific to Resource Management

Future government policy in the form of **national policy statements and environmental standards** will not result in significant unforeseen cost implications. The council has not allowed for any additional expenses associated with implementing future government policy statements or standards. While the likelihood of further government direction is reasonable the government generally provides lead in time to allow financial planning and the scale of costs to regional councils are reasonably low; easily catered for in an Annual Plan budget process. The costs of implementing environmental standards are typically recovered through consent processes.

The current **transfer of functions** to/from other councils will continue for the term of the plan for:

- Building consent processing for dams (to Waikato Regional Council).
- Northland Regional Council processing land use consents for dams and structures adjoining the coastal marine area within the Far North district; and
- Far North District Council processing.
- Coastal permits for the sale of liquor within the coastal marine area of the Far North district.

- Discharge permits for on-site wastewater consents within the Far North district.
- Land use consents for minor structures adjoining the coastal marine area within the Far North district.

The budgets associated with the transfer of functions listed above reflect the historic costs associated with the transfer of functions; there are no increases or decreases associated with them. Should these contracts be terminated, then the council would be required to become a Building Consent Authority (estimated to cost \$50,000) or negotiate with another district council for these services. Additional staffing resources would be required to fulfil the consenting responsibilities if the council became a Building Control Authority; these would typically be recovered through consent processes.

Commitments to the **collaborative arrangements for the community pest control areas** will be met over the life of the plan and council will only establish up to five new arrangements annually. The expenditure for community pest control areas will remain within the annual budget of \$250,000. The first year contribution from the council for an additional community pest control area programme is estimated at less than \$10,000.

Northland remains **free of bovine tuberculosis** (TB) for the life of the plan. No allowance has been made in the plan for future Vector Control subsidies to the Animal Health Board for tuberculosis control.

Level of service change

No service levels were changed in the 2011-2012 financial year from the previous year or Long Term Plan. Minor levels of service have changed in the Monitoring activity from Year 1 of this plan (2012/2013) (described above). Additional funding of \$300,000 for biosecurity and land management activities has been introduced to accelerate the council's work in pest management and water quality improvements for Northland.

Funding impact statement for Resource Management

Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June	Annual Plan 2011 - 2012	Year 1 2012-2013	Year 2 2013-2014	Year 3 2014-2015	Year 4 2015-2016	Year 5 2016-2017
	\$	\$	\$	\$	\$	\$
Sources of Operating Funding						
General rates, uniform annual general charges, rates penalties	6,905,149	7,868,985	8,391,688	9,110,226	9,947,863	10,761,310
Targeted rates (other than a targeted water rates)	-	-	-	-	-	-
Subsidies and grants for operating purposes	85,000	119,400	85,000	85,000	85,000	85,000
Fees, charges and targeted rates for water supply	2,501,237	2,538,168	2,619,389	2,703,210	2,795,119	2,892,948
Internal charges and overheads recovered	45,000	131,921	135,015	139,379	143,384	147,166
Local authorities fuel tax, fines, infringement fees and other receipts	2,000	2,000	2,064	2,130	2,202	2,280
Total Operating Funding	9,538,386	10,660,474	11,233,156	12,039,945	12,973,568	13,888,704
Applications of Operating Funding						
Payments to staff and suppliers	9,118,222	10,366,735	10,240,563	10,416,825	10,951,656	11,349,111
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	3,272,728	3,625,277	3,713,854	3,876,299	3,960,387	4,102,652
Other operating funding applications	-	-	-	-	-	-
Total Applications of Operating Funding	12,390,950	13,992,012	13,954,417	14,293,123	14,912,043	15,451,763
Surplus / (Deficit) of Operating Funding	(2,852,564)	(3,331,539)	(2,721,260)	(2,253,179)	(1,938,475)	(1,563,059)
Sources of Capital Funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-
Applications of Capital Funding						
Capital expenditure	-	-	-	-	-	-
to meet additional demand	-	-	-	-	-	-
to improve levels of service	74,833	105,200	14,861	29,182	66,515	456
to replace existing assets	57,200	55,500	74,221	61,026	53,740	51,860
Increase / (decrease) in reserves	-	-	-	-	-	-
Increase / (decrease) of investments	(2,984,597)	(3,492,239)	(2,810,343)	(2,343,386)	(2,058,730)	(1,615,375)
Total Applications of Capital Funding	(2,852,564)	(3,331,539)	(2,721,260)	(2,253,179)	(1,938,475)	(1,563,059)
Surplus / (Deficit) of Capital Funding	2,852,564	3,331,539	2,721,260	2,253,179	1,938,475	1,563,059
Funding Balance	-	-	-	-	-	-

Year 6 2017- 2018 \$	Year 7 2018- 2019 \$	Year 8 2019- 2020 \$	Year 9 2020- 2021 \$	Year 10 2021- 2022 \$	Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June
					Sources of Operating Funding
11,550,892	12,357,452	13,076,694	13,983,967	14,669,726	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	Targeted rates (other than a targeted water rates)
85,000	85,000	85,000	85,000	85,000	Subsidies and grants for operating purposes
2,991,308	3,090,022	3,191,992	3,306,904	3,422,646	Fees, charges and targeted rates for water supply
151,843	155,615	160,072	165,617	169,829	Internal charges and overheads recovered
2,357	2,435	2,515	2,606	2,697	Local authorities fuel tax, fines, infringement fees and other receipts
14,781,400	15,690,523	16,516,273	17,544,094	18,349,897	Total Operating Funding
					Applications of Operating Funding
11,595,219	11,963,991	12,017,240	12,498,439	12,790,078	Payments to staff and suppliers
-	-	-	-	-	Finance costs
4,277,743	4,348,288	4,479,567	4,686,917	4,760,665	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
15,872,962	16,312,280	16,496,807	17,185,356	17,550,743	Total Applications of Operating Funding
(1,091,562)	(621,757)	19,466	358,738	799,154	Surplus / (Deficit) of Operating Funding
					Sources of Capital Funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total Sources of Capital Funding
					Applications of Capital Funding
-	-	-	-	-	Capital expenditure
-	-	-	-	-	to meet additional demand
471	487	503	521	539	to improve levels of service
57,748	55,393	136,449	63,841	61,355	to replace existing assets
-	-	-	-	-	Increase / (decrease) in reserves
(1,149,782)	(677,636)	(117,486)	294,377	737,260	Increase / (decrease) of investments
(1,091,562)	(621,757)	19,466	358,738	799,154	Total Applications of Capital Funding
1,091,562	621,757	(19,466)	(358,738)	(799,154)	Surplus / (Deficit) of Capital Funding
-	-	-	-	-	Funding Balance

River Management

The River management group of activities only includes River management and is considered to be the mandatory activity called "Flood protection and control works" under the Local Government Act 2002.

About River Management

River management began with the development and implementation of flood risk reduction plans for the 27 priority rivers (or groups of streams) in Northland. In 2010 the council completed river management plans for each of these rivers/groups of streams and the ongoing development and implementation of these flood risk reduction plans is now the primary focus of the river management activity. The council, in conjunction with local river management liaison committees, undertakes the development, implementation and maintenance of flood control works and assets.

The 27 rivers that were identified as carrying the highest levels of flood risk are (in alphabetical order not priority order):

Awanui	Awapokonui (Pakanae)	Awaroa-Rotokakahi and Pawarenga Streams
Hātea	Helena Bay River	Kaeo
Kaihū	Kawakawa	Matangirau
Ngunguru	Otaika	Panguru
Pupuke	Ruakaka	Taupo River
Tauranga River	Waiarohia-Raumanga	Waihou (Panguru)
Waihou (Rahiri-Rangiahua)	Waimā and Punakitere-Otaua	Waimamaku
Waipapa-Kerikeri	Wairau (Maungaturoto)	Waitangi
Whāngārei Heads streams	Whangaroa Streams (Totara North, Te Ngaere, Wainui and Mahineapua)	Whirinaki

The river management works include:

- Channel and floodplain maintenance works, such as the removal of accumulated sediment and vegetation from rivers and floodplains, both for flood

schemes and minor works on a priority basis.

- Asset management and the maintenance of existing flood scheme capital assets, such as floodgates and stopbanks on the Awanui River Scheme.
- Construction of new flood scheme control works, such as stopbanks.

The design of appropriate flood control works requires river flow data and computer hydraulic modelling systems. The council has rain and river automatic recorders to measure the performance of river works.

Six river management liaison committees have been established for the Awanui, Kaihū, Kerikeri-Waipapa, Waitangi, Kaeo River-Whangaroa Streams (Kaeo, Pupuke, Tauranga River, Whangaroa Streams, Taupo River and Matangirau) and Urban Whāngārei Rivers (Hātea and Waiarohia-Raumanga). The committees provide a stakeholder forum for participation in the management of flood risk reduction in the river catchment areas, and assist the council to develop and refine river management plans and the review/implementation of measures to reduce flood risk.

Why we provide River Management

River flooding provides the highest natural hazard risk to the Northland region because of the extensive development on floodplains and the region's exposure to high intensity rainfall events. Flooding threatens human life, disrupts communications and access, damages property and infrastructure including the productivity of farmland. The regional council delivers flood protection and control works to reduce the risks associated with river flooding and erosion to protect human life and maximise the region's productivity. The community has shown their support for this activity through requests for river maintenance and through membership on the river management liaison committees. The Kaihū and Awanui river management schemes were transferred to the regional council from the district councils because river management was considered a function of regional councils.

How River Management contributes to council objectives

The river management activity contributes to the following council objectives:

- Promote regionally significant infrastructure and improvements that enable economic development, enhance the environment, and connect people and Northland to the wider world.
- Encourage the sustainable access and use of our environment in ways that will progress our collective quality of living.

The proposed programme of river management works includes infrastructural improvements that are intended to improve our access around our region in times of flooding. The river maintenance and new river works are managed with sustainability of the environment as a primary objective. Examples include the extraction of gravel providing a local resource while reducing flood risk and in some cases reducing bank erosion; and enabling increased opportunities for land use.

There are no significant negative effects on well-being from the River Management activity. When new river works are being assessed any significant negative effects are addressed in the design or the works are not approved (as in the recent case of the Kaihū River flood management scheme). This could include a change in the distribution of floodwaters affecting landowners differently from in the past; the economic effects on ratepayers from the implementation of a new targeted rate; the increase in sediment to harbours and estuaries from a more efficient river system and/or works required near or on land that has cultural significance.

Key outcomes of consultation

Whāngārei detention dam

A flood detention dam will be built in Raumanga, estimated to cost \$6,876,728 (excluding GST), as Stage 2 of the Whāngārei Urban Rivers Flood Scheme. The capital works are planned for 2013/14, pending confirmation of design, resource consents and land use negotiations. A geotechnical engineering assessment has confirmed the site's suitability as a detention dam. A flood detention dam works to reduce flooding by temporarily holding back the flow of water through a catchment, which reduces downstream

peak river flows and the extent of flooding. Detention dams only store water for a short time during periods of high rainfall remaining dry and free of water for the remainder of time. The dam would provide a storage volume of up to 1,270,000 cubic metres, that's about two-thirds the size of the Whau Valley water reservoir. Normal stream flow would pass through a culvert enabling continuation of the natural flow of the stream. In a flood, once the full capacity of the culvert is reached, any excess flow is stored in the detention area behind the dam. This area gradually drains through the culvert following the flood.

The design model predicts the dam's storage of flood waters will reduce peak flows in critical locations by 48% for a typical 24 hour event and have a 19% reduction for a 72 hour event. The modelling indicates that the dam would have emptied within two days during the March 2007 storm event. The cost benefit assessment of the detention dam indicated that the pay back on estimated land and construction costs was five years, based on the reduction in tangible flood damages alone. The 2006 Whāngārei CBD flood management study by URS Ltd, calculated the annualised average damage from flooding in the Whāngārei CBD to be \$5.6 million.

The dam build will be funded through an internal loan and repaid by extending the Whāngārei Urban Rivers Management Rate over 25 years. The rate will be based on separately used or inhabited parts (SUIP) of a rating unit. The 2011/12 rate to fund Stage 1 was based on rating units (based on the rating data received from Whāngārei District Council). Using SUIPs as the basis of rating means that properties with multiple businesses (large commercial sites on one title) and multiple residences/flats (including residential properties with self-contained flats) will pay more than one river management rate each year. Charging the river management rate per SUIP makes this rate consistent with the way other rates are levied in Whāngārei and spreads the cost across more of the beneficiaries of the river works; which is how more money is collected in total in 2012/13 without increasing the rate.

The change in rates is shown in the table below, and maps of the affected properties are on page 63.

Whāngārei Urban River Flood Scheme Rates (including GST)	Current rate for 2011/01 2 per rating unit	New rate for 2012/13 per SUIP	New rate for 2013/14 and next 25 years per SUIP
Commercial CBD properties	\$247.83	\$247.83	\$274.37
Residential CBD properties	\$94.19	\$94.19	\$104.28
Commercial and residential non-CBD properties	\$33.21	\$33.21	\$36.77

Stage 1 of the urban rivers flood scheme, estimated at \$681,697, was approved in the 2011/12 Annual Plan and is being funded via a new targeted rate for Whāngārei urban properties in the 2011-12 financial year. The programmed works include maintenance of the existing river channels and bridges and the replacement of the Rust Avenue bridge. The bridge replacement has been placed within the Whāngārei District Council's 3-year 2012/2015 roading programme as a project to be undertaken in 2012/13; this is subject to the New Zealand Transport Agency funding the application when it determines its land transport programme.

A further stage of works has been identified but may not be deemed necessary, or could be implemented on a reduced scale, pending a review of the effectiveness of the detention dam and the influence of this on further stages of work. The assessment could take several years to complete. The council has therefore not made any provision within the ten years of this long term plan for further works.

Further possible works include a grass-lined flood corridor along the banks of the Waiarohia and Raumanga Streams through the central business district (CBD), and further bridge upgrades and sections of flood walls where a grass-lined corridor is not feasible. The grass-lined flood corridor would link with the Whāngārei District Council's 20/20 Plus Central City Development Plan, providing further benefits beyond flood risk reduction. It has the potential to enable improved pedestrian and cycle access, recreational opportunities, potential for water quality enhancements and opportunities for enhanced commercial activity.

New rate and works for Kerikeri-Waipapa

A new uniform targeted rate will be established for properties within the Kerikeri, Waipapa and Wairoa River catchments to fund river maintenance, flood modelling maintenance and detailed design for river scheme options. The maintenance work will focus on the river channels where removing debris or other flow restrictions will help to reduce flood risk.

The new rate will be \$48.90 (including GST) for the first two years of the plan. The targeted rate will be reviewed during a future annual plan consultation when the flood protection works, currently estimated at \$2,130,048 (excluding GST), have been refined. A pre-feasibility assessment has been undertaken of the flood risk reduction options that were identified in the interim Kerikeri-Waipapa River Management plan. These options include:

- Stopbanking and channel capacity improvements associated with the Whiriwhiritoa Stream and Kerikeri River to reduce flood risk associated with the Waipapa Industrial Estate.
- Stopbanking and spillways associated with the Kerikeri River to reduce flood risk associated with the land to the east of State Highway 10 and upstream of Rainbow Falls.
- Channel works and spillway improvements to the Puketotara Stream near State Highway 10 to reduce upstream flood risk.
- Detention dams in the upper catchment to temporarily detain flood flows and reduce peak river flows and flooding.

Further work is proposed with the liaison committee to refine the flood protection options into a preferred shortlist for feasibility assessment via computer river modelling, further landowner and stakeholder consultation and detailed design. The proposed capital works is scheduled to be implemented in 2014/15, pending confirmation of feasibility, design, resource consents and land use negotiations and will be subject to further consultation through the Northland Regional Council Annual Plan process. The targeted uniform rate would increase to \$74.10 (including GST) from 2014/15 onwards for 25 years while the capital funding for the project is repaid from borrowings.

Council intends to reassess the basis for the uniform rate once further work on cost and

benefit of options has been completed, and will undertake further consultation on alternative rating options prior to any changes.

Differentiated rates based on the level of benefit or contribution to the flooding may be one of the possible options. A map showing the targeted rating area and the affected properties is on page 64.

Kaihū River Management Scheme

No further design works will be explored for future capital works on the Kaihū river scheme.

Investigations into a more equitable solution to the flooding and drainage issues of the Kaihū Valley over the last three years have not found a solution. The current maintenance of the river channel and the current targeted rate will continue.

Some properties flood more than others and the floodwaters take longer to drain away affecting land productivity. A computer river model has been used to assess the impact of stopbanks, floodgates, spoil heaps, the railway embankment, the role of ponding areas, the general flood flow dynamics and most recently a concept involving stopbanks with spillway overflow crests in an attempt to achieve equitable distribution of floodwaters whilst providing for protection against nuisance flooding.

The council has worked with the Kaihū River Liaison Committee to develop a river system that would spread the flooding more equitably down the valley and speed up the draining of floodwaters. The intention of the scheme concept was that all floodplain pockets would receive the same level of protection against flooding from the Kaihū River, and that spillways would be designed so that the distribution of flooding volume between the floodplain pockets would be the same as would have occurred in the absence of any man-made stopbanks. It was intended that the spillways would manage flooding volumes in floods up to a certain size, after which there would be widespread overtopping of stopbanks, and the resulting flooding volumes would be similar to those that would occur in the existing system, and probably also similar to what would have occurred without any stopbanks.

During the last year a proposal to create spillways in the stopbanks has been computer modelled to work out the results of various flooding scenarios.

The modelling has shown that equitable flooding is not possible through constructing spillways. The floodplain pockets with a large internal catchment took a higher proportion of the floodwater, because controlling overflow from the Kaihū River did not have sufficient influence on the flooding volume.

Kaeo stage 2

Stage 2 of the Kaeo flood scheme, which also includes improvements to Waikara Creek will proceed with construction scheduled for 2015/16, at an estimated cost of \$605,679 (excluding GST). The existing targeted rate will be used to repay the internal loan for the Stage 2 works over seven years. The rate is projected to increase from \$74.53 to \$108.12 in 2015/16.

Stage 1 of the scheme, estimated at \$697,185 (excluding GST) was approved in the 2011/12 Annual Plan to be funded by an internal loan and repaid via a targeted rate over the former Whangaroa Ward ratepayers for seven years. The staging of works has been amended since the Annual Plan was adopted due to a combination of an extra funding from the Ministry of Education (\$144,000), the Department of Internal Affairs (\$243,000) and further consultation with the Kaeo River – Whangaroa Catchment Liaison Committee and affected landowners. The new Stage 1 will help deflect floodwaters away from the town centre and give extra protection to the college. The table below shows the works involved and the new staging. Construction of the new Stage 1 works has been rescheduled to the 2012/13 works season, as land use negotiations and the resource consent processes delayed progress beyond the project schedule.

With the additional government subsidy the Stage 1 works will be repaid in four years rather than the seven years proposed in the 2011-12 Annual Plan. Stage 2 works will commence in 2015-16 when Stage 1 works will have been repaid. Stage 3 proposed in last year's draft Annual Plan included stopbanks, dredging and further drainage in Tauranga Bay estimated at \$162,267 (if it had been constructed in 2011-12). These works are proposed to remain on hold.

Works	Original staging	New staging	To be built in
Kaeo township stopbank	Stage 1	Stage 2	2015-16
State Highway 10 modification	Stage 1	Stage 2	2015-16
Kaeo township deflection bank	Stage 1	Stage 1	2012-13
River bypass spillway	Stage 1	Stage 1	2012-13
Main stopbank for schools and eastern approach to Kaeo	Stage 2	Stage 1	2012-13

Awanui Flood Management Scheme

The Waihoe floodgate will be upgraded in 2012/13 at a cost of \$100,000. The proposed capital upgrade involves improving the discharge capacity through the Waihoe Channel through the installation of a further outlet and/or floodgates near the existing Waihoe floodgates. This upgrade will help reduce the duration of floodwaters in the Lake Tangonge storage area, which will improve the productivity of the land in this area and also the quality of the water discharged back into the Awanui River. There will be no increase in the current targeted rates for the Awanui flood management scheme to fund this upgrade. Further flood protection improvements estimated at \$3.9 million are projected to be constructed in 2014/15 following further consultation on the available options and a rating review of the Awanui Flood Management Scheme to change or confirm the current rating groups to reflect the benefits received from the flood scheme.

The flood protection options being assessed include:

- Modifying the Whangatane Spillway weir to enable an increased volume of flood water to flow to the Whangatane Spillway.
- Modifying the Whangatane Spillway to achieve the best balance between the risk of flooding against the cost of containing flood flows in the spillway. This may require a combination of either increasing channel efficiency/capacity, increasing stopbank levels or increasing spill of flood waters during flood events on land bounding the Whangatane Spillway.

- Modifying the Donald Road Bridge to provide sufficient capacity for increased flows in the Whangatane Spillway.
- Modifying the Whangatane Spillway to provide two stock crossings for access in times of increased flow durations.
- Modifying the proportion of overflow from the Awanui River to the Tarawhataroa Stream catchment (near Larmers Road) to reduce the risk of flooding from the Tarawhataroa Stream in urban areas of Kaitāia.
- Modifying the Awanui Channel through urban Kaitāia to contain excess flood flows, if diversion of the Larmers Road overflow is reduced.

Continued operational maintenance of the scheme assets, maintenance of key areas of the rivers and channels and prioritised renewals of assets will continue.

How we measure our performance

The council has regular meetings with the local river management liaison committees that have been established and reports to them on progress with design works, new capital river works and maintenance works. The council’s Environment Management Committee also receives regular project updates and provides oversight for setting up new liaison committees as new priority plans are worked on. The council’s Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the River Management group of activities; these are also captured in the council’s Annual Report.

Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Level of service	Why it is important	Performance measure	Performance target	Baseline performance
Building flood protection schemes to protect life and property.	Well designed flood protection systems protect human life and damage to property and infrastructure.	Number of failures of flood protection system for the Awanui, Whāngārei, and Kaeo, schemes below specified design levels.	Zero failures.	New measure
Maintaining flood protection schemes to protect life and property.	Implementing the minor works programme ensures the river systems work to their best ability.	Implement the programmed minor flood control works for other rivers in accordance with the approved annual budgets.	100% of programmed minor works completed.	New measure

These measures were selected as the major aspects for the River Management group of activities after considering the level of risk either posed by the council's activities or the risk that these activities are intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, the Environmental Hotline, presentations to council meetings); the government's policy direction and the council's objectives.

Assumptions specific to River Management

Climate change will match the Ministry for Environment's climate change predictions, which are based on recommendations from the International Panel on Climate Change (IPCC). Capital works budgets within this plan include an allowance to accommodate climate change impacts. The likelihood of climate impacts being under assessed is considered to be medium with low financial impact. Variations to long term budget forecasts and levels of service will be required and will be addressed by subsequent long term plans. The Ministry for Environment's guidelines on climate change, the Awanui River Scheme Asset Management Plan and the priority rivers project hydraulic modelling results were all utilised in developing this assumption and the impacts.

The replacement of the Rust Avenue bridge in Whāngārei (part of Stage One of the Whāngārei Urban Rivers works) will only proceed with **funding contributions** from the Whāngārei

District Council and New Zealand Transport Agency.

The 24 **resource consents** (comprised of 80 sub type authorisations) held for river management will continue to provide authorisation for activities and new resource consents will be obtained where required for new activities allowing the capital works programme to be implemented within budgets. There is a low risk that resource consents will expire and not be renewed or applications for new activities or consent renewals are declined. Additional works may be required to obtain the necessary resource consent; incurring more expense. Further consultation would be undertaken if the costs became significantly different from the original projections.

Level of service change

Changes in prior year – 2011/12

A new Whāngārei Urban River Management Rate was established for 2011-12 to fund Stage One of the CBD Flood Scheme. The works budget was \$681,697 and included maintenance of the existing river channels and bridges with the replacement of the Rust Avenue Bridge. The works are funded through a differentiated uniform annual charge based on rating units as follows (refer to maps above for areas):

- Commercial properties in the CBD flood area - \$247.83 (including GST).
- Residential properties in the CBD flood area - \$94.19 (including GST).
- Properties in the contributing water catchment area - \$33.21 (including GST).

A new Kaeo-Whangaroa River Management Rate was established to fund Stage One of the Kaeo flood scheme works valued at \$637,577 (including GST). The works proposed for Stage One involved constructing a stopbank immediately east of the Kaeo township; raising State Highway 10 east of the police station; constructing a deflection bank near the cemetery and installing a river bypass spillway near the school stopbank. The works have been altered to enable Ministry of Education funding to be utilised (described above). The new rate is \$74.53 (including GST) for all ratepayers in the former Whangaroa Ward and involves repayment of the works over a four year period and included the river maintenance works in the area.

Changes in this plan

Changes for the Awanui River flood management scheme are fully described in the next section under Asset information. Capital improvements are planned for Whāngārei, Kerikeri-Waipapa and Kaeo-Whangaroa to lower the flood risk to those communities (fully described above).

Asset information

The council currently has river management assets (stopbanks and floodgates) on the Awanui River and has applied for resource consents to build stopbanks in the Kaeo area. The Awanui River assets have been defined as council strategic assets in the council's new Significance Policy within this Long Term Plan. The Awanui river scheme assets have been added as strategic council assets as the community would be disadvantaged significantly if those assets were not maintained and renewed. As more river schemes assets are built they will be considered for inclusion as strategic assets.

The key objectives of the Awanui River Flood Management Scheme, and respective levels of service currently provided by the council are:

Objective 1: Urban flood risk reduction

- To reduce river flood risk to buildings and people in urban Kaitāia and Awanui to an agreed standard as determined through consultation with the Awanui River Management Liaison Committee (herein after referred to as the Liaison Committee) and the public.

Level of service for Objective 1: Urban flood risk reduction

- Provide information (by an effective hydraulic model) on flood risk and options to reduce flood risk, including cost, to enable the Liaison Committee to agree a standard of risk reduction.
- Implement risk reduction measures in accordance with the standard agreed by the Liaison Committee.
- Update Asset Management Plan to include agreed standard and implement changes through the Long Term Plan in accordance with the programme agreed in consultation with the Liaison Committee.
- Undertake maintenance of the river channels and renewals of scheme assets in accordance with the river maintenance schedule agreed in consultation with the Liaison Committee.

Objective 2: Rural flood risk reduction

- To reduce river flood risk that results in the loss of agricultural production and infrastructure on the floodplain of the Awanui River and its tributaries (with the exclusion of designated ponding areas, which include Lake Tarawhataroa and areas excluded from the targeted rate on this basis) to an agreed standard as determined through consultation with the Liaison Committee and the public.

Level of service for Objective 2: Rural flood risk reduction

- Maintain rural stop banks
- Maintain floodgate outlets to a standard that excludes pasture damaging flooding
- Condition assessment inspections and preventative maintenance of floodgate outlets are undertaken annually and the asset register updated.
- Undertake maintenance of the river channels in accordance with the river maintenance schedule agreed in consultation with the Liaison Committee.

Objective 3: Coastal flood risk reduction

- To reduce the incidence of flooding by sea water on low-lying and reclaimed land around the southern shores of Rangaunu Harbour.

Level of service for Objective 3: Coastal flood risk reduction

- Maintain coastal stop banks.
- Maintain floodgate outlets to a standard that excludes pasture damaging flooding.
- Condition assessment inspection and preventative maintenance of floodgate outlets undertaken annually and asset register updated.
- Undertake maintenance of the river channels in accordance with the river maintenance schedule agreed in consultation with the Liaison Committee

Objective 4: Soil conservation

- Implementation of soil conservation measures on identified erosion prone land to reduce sedimentation and the costs of maintaining the channels; and

Level of service for Objective 4: Soil conservation

- Complete mapping and assessment of the catchment to identify erosion prone land and determine priorities for soil conservation implementation.
- Utilise the Northland Regional Council's Environment Fund to assist land owners implement soil conservation measures within identified priorities.

Desired level of service

The key difference between the existing levels of service and desired levels of service relate to the capacity of assets. Currently the design standard of the scheme stop bank assets is not accurately known or defined. Work is underway to define the design standard via hydraulic modelling to assess the current capacity of the assets and hence the as-built design standard. This work will enable the council and stakeholders to assess the risk and cost benefit of management options for the future. The gaps between the existing and desired levels of service will be progressively closed over time through the progression of the hydraulic modelling and capital improvement projects that aim to progressively improve on the delivery of levels of service.

The desired levels of service, where different from existing levels of service are:

Objective 1: Urban flood risk reduction

- To reduce river flood risk to buildings and people in urban Kaitiāia and Awanui to a 1% annual exceedance probability (AEP) flood (100 year flood) design standard.

Level of service for Objective 1: Urban flood risk reduction

- Flood scheme assets are designed and maintained to provide river flood protection to a 1% AEP flood (100 year flood) design standard.

Objective 2: Rural flood risk reduction

- To reduce river flood risk that results in the loss of agricultural production and infrastructure on the floodplain of the Awanui River and its tributaries (with the exclusion of designated ponding areas, which include Lake Tarawhataroa and areas excluded from the targeted rate on this basis), that is, reduce the frequency of pasture damaging floods (which is no more than 72 hours duration of ponding) to a 5% AEP flood (20 year flood) design standard.

Level of service for Objective 2: Rural flood risk reduction

- Confirm via comparison of stopbank survey levels and 5% AEP flood levels (via hydraulic model long sections) the adequacy of the stopbanks in providing protection for up to a 5% AEP flood (20 year).
- Maintain rural stop banks to a design standard that provides protection for up to a 5% AEP flood (20 year).
- Maintain floodgate outlets to a standard that excludes pasture damaging flooding for up to a 5% AEP flood (20 year).

Objective 3: Coastal flood risk reduction

- To reduce the incidence of flooding by sea water on low-lying and reclaimed land around the southern shores of Rangaunu Harbour to a 5% AEP flood (20 year).

Level of service for Objective 3: Coastal flood risk reduction

- Maintain coastal stop banks to a design standard that provides protection for up to a 5% AEP flood (20 year).

- Maintain floodgate outlets to a standard that excludes pasture damaging flooding for up to a 5% AEP flood (20 year).

The Awanui River management assets are provided and maintained to meet the level of service identified above. The capital improvement programme includes a project to increase the discharge capacity through the Waihoe Channel through the installation of a further outlet and/or floodgates near the existing Waihoe floodgates during 2012/13 at a cost of \$100,000. This upgrade will assist to reduce the duration of impoundment of floodwaters in the Lake Tangonge storage area, which will have benefits for the productive values of the land in this area and also the quality of the water discharged back into the Awanui River. Further work is planned during 2012/13 to assess the effectiveness, feasibility and design of options to reduce flood risk to urban Kaitiāia.

All maintenance budgets are included in the operational expenses of the council. New capital expenditure programmes and replacement capital expenditure programmes are included in the capital expenditure budgets. Further detail on the maintenance and capital programmes in relation to the Awanui River scheme assets may be obtained by referring to the asset management plan.

Projects

Minor river works

In addition to river schemes, Northland Regional Council also proposes to undertake a programme of minor river works in a number of the Priority River catchments. The works typically involve gravel management, removal of debris, obtaining resource consents and working with the community and other stakeholders to implement works to reduce flood risk. Implementation of the programme will require collaboration with landowners, the local communities and other stakeholders. A programme of works has been identified, and this is expected to continue to evolve and change over time, pending outcomes from collaboration with landowners, the local communities and other stakeholders. The programme for the first three years of the long term plan is summarised below:

2012/13

- Waima maintenance assistance.
- Panguru and Lower Waihou maintenance assistance.
- Pawarenga Streams maintenance assistance.
- Whirinaki maintenance assistance.
- Waihou maintenance assistance.
- Kawakawa township stopbank resource consent.
- Works to reduce flood risk to Otiria and Moerewa including resource consents.
- Waitangi maintenance assistance.
- Awapokonui maintenance assistance.
- Contingencies and critical debris removal.

2013/14

- Waima resource consents for alluvial fan banded floodway and maintenance assistance.
- Panguru and Lower Waihou maintenance assistance.
- Pawarenga Streams maintenance assistance.
- Whirinaki maintenance assistance.
- Waihou maintenance assistance.
- Ngunguru gravel management.
- Contribution towards Kawakawa township stopbank construction.
- Waitangi maintenance assistance.
- Awapokonui maintenance assistance.
- Otaika lower river willow removal and lower floodplain overflow channel including resource consent.
- Helena Bay debris/gravel removal.
- Waimamaku maintenance assistance.

2014/15

- Contribution towards Waima banded floodway construction (earth bunds/poplar barriers).
- Panguru and Lower Waihou maintenance assistance.
- Pawarenga Streams maintenance assistance.
- Whirinaki floodway resource consents.
- Waihou maintenance assistance.
- Waitangi maintenance assistance.
- Awapokonui channel approach realignment near SH12 bridge including resource consent.
- Otaika River lower river willow removal maintenance on regrowth.
- Helena Bay lower river improvements near Russell Road.

- Waimamaku maintenance assistance.
- Contingencies and critical debris removal.

Projected capital improvement programme

2012/13	Awanui - upgrade of Waihoe floodgate.
2013/14	Whāngārei detention dam.
2014/15	Kerikeri-Waipapa flood reduction works.
2014/15	Awanui flood reduction works.
2015/16	Kaeo Stage 2 flood reduction works.

Rating Reviews

2013/14	Awanui and Kerikeri-Waipapa Flood Management Schemes
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Kaeo river maintenance works

Funding impact statement for River Management

Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Sources of Operating Funding						
General rates, uniform annual general charges, rates penalties	335,537	527,454	607,556	710,615	758,229	791,699
Targeted rates (other than a targeted water rates)	1,225,037	1,457,841	1,529,220	2,053,462	2,115,254	2,118,283
Subsidies and grants for operating purposes	-	144,195	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-
Total Operating Funding	1,560,574	2,129,490	2,136,776	2,764,077	2,873,483	2,909,983
Applications of Operating Funding						
Payments to staff and suppliers	1,370,795	1,861,597	1,304,984	1,265,964	1,314,377	1,352,627
Finance costs	19,405	39,735	218,461	495,749	640,118	630,132
Internal charges and overheads applied	126,622	235,124	239,870	250,545	257,006	263,212
Other operating funding applications	-	-	-	-	-	-
Total Applications of Operating Funding	1,516,821	2,136,456	1,763,314	2,012,257	2,211,501	2,245,972
Surplus / (Deficit) of Operating Funding	43,753	(6,967)	373,462	751,820	661,982	664,011
Sources of Capital Funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-
Applications of Capital Funding						
Capital expenditure	-	-	-	-	-	-
to meet additional demand	-	-	-	-	-	-
to improve levels of service	554,415	1,269,350	6,407,163	5,992,890	608,542	-
to replace existing assets	-	53,405	52,805	58,409	58,409	59,093
Increase / (decrease) in reserves	81,456	(1,222,097)	(6,001,102)	(5,320,086)	(98,668)	488,719
Increase / (decrease) of investments	(592,118)	(107,625)	(85,404)	20,607	93,698	116,199
Total Applications of Capital Funding	43,753	(6,967)	373,462	751,820	661,982	664,011
Surplus / (Deficit) of Capital Funding	(43,753)	6,967	(373,462)	(751,820)	(661,982)	(664,011)
Funding Balance	-	-	-	-	-	-

Year 6 2017- 2018 \$	Year 7 2018- 2019 \$	Year 8 2019- 2020 \$	Year 9 2020- 2021 \$	Year 10 2021- 2022 \$	Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June
					Sources of Operating Funding
860,145	911,987	939,065	1,020,405	1,066,901	General rates, uniform annual general charges, rates penalties
2,121,330	2,124,387	2,127,545	2,131,104	2,134,689	Targeted rates (other than a targeted water rates)
-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	Local authorities fuel tax, fines, infringement fees and other receipts
2,981,475	3,036,374	3,066,611	3,151,510	3,201,590	Total Operating Funding
					Applications of Operating Funding
1,391,947	1,441,183	1,483,348	1,530,499	1,576,610	Payments to staff and suppliers
605,704	581,444	557,371	533,188	509,425	Finance costs
273,792	279,185	287,689	300,199	306,104	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
2,271,443	2,301,812	2,328,407	2,363,886	2,392,139	Total Applications of Operating Funding
710,033	734,562	738,203	787,624	809,450	Surplus / (Deficit) of Operating Funding
					Sources of Capital Funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total Sources of Capital Funding
					Applications of Capital Funding
-	-	-	-	-	Capital expenditure
-	-	-	-	-	to meet additional demand
-	3,165	-	-	3,506	to improve levels of service
63,653	63,653	63,653	69,300	70,109	to replace existing assets
485,576	481,678	484,105	476,002	475,272	Increase / (decrease) in reserves
160,804	186,065	190,445	242,322	260,563	Increase / (decrease) of investments
710,033	734,562	738,203	787,624	809,450	Total Applications of Capital Funding
(710,033)	(734,562)	(738,203)	(787,624)	(809,450)	Surplus / (Deficit) of Capital Funding
-	-	-	-	-	Funding Balance

Economic Development

The Economic Development group of activities only includes Economic Development and encompasses the rating for the rescue helicopter, the Northland Events Centre and the Marsden Point Rail Link Joint Venture.

About Economic Development

The economic development activities to be delivered from council's new council-controlled organisation include:

- Finding economic development projects for the council (and others) to invest in (initially using the Investment and Growth Reserve).
- Helping put together business cases for economic development projects.
- Assessing economic development projects (and their business cases) for the council (and others) to invest in.
- Managing projects on behalf of the council.
- Directly assisting projects through business incubation, removing (some) risk (e.g. by getting resource consents, securing land, securing partners).
- Advising council on opportunities and barriers to economic development in Northland.
- Delivering the business growth and skills development service provision, funded by central government.
- Collaborating with industry sector groups, Māori development groups and supporting regional forums e.g. Northland Energy Forum, Digital Forum, rail project, oyster shell project.
- Regional promotion including tourism promotion and destination marketing.
- Promoting Northland as a place to live, work, invest and visit.

The council will directly support 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.
- Investing in economic development projects that are eligible for funding from the Investment and Growth Reserve.

Investment and Growth Reserve

The council established the Northland Regional Council Investment and Growth Reserve, under the 2011/12 Annual Plan. The reserve began receiving a share of the council's investment income in 2011/12, with the share increasing each year until eventually the reserve receives all of the council's investment income (in excess of \$6.7 million annually). The reserve will be used to fund specific projects that will increase jobs and economic performance in Northland. The council has adopted a criteria for determining eligible projects to be funded from the new reserve; the criteria are included on pages 120-121.

Main points include:

- The reserve's objective is to increase Northland's jobs numbers, average weekly household income and GDP (gross domestic product) by investing in economic projects/ventures.
- The reserve will provide operational expenditure for the new council-controlled organisation/new council-controlled trading organisation to identify, progress and monitor projects.
- The reserve will provide loan funding or directly invested funds for capital expenditure on new ventures or expanding existing businesses, and operating expenditure (for a finite period and with conditions).
- Loaned funds or directly invested funds will deliver an appropriate rate of return, taking into account the level of risk and revenue flows.
- Any project that is determined to potentially have significant adverse impacts on social, environmental, economic, or cultural well-being will not be eligible for funding, regardless of the positive impacts.

- All projects will be assessed for funding eligibility against a business case assessment tool.
- Only projects recommended for funding by the new council-controlled organisation/council-controlled trading organisation will be considered by the council.
- Council will decide on the allocation of all reserve funds.

Over the life of this plan we anticipate transfers from the reserve to fund these projects.

Joint venture with Ontrack for the proposed Marsden Point rail link

The council has entered into a joint venture with Ontrack to purchase and hold land along the proposed route for a rail link to Marsden Point deep water port so it will be possible for a rail link to be built in the future and the land is not developed in the interim. Council has purchased a total of eight properties along the proposed Marsden Point rail corridor at a cost of \$11.32 million (excluding GST). Seven of these properties were purchased during 2007-2008 and 2008-2009 and one further property was purchased in the 2010-2011 year. The residential dwellings and farm land are leased to ensure the properties are well maintained and to help offset the holding costs. As at 30 June 2011, the properties were valued at \$7.5 million.

All properties are a long-term investment and the council expects the value of the properties to recover over the longer term when the recession is over. When it becomes economic to do so, council intends to retain the designated corridor and to sell any surplus land. The rail designation was granted by the Environment Court on 12 April 2012. No final decision has been made yet as to whether the rail link will be built and when. A review is currently being carried out by KiwiRail on the overall viability of the rail line north of Auckland and it is hoped that this will have a positive outcome for the joint venture. The council is involved through the Regional Transport Committee in advocating for retaining rail in Northland.

Recreational facilities rate – Northland Events Centre

The council built the \$16 million Northland Events Centre in 2010 and it was formally opened on 28 May 2011. The council contributed \$13 million and the Whāngārei District Council contributed \$3 million towards the construction. The events centre has since been transferred to the Whāngārei District Council and is being operated by a trust. The council's contribution is being repaid from the Regional Recreational Facilities Rate with Whāngārei ratepayers paying \$28.75 and the Kaipara and Far North ratepayers paying \$5.75 annually (including GST). The \$13 million loan will be repaid in 2020/2021 and the targeted rate will be discontinued.

Rescue helicopter targeted rate

The reasons for funding the rescue helicopter service have changed. Instead of being the funder of last resort to keep the service afloat, the council is now supporting a comprehensive service that would need to reduce in capability without the rate funding contribution. The council has given NEST (Northland Emergency Service Trust) a three-year funding commitment of \$600,000 annually.

Internal business improvement

Council will over the lifetime of this plan continually review its policy and planning processes to ensure that decision making is based on good advice, which is informed by a range of stakeholders and interests, skills and expertise, mindful of the contexts in which we and Northland operates, with relevant criteria for judging options. To get good advice we need the right processes, systems, frameworks and culture and that this is an ongoing process of improvement and refinement. These internal improvements and projects are therefore cross organisational. We will work with the business community to identify critical consent process improvements required within the council and how best to carry them out. We will continue to work with our partners on the ground, the individuals and their representative organisations, to share knowledge, develop management approaches and to improve resource management performance in Northland.

Why we provide Economic Development

Central government's economic development policy recognises that regions and regional economic development are key drivers of New Zealand's overall economic performance. As a regional authority, the Northland Regional Council makes a significant contribution to the economic development of the Northland region through infrastructure development and environmental management. The council also considers it is in a position to commit to the investment necessary to move the region forward and that the region's current economic performance is no longer a viable option for Northland. To that end the council established the new Northland Regional Council Investment and Growth Reserve in 2010-2011 to reverse the cycle of underinvestment and lead by example through investing directly in projects that deliver real benefits to current and future generations of Northlanders. The council aims to find new ways to bring investment into the region and create rewarding business and employment opportunities.

Economic development is vital for generating the resources needed to address some of the pressing problems affecting Northland such as poor housing, health and education. In times of economic recession there is a greater need to invest in economic development to give confidence to others so they will invest here to reduce socio-economic disparities and stimulate employment growth. The government's funding for economic development has been limited severely by the need to divert funds to rebuild Christchurch. Therefore there are very few sources of funding available to achieve a step change in the economy of Northland. Council has therefore established the Northland Regional Council Investment and Growth Reserve to provide an additional funding source for worthy projects.

How Economic Development contributes to council objectives

The Economic Development activity contributes to the following council objectives:

- Build a business friendly environment that encourages business and employment opportunities.
- Invest in Northland to increase all our communities' economic performance and quality of living and reduce disparities.
- Promote regionally significant infrastructure and improvements that enable economic development, enhance the environment, and connect people and Northland to the wider world.

Our council is committed to internal business improvement projects to ensure the council offers a business friendly environment that is not perceived as a barrier to doing business. Our investment in Northland is a key platform within this long term plan. We will use our investment income for economic development projects and ventures to improve Northland's economy, increase the number of jobs in Northland and increase the average weekly household income for Northlanders.

The projects and ventures that qualify for funding from the new Investment and Growth Reserve will:

- Be located in the Northland region;
- Promote viable, long term economic development (i.e. beyond immediate short-term employment; and business activity); and
- Support development that is consistent with social, environmental and cultural well-being.

The council's new council-controlled organisation will find, facilitate and deliver on projects and ventures that will improve Northland's economic performance on council's behalf. Infrastructural improvements that remove barriers for business development and enable better access for businesses will also be investigated. We are already involved in key infrastructure projects and anticipate more may be promoted.

There are no significant negative effects on well-being from the Economic Development activity. The council believes there will be positive effects on cultural, social and environmental well-being for the region once Northland's economic

performance improves. Some individuals may consider that the increase in rates to allow the council's investment income to be used for economic development causes them a negative economic effect. On average, the annual rates increase for the transition of the investment income over the 10 years amounts to less than \$10 a year which the council does not consider to be significant.

Key outcomes from consultation

Transition phase for redirection of investment income

The council is extending the transition phase to ten years for redirecting the investment income to the new Northland Regional Council Investment and Growth Reserve to reduce the impact on rates – more details on pages 31-34.

Change in council-controlled organisation structure

Council consulted on changing the role of its existing council-controlled organisation (the Northland Regional Council Community Trust); changing the ownership of Destination Northland Limited, a subsidiary of the Northland Regional Council Community Trust; and whether it should establish one or more new council-controlled organisations, including a council-controlled trading organisation.

Council's initial assessment of its options for promoting economic development suggested that it should set up a new council-controlled organisation to find and facilitate projects and a council-controlled trading organisation to develop and manage those projects. Council proposed that the Northland Regional Council Community Trust activities should over the life of this plan narrow and focus on managing the investment fund to optimise the investment income and maintain the real value of the Trust Fund. Council also consulted on Enterprise Northland Trust becoming a non-trading charitable entity and maintaining its charitable status for use when an appropriate opportunity with public benefit arises.

Council proposed that, where compatible with maintaining the capital, the Northland Regional Council Community Trust's Fund itself should, over time, shift to increase the proportion of direct investment in Northland, Northland projects and Northland's well-being. All the income derived from the Trust Fund (after growing the fund by an

inflation adjustment to retain its real value) would then pass to the council to the new Investment and Growth Reserve. Council also consulted on reducing the amount of the income received by Destination Northland Limited from the Northland Regional Council Community Trust's Fund over time, as a new model for the industry and additional funding emerges.

The key driver behind the proposal was the council's desire to improve Northland's economic performance, community well-being and engage in projects that generate profit. The council considered that the current structure – with the Northland Regional Council Community Trust delivering economic development through controlled / subsidiary organisations is not best suited to achieve this. The current structure mixes fund management, business development for public benefit and commercial roles within a multitude of organisations with overlapping roles and responsibilities and one set of governance. In addition, the council wished to maintain the charitable status of the Enterprise Northland Trust and considered that retaining the Northland Regional Council Community Trust was necessary to do this.

Council therefore consulted on setting up a series of single focus organisations, with the appropriate mix of skills (governance, management and technical) within and available to them, and asked the public whether it thought these organisations would better achieve the council's objectives for economic development.

Council specifically asked the community:

- Do you agree with the proposal to refocus the role of the Northland Regional Council Community Trust, principally to maintain the Trust Fund in real terms and gain the best returns possible?
- Do you agree that where compatible with maintaining real value of the capital base (increased annually by an inflation adjustment as measured against the base index of 30 June 2011), the Trust Fund itself should, over time, shift to increase the proportion of direct investment in Northland?
- Do you support the establishment of new council-controlled organisations and/or council-controlled trading organisation to deliver an expanded suite of economic development activities?

- Do you support the phasing out of funding from the Northland Regional Council Community Trust and/or the Investment and Growth Reserve to Destination Northland Limited over a period?

At the same time as releasing the draft plan council continued to discuss its concerns and aspirations with the trustees, directors and management of the existing entities. It also sought, as indicated in the draft, further legal and tax advice on the best structure to deliver council's economic development activities and aspirations, taking into account audit, reporting and administrative costs and appropriate separation of roles between council and a new council-controlled organisations and/or a council-controlled trading organisation.

Northland Regional Council Community Trust – disestablishment

The council has decided not to refocus the role of the Northland Regional Council Community Trust to Trust Fund manager only. Council was convinced by the submissions, the independent advice it sought, and the views of the Northland Regional Council Community Trust Trustees that maintaining the Trust with this limited focus was not efficient, nor necessary, placed risk in the wrong hands, and potentially perpetuated the funding deficit risk for other council controlled entities (and those they control).

Compelling advice included that:

- If the Trust became an investment vehicle, then it would become a council controlled trading organisation (with taxation implications that were unknown at the time the draft plan was consulted on and the substantial amendments to the Trust Deed that would be required for this to occur).
- Northland Regional Council Community Trust could be wound up without affecting the charitable status of Enterprise Northland Trust. The tax implications of this are limited if the Trust Fund returns to council.

Council has also taken into account previous reports such as the Morrison Low report (2008) into council controlled entities, the potential advantages in combining the Trust Fund with other council investments, the general opposition

from submitters to establishing new organisations, and the submitters emphasising the need to keep costs down. Overall the council is convinced that a separate investment entity is not justifiable at this time. However, a separate entity may potentially be justifiable in the future if it managed wider investments than the Trust Fund.

As a result, council has decided to disestablish the Northland Regional Council Community Trust and bring the Trust Fund in house, effective from 30 June 2012. In line with professional advice, council will manage the Community Investment Fund (the former Trust Fund) separately (at least initially) using an external advisor and will go to market to appoint them.

Consequential to this decision, council has adjusted its Treasury Management Policy to allow for the Community Investment Fund to be managed with its current risk profile, as opposed to council's more conservative approach to its other investments. Consistent with the original proposal and the support for maintaining the value of the fund, the Community Investment Fund capital base will be increased over the lifetime of this plan by an inflation adjustment as measured against the base index of 30 June 2011, \$10,253,000. Residual income from the Community Investment Fund will be applied to the Investment and Growth Reserve for at least the first three years of the long term plan.

Destination Northland Limited – the new council controlled organisation

As a consequence of the decision to disestablish the Northland Regional Council Community Trust ownership of Destination Northland Limited must be addressed. While the majority of industry submissions have indicated they do not wish the ownership model to change in year 1 of this plan without further consultation, the disestablishing of the Trust means that ownership of Destination Northland Limited will change. The consultation process highlighted that the industry itself is not in a position to take on ownership at the present time, and that if it did there could be real consequences for smaller players within the industry and for the company's wider Northland promotion role.

Submitters on the draft plan overwhelmingly rejected the proposal to refocus the company exclusively on tourism. Many submitters highlighted the contribution of tourism to the

wider Northland economy, and in particular to the promotion of Northland. In line with submitters concerns and the Morrison and Low report (2008), council agrees that tourism promotion, Northland promotion and economic development should be considered together.

The Northland Regional Council Community Trust draft Statement of Intent for 2012-2013 included the following aim:

"To transfer the shares in Destination Northland Ltd to an organisation determined by the council."

Discussions with the Northland Regional Council Community Trust Trustees confirm that regional/tourism promotion could become one focus within a wider economic development organisation and that Destination Northland Limited could be an appropriate organisation for this. Using the existing structure (rather than setting up another economic development entity) would keep costs down, effectively eliminating the establishment costs, and providing savings opportunities - e.g. by combining back office support, one audit fee, directors fees.

Council considers that the Northland Regional Council Community Trust should transfer Destination Northland Limited shares to it. Destination Northland Limited would then become council's "new" council controlled organisation through which economic development programmes and projects are facilitated. Consequent to this council will work with the current directors of Destination Northland Limited to review the constitution and Board membership. This review may or may not lead to more tourism industry representation on the Board, which the industry was seeking, but would lead to an appropriate mix of qualified, skilled and experienced directors to lead the organisation. The council would like to work with the Board to ensure that the Board can maintain and formalise the relationship it has with the Northland Tourism Advisory Group and that the two entities work together to establish regional promotion priorities and address representation issues.

Enterprise Northland Trust

In line with the proposal in the draft plan council has discussed with Enterprise Northland Trust Trustees the potential for the Enterprise Northland Trust to become a non-trading charitable entity, maintaining its charitable status for use when an

appropriate opportunity with public benefit arises. The current Trustees are in agreement with this and signalled it in the Trust's draft Statement of Intent for 2012-2013:

- Cease trading activities of Enterprise Northland Trust by 01 July 2012.

It is therefore necessary to review the current projects being undertaken by the Enterprise Northland Trust and transition staff and projects to new organisations if they are to continue and the Enterprise Northland Trust's non-trading status is to be achieved.

The Northland Regional Council Community Trust and Enterprise Northland Trust Trustees will work with an independent advisor to prepare business cases for projects to be transitioned to Destination Northland Limited. The council will consider those business cases and is aiming to have all appropriate projects and staff transitioned by September 2012, and sooner if possible.

Funding

Council will fund all current activities to meet contractual arrangements for Destination Northland Limited and Enterprise Northland Trust during this transition phase as indicated in the draft plan. In addition, council has committed to maintaining the overall regional promotion funding to Destination Northland Limited at \$350,000 (i.e. \$100,000 from rates, and \$250,000 from the Investment and Growth Reserve) in year one of this plan. Up to \$750,000 more of the Investment and Growth Reserve is available to fund economic development operations of the council-controlled organisation (Destination Northland Limited) under the Reserve Criteria.

The council would specifically like to thank the Northland Regional Council Community Trust Trustees for their assistance and willingness to work with council to ensure it had the best information on which to base its decisions. We would most of all like to thank the Trustees for their service to the Trust, council and the Northland community.

How we measure our performance

The council's Audit and Finance Committee receives quarterly reports from Northland Regional Council Community Trust, Enterprise Northland Trust and Destination Northland Limited on progress against the performance measures within their Statement of Intent and spending against budgets. We anticipate that the Audit and Finance Committee will continue to receive regular reports from council's new council-controlled organisation of a similar nature (see page 144 for performance measures). The following major measures and targets for the Economic Development group of activities will also be reported quarterly to the council and these are captured in the council's Annual Report.

Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Key aspect of activity	Why it is important	Performance measure	Performance target	Baseline
Investing in economic projects and ventures within Northland to increase Northland's economic performance.	Increasing Northland's economic performance is seen as a key outcome to improving Northlanders' quality of life.	Employment rate – the proportion of the labour force that is in paid employment.	Increases annually.	Year ended June 2011 - 91.5% Year ended June 2010 - 90.38%
		Business growth – the ratio of business start-ups to business closures. See note below.	Increases annually.	Year ended June 2011 – 0.67 Year ended June 2010 – 0.74
		Economic growth – real GDP per usual resident population.	Increases annually.	Year ended June 2011 - \$21,244 Year ended June 2010 - \$21,112

Business growth performance measure

This will be measured by a ratio of business start to business closures. A ratio below 1 means there were less businesses in operation than previously. A good result for Northland is considered to be anywhere above 1.2.

These measures were selected as the major aspects for Economic Development after considering the level of risk either posed by the council's activities or the risk that these activities are intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, presentations to council meetings); the government's policy direction and the council's objectives.

Assumptions specific to Economic Development

Up to \$1 million of the Investment and Growth Reserve is available annually to fund operations of the new council-controlled organisation, \$250,000 of which is allocated in Year 1 to Destination Northland Limited's operations.

Level of service change

The council indicated a change in its economic development activity last year. It established the new Northland Regional Council Investment and Growth Reserve using investment income to fund economic development projects that would improve Northland's economy, create more jobs and increase average household income. The new council-controlled organisation will deliver on the operational work involved in finding, facilitating and delivering on projects to be funded from the new Investment and Growth Reserve.

Investment and Growth Reserve Criteria

Investment and Growth Reserve Criteria

Objective of Investment and Growth Reserve:

- To invest in economic projects/ventures within Northland to increase:
 - Jobs in Northland;
 - Average weekly household income of Northlanders;
 - GDP of Northland.

Types of funding allocations:

- Funding (grants and purchase of services) for operational expenditure for the new council-controlled organisation and/or council-controlled trading organisation to identify, progress, and monitor projects including:
 - Strategy development;
 - Feasibility assessment and business case development; and
 - Monitoring key performance indicators of projects with loaned funds from the reserve or directly invested funds by Northland Regional Council.
- Loan funding or directly invested funds for:
 - Capital expenditure for new ventures or expanding of existing businesses; and
 - Operating expenditure for a finite period of time on condition of sufficient capital expenditure committed to the project and a satisfactory business plan to demonstrate how operating expenditure will be covered after this time.
- Equity investment (that is the reserve can be used to buy shares/an ownership interest in a company).

Principles of the Investment and Growth Reserve:

- Any project that is determined to potentially have significant adverse impacts on social, environmental, economic, or cultural well-being will not be eligible for funding, regardless of the positive impacts.
- Loans, direct investments or equity investments will deliver an appropriate rate of return taking into account the level of risk, revenue flows and anticipated economic development and well-being improvement. (Appropriate return includes percentage return on investment,

any potential capital and broader indirect benefits to the community.)

- To safeguard the council against risk the following guidelines have been adopted:
- All potential recipients of funding will be assessed for credit worthiness.
- All parties with whom the council intends to conclude major contracts will be subject to formal credit approval.
- For equity investments the council will set an anticipated distribution expectation for the portion of the return to be transferred back to the reserve.

Management of reserve

- All projects' will be assessed for funding eligibility against a business case assessment tool.
- Only projects recommended for funding as above will be considered by the council.
- Council resolves the allocation of all funds.
- Council (or the new council-controlled organisation/council-controlled trading organisation on behalf of the council), will issue a formal offer setting out the terms and conditions for funding to successful projects. This offer will include milestones and key performance indicators, and who will be responsible for monitoring performance.
- Funding allocations made will be monitored and performance will be reported quarterly to council.
- Funding for organisational operating expenditure (for the new council-controlled organisation and council-controlled trading organisation) from the reserve is capped at \$1,000,000 per annum.

Assessment criteria

Projects eligible for funding will meet all of the following criteria:

- The project is located in the Northland region; and
- The project promotes viable, long term economic development (i.e. beyond immediate short-term employment and business activity); and
- Development can be achieved in a way that is consistent with social, environmental and cultural well-being.

Projects eligible for funding must also promote viable, long term economic development through meeting one or more of the following:

- Generating ongoing, net economic benefit to the region;
- Ongoing creation of new jobs;
- Alignment with a council priority for economic development, as set from time to time and documented in a council-controlled organisation's statement of intent;
- Increasing exports; and
- Being innovation based.

Quantum of funding

In determining the quantum of funding for any project, the council, using the business case evaluation, will consider:

- The extent to which the project promotes sustainable, regional economic development;
- The contribution the project will make to improving social, economic, environmental and cultural well-being in the region;
- The extent to which the project aligns with the vision of other organisations in the region;
- The project's fit with council's priorities;
- The extent to which the business case demonstrates that the people involved have the capacity and capability to undertake the project;
- Return on investment;
- Opportunity cost;
- Risk and in particular, the extent to which the project is inter-dependent with other projects;
- The amount of investment and type of commitments other parties are making to the project;
- Any security provided to council to secure the funding; and
- The need for reserve funding.

Formal business cases are evaluated to ensure:

- The investment has value and importance;
- The appropriate form of investment is made – i.e. a loan, direct investment or equity investment;
- The project will be properly managed;
- The partner has the capability to deliver the benefits;

- Public money is not being exposed to risk when private money is available for investment in the project;
- Decision makers have the information they need to decide between the relative merits of alternative proposals; and
- Projects with inter-dependencies are undertaken in the optimum sequence.

The business case process will be designed to be:

- Adaptable - tailored to the size and risk of the proposal;
- Consistent - the same basic business issues are addressed by every project;
- Business oriented - concerned with the business capabilities and impact, rather than having a technical focus;
- Comprehensive - includes all factors relevant to a complete evaluation;
- Understandable - the contents are clearly relevant, logical and, although demanding, are simple to complete and evaluate;
- Measurable - key aspects can be quantified so their achievement can be tracked and measured;
- Transparent - key elements can be justified directly;
- Accountable - accountabilities and commitments for the delivery of benefits and management of costs are clear.

Funding impact statement for Economic Development

Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Sources of Operating Funding						
General rates, uniform annual general charges, rates penalties	461,900	682,745	697,574	714,173	577,675	572,114
Targeted rates (other than a targeted water rates)	2,431,687	2,441,477	2,449,253	2,455,878	1,839,265	1,845,494
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	409,298	1,020,240	1,127,701	1,244,984	1,401,708	1,600,877
Total Operating Funding	3,302,885	4,144,462	4,274,528	4,415,035	3,818,648	4,018,485
Applications of Operating Funding						
Payments to staff and suppliers	1,483,619	2,368,804	2,371,635	2,384,634	1,622,044	1,613,925
Finance costs	1,006,656	696,114	643,706	587,073	526,059	460,441
Internal charges and overheads applied	10,437	117,288	119,604	124,847	83,565	85,591
Other operating funding applications	-	-	-	-	-	-
Total Applications of Operating Funding	2,500,713	3,182,206	3,134,945	3,096,554	2,231,668	2,159,957
Surplus / (Deficit) of Operating Funding	802,172	962,256	1,139,583	1,318,481	1,586,980	1,858,528
Sources of Capital Funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-
Applications of Capital Funding						
Capital expenditure	-	-	-	-	-	-
to meet additional demand	-	-	-	-	-	-
to improve levels of service	-	-	-	-	-	-
to replace existing assets	-	-	-	-	-	-
Increase / (decrease) in reserves	818,636	578,340	675,924	750,253	821,349	906,067
Increase / (decrease) of investments	(16,464)	383,916	463,659	568,228	765,631	952,461
Total Applications of Capital Funding	802,172	962,256	1,139,583	1,318,481	1,586,980	1,858,528
Surplus / (Deficit) of Capital Funding	(802,172)	(962,256)	(1,139,583)	(1,318,481)	(1,586,980)	(1,858,528)
Funding Balance	-	-	-	-	-	-

Year 6 2017- 2018 \$	Year 7 2018- 2019 \$	Year 8 2019- 2020 \$	Year 9 2020- 2021 \$	Year 10 2021- 2022 \$	Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June
					Sources of Operating Funding
599,957	609,650	622,886	607,599	645,483	General rates, uniform annual general charges, rates penalties
1,851,753	1,858,044	873,049	593,602	593,602	Targeted rates (other than a targeted water rates)
-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
1,845,075	2,135,923	2,475,396	2,865,085	3,307,974	Local authorities fuel tax, fines, infringement fees and other receipts
4,296,784	4,603,616	3,971,330	4,066,285	4,547,059	Total Operating Funding
					Applications of Operating Funding
1,646,522	1,669,795	1,640,584	1,602,013	1,654,663	Payments to staff and suppliers
389,659	313,492	256,706	245,550	245,550	Finance costs
88,722	90,506	93,158	96,871	98,894	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
2,124,903	2,073,793	1,990,448	1,944,434	1,999,108	Total Applications of Operating Funding
2,171,882	2,529,823	1,980,882	2,121,851	2,547,952	Surplus / (Deficit) of Operating Funding
					Sources of Capital Funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total Sources of Capital Funding
					Applications of Capital Funding
-	-	-	-	-	Capital expenditure
-	-	-	-	-	to meet additional demand
-	-	-	-	-	to improve levels of service
-	-	-	-	-	to replace existing assets
997,148	1,084,907	214,521	(23,662)	(7,181)	Increase / (decrease) in reserves
1,174,733	1,444,916	1,766,362	2,145,512	2,555,133	Increase / (decrease) of investments
2,171,882	2,529,823	1,980,882	2,121,851	2,547,952	Total Applications of Capital Funding
(2,171,882)	(2,529,823)	(1,980,882)	(2,121,851)	(2,547,952)	Surplus / (Deficit) of Capital Funding
-	-	-	-	-	Funding Balance

Hazard Management

This group of activities includes:

- Civil defence emergency management
- Natural hazard management
- Oil pollution response.

About Hazard Management

The council works collaboratively with the three district councils to form the Civil Defence Emergency Management Group to facilitate the co-ordination of inter-agency emergency reduction, readiness, response and recovery, and to develop and implement a region wide Civil Defence Emergency Management Plan. The council provides leadership, co-ordination, project management and funding for the management group, the co-ordinating executive group, the lifelines group and the welfare advisory group. Responsibilities of the Northland Civil Defence Emergency Management Group include:

- Establishing a number of "clusters" to deliver services and to ensure that the goals outlined in the Civil Defence Emergency Management Plan are achieved;
- Providing office space for the logistical and administrative support;
- Developing policy, plans and protocols to ensure an integrated and coordinated approach to activities region-wide across the 4 R's - reduction, readiness, response and recovery;
- Developing and implementing the training and exercise programmes that include all agencies across the sector in the region;
- Providing resources, facilities and trained personnel for the Group Emergency Operations Centre to ensure effective response co-ordination and control of emergencies;
- Commissioning and project management of natural hazards studies in order to reduce potential effects;
- Co-ordinating and contributing to recovery efforts; and
- Participating in and contributing to national level studies and projects

facilitated by the Ministry and the scientific sector.

In addition, the CDEM Group has:

- Developed a warning system to alert communities of the possibility of any event which could potentially threaten property, infrastructure or human life;
- Developed and tested a number of plans to ensure that appropriate systems and response and recovery mechanisms are in place to ensure that communities' needs are met during and after any emergency, including the establishment of a Welfare Advisory Group, Rural Support Trust and Lifelines Utility Group; and
- Established plans for response, recovery, welfare, warnings, public information management, lifelines protocols and priority restoration of assets in the region.

Natural hazard management aims to identify, assess and provide information on natural hazards and associated risks, along with the preparation and implementation of risk reduction plans, for the primary purpose of reducing the current and future risk from natural hazards to people and property to as low as reasonably practicable in the circumstances that exist. This activity informs the Civil Defence Emergency Management activity for their planning and reduction strategies and informs the regional plans and policy statements developed under the Resource Management group of activities to help avoid/mitigate future risk from inappropriate land management use/practices.

Natural hazard management focuses on risk avoidance, or if avoidance is not practical, risk reduction to reduce the potential for damage to property and loss of life. This is achieved by firstly assisting a community to understand the risks which threatened it, and then understanding the limits of any mitigation measures that may be employed. Through this activity the council promotes the awareness of risk from natural hazards and ways to mitigate or reduce risk, which enables people to utilise the opportunities provided by the natural environment without creating unacceptable levels of additional risk. We also undertake risk assessment, by collecting data on hazards such as flooding and coastal erosion, using this data to help develop and refine information that informs people of the potential hazards and risks. This activity also focuses on

developing plans to reduce risk from natural hazards, and working with the community to implement and revise plans.

The Oil pollution response activity aims to prevent further pollution from marine oil spills and to contain and clean them up to avoid or mitigate the effects on Northland's environment. This work includes:

- Maintaining a contingency plan including memorandums of understanding with primary response partners;
- Maintaining a team of trained oil spill responders and a 24/7 response capability, including on-call Regional On Scene Commander coverage;
- Ensuring Maritime New Zealand owned oil spill response equipment stockpiled in the region is fit for use;
- Conducting and participating in scenario based regional oil spill response exercises;
- Approving Tier 1 oil transfer site plans and inspecting the sites to ensure they meet spill prevention and response requirements; and
- Responding to and cleaning up marine oil spills.

Why we provide Hazard Management

A regional approach to civil defence emergency management reduction, readiness, response and recovery allows for the consistent coordination of emergency services and support organisations which includes the regional and three district councils. The government set up this regional approach in 2002 under the Civil Defence Emergency Management Act.

The Northland region is exposed to a range of natural hazards including storm/cyclone, tsunami, volcano, land instability, earthquake, rural fire and drought, with river flooding providing the highest risk to the Northland region from natural hazards due to the extensive development on flood plains and Northland's exposure to high intensity rainfall events. It is a core function of regional councils to minimise the effects from these hazards on life, property and the quality of the environment. The council is legally obliged by the Civil Defence Emergency Management Act and the Soil Conservation and Rivers Control Act to develop and implement plans to reduce risks associated with hazards.

Preventing oil spills and minimising the impacts of an oil spill is a key priority to every New Zealander in order to protect our environment and enable recreational activities on and around our waters. Preventing an oil spill through appropriate measures and processes also has economic benefits for high risk businesses. The council has responsibility under the Maritime Transport Act (1994) to plan for and have in place, contingency measures to deal with oil spills in the coastal areas of Northland, within the territorial sea.



Rena incident – Tauranga 2011

How Hazard Management contributes to council objectives

The hazard management activity contributes to the following council objectives:

- Maintain and improve the quality Northland's overall environment.
- Promote the regionally significant infrastructure and improvements that enable economic development, enhance the environment, and connect people and Northland to the wider world.
- Encourage the sustainable access and use of our environment in ways that will progress our collective quality of living.
- Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment to encourage our collective pride in Northland.

There are no significant negative effects from delivering the Hazard management group of activities.

Some people may feel their rights have been reduced in order to provide for the well-being of the wider public or future generations, in those situations where natural hazards are identified on land which may restrict its use or development or where risk reduction measures have been identified on private land.

Oil pollution response operations have the potential for negative effects on the environment. Response options are analysed and resources prioritised in order to minimise significant negative effects. There is potential for wāhi tapu sites, kaimoana areas to be effected during an oil pollution response. When required, Iwi involvement is requested to assist with cultural matters to avoid significant negative effects.

How we measure our performance

The Civil Defence Emergency Management Group meet quarterly to receive progress reports against the objectives and projects included in the five year Northland Civil Defence Emergency Management Plan. Debriefs of every emergency response are conducted within a month of the emergency and improvements are built into the community response plans and emergency centre procedures. The council's Environment Management Committee receives regular project updates and provides oversight for the Hazard Management and Oil Spill Response activities. The council's Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the Hazard management group of activities; these are also captured in the council's Annual Report.

These measures were selected as the major aspects for Hazard Management after considering the level of risk either posed by the council's activities or the risk that these activities are intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, the Environmental Hotline, presentations to council meetings); the government's policy direction and the council's objectives.

Projects

- Implement, monitor and report on the Civil Defence Emergency Management Group Plan for Northland.
- Review the Civil Defence Emergency Management Group Plan for Northland in preparation for the next plan.
- Prepare and adopt a new plan in 2014 and 2019, in accordance with the Civil Defence Emergency Management Act.



Flood aftermath – April 2007

Assumptions specific to Hazard Management

There are no assumptions specific to the Hazard Management group of activities.

Level of service change

No service levels were changed in the 2011-2012 financial year from the previous year or Long Term Plan and no service levels are proposed to change in this plan.

Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Levels of service	Why it is important	Performance measure	Performance target	Baseline (with recent trends if available)
Maintaining a responsive and efficient civil defence emergency management system.	Providing timely information and warnings helps protect the public and property.	Nationally issued warnings are acknowledged within 30 minutes.	100% of the time.	New measure.
Maintaining an effective civil defence emergency management system.	Maintaining effective plans and response procedures is an important way to reduce the impact of any emergency situation.	Emergencies are debriefed within one month and noted improvements are incorporated into the appropriate emergency operating procedures and response plans.	100% of the time	2010/11 – 100%
Providing accurate and timely flood warnings.	Timely warnings are important to enable communities to take precautionary measures and safeguard property and livestock.	Accurate and timely flood warnings issued.	100% of the time	New measure
Maintaining an efficient and responsive and efficient Oil pollution response.	There is a high public expectation that our response will be effective and efficient.	Evaluate and respond to a report of an oil spill within one hour of the report being received.	100% of the time.	100% for the past 3 years.
Maintaining natural hazard information and assessments to protect life and property.	Identification of natural hazards and risk reduction options enables people to make an informed decision about the risks and what level of risk they are prepared to accept or mitigate. This information also flows into policy and land use planning which help to reduce risk where risk is deemed unacceptable.	Maintain hazard information for river flooding and beach profiles.	Priority beach profile sites updated biennially. Flood level monitoring at priority rivers updated within 1 month following every large flood event.	New measure New measure

Funding impact statement for Hazard Management

Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Sources of Operating Funding						
General rates, uniform annual general charges, rates penalties	1,151,183	1,273,185	1,288,587	1,257,789	1,322,355	1,422,006
Targeted rates (other than a targeted water rates)	-	-	-	-	-	-
Subsidies and grants for operating purposes	78,918	71,132	73,408	75,757	78,333	81,075
Fees, charges and targeted rates for water supply	3,000	1,000	1,032	1,065	1,101	1,140
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	19,000	122,230	125,757	129,398	133,389	137,638
Total Operating Funding	1,252,101	1,467,547	1,488,784	1,464,009	1,535,178	1,641,858
Applications of Operating Funding						
Payments to staff and suppliers	1,144,432	1,251,341	1,198,638	1,214,558	1,236,050	1,270,830
Finance costs	-	12,924	6,924	-	-	-
Internal charges and overheads applied	280,412	456,890	466,008	485,566	498,032	509,757
Other operating funding applications	-	-	-	-	-	-
Total Applications of Operating Funding	1,424,844	1,721,155	1,671,570	1,700,124	1,734,082	1,780,587
Surplus / (Deficit) of Operating Funding	(172,743)	(253,608)	(182,786)	(236,115)	(198,904)	(138,729)
Sources of Capital Funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-
Applications of Capital Funding						
Capital expenditure	-	-	-	-	-	-
to meet additional demand	-	-	-	-	-	-
to improve levels of service	42,270	2,000	2,064	-	-	-
to replace existing assets	-	-	-	-	-	-
Increase / (decrease) in reserves	100,000	120,000	138,470	-	-	-
Increase / (decrease) of investments	(315,013)	(375,608)	(323,320)	(236,115)	(198,904)	(138,729)
Total Applications of Capital Funding	(172,743)	(253,608)	(182,786)	(236,115)	(198,904)	(138,729)
Surplus / (Deficit) of Capital Funding	172,743	253,608	182,786	236,115	198,904	138,729
Funding Balance	-	-	-	-	-	-

Year 6 2017- 2018 \$	Year 7 2018- 2019 \$	Year 8 2019- 2020 \$	Year 9 2020- 2021 \$	Year 10 2021- 2022 \$	Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June
					Sources of Operating Funding
1,512,524	1,611,613	1,713,025	1,818,846	1,910,402	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	Targeted rates (other than a targeted water rates)
83,831	86,598	89,455	92,676	95,919	Subsidies and grants for operating purposes
1,179	1,217	1,258	1,303	1,348	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
141,909	146,196	150,625	155,615	160,642	Local authorities fuel tax, fines, infringement fees and other receipts
1,739,443	1,845,625	1,954,363	2,068,440	2,168,311	Total Operating Funding
					Applications of Operating Funding
1,304,446	1,345,182	1,386,273	1,427,699	1,469,871	Payments to staff and suppliers
-	-	-	-	-	Finance Costs
529,196	539,603	555,532	578,568	589,927	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
1,833,643	1,884,785	1,941,805	2,006,268	2,059,799	Total Applications of Operating Funding
(94,200)	(39,160)	12,558	62,172	108,513	Surplus / (Deficit) of Operating Funding
					Sources of Capital Funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total Sources of Capital Funding
					Applications of Capital Funding
-	-	-	-	-	Capital expenditure
-	-	-	-	-	to meet additional demand
-	-	-	-	-	to improve levels of service
-	-	-	-	-	to replace existing assets
-	-	-	-	-	Increase / (decrease) in reserves
(94,200)	(39,160)	12,558	62,172	108,513	Increase / (decrease) of investments
(94,200)	(39,160)	12,558	62,172	108,513	Total Applications of Capital Funding
94,200	39,160	(12,558)	(62,172)	(108,513)	Surplus / (Deficit) of Capital Funding
-	-	-	-	-	Funding Balance

Transport

This group of activities includes:

- Regional transport management
- Passenger transport administration
- Harbour safety and navigation

About Transport

Regional transport management

The overall aim of transport operations and planning is to achieve an affordable, integrated, safe, responsive and sustainable land transport system. The council's regional transport management work includes strategic planning for the future transport needs of the region and the active operational involvement in regional road safety issues through:

- Convening the Regional Transport Committee which includes representatives from the council, three district councils, NZ Police, NZ Transport Agency, environmental sustainability; economic development; safety and personal security; public health; access and mobility and cultural interests.
- Developing, implementing and monitoring the Regional Land Transport Strategy for Northland.
- Preparing a Regional Public Transport Plan.
- Developing the Regional Road Safety Action Plan.
- Preparing the Regional Land Transport Programme.

The 30 Year Transport Strategy for Northland (which incorporates the Regional Land Transport Strategy) is required to take a 30 year view in addressing the following objectives:

- Ensuring environmental sustainability.
- Assisting economic development.
- Assisting safety and personal security.
- Improving access and mobility.
- Protecting and promoting public health.

Regionally strategic projects are identified for rail, airports and ports and include:

- Coordinating a working party of the Regional Transport Committee to provide direct input and engagement with KiwiRail regarding the review of the North Auckland rail line.

- Strategic review of the three airports within Northland with a particular focus on the opportunities for improvements, including the potential for an international airport in the mid north.
- Review of the issues and opportunities for port networks within the upper North Island.

Passenger transport administration

Passenger transport is about providing affordable, safe, integrated, responsive, accessible and sustainable transport services to the public. The council's Passenger Transport Administration activity includes:

- Administration of the Whāngārei Urban City Link bus service.
- Investigating the viability of operating subsidised public passenger services in other areas.
- Administration of the Total Mobility Scheme in Whāngārei for the transport disadvantaged.
- Investigating the viability of operating Total Mobility Schemes into other areas.
- Registration and administration of public passenger transport services.
- Maintaining an electronic register of commercial passenger services.

Harbour safety and navigation

The council promotes the safety of people using the harbours and coastal areas of Northland. In line with best accepted practice promoted by Maritime New Zealand, the council has adopted the New Zealand Port and Harbour Marine Safety Code which uses formal risk assessment processes to provide harbour safety management and navigation systems. The council promotes and regulates navigation safety on all coastal and harbour waters throughout the region and out to 12 nautical miles, and makes Navigation Safety Bylaws that cover all boating and shipping activities in Northland's waters.

The council also provides and maintains aids to navigation, provides the services of a regional harbourmaster, harbour wardens, education and advice and if necessary, enforcement and a maritime incident response system. In addition, the council provides pilotage services to cruise ships in the Bay of Islands. There is a programme of summer patrols to promote compliance with navigation bylaws and to carry out educational activities to promote greater navigation and

boating safety. The council's vessels also provide services to other council departments for purposes of water quality monitoring and enforcement of the marine pollution regulations.

Why we provide Transport

The transport network is New Zealand-wide with connections world-wide. Having a regional coordination, operational and planning role makes sense for ensuring efficient and integrated management of the network and its funding. Harbour navigation and safety management is provided for the safe movement of commercial and recreational vessels, and promotes and regulates safe boating and shipping practices to minimise maritime accidents to protect the environment and losses to property and persons. Regional councils are obliged to engage in a range of land transport planning, passenger transport and harbour management activities.

Northland harbours provide direct access to world-wide markets and handle very large oil tankers, cargo ships, cruise ships and fishing vessels. Coastal trades include cement, oil products and fuel provision direct to Auckland. Northland is one of the most popular recreational boating areas in New Zealand with some of the best diving, fishing and sightseeing in the world, and is the first point of entry for the majority of visiting foreign yachts. Ship and boat repair facilities, tourism, commercial boating and port and refinery operations provide core economic benefits and employment to the region.

The preparation of the 30 year Transport Strategy is a requirement under the Land Transport Management Act 2003 and is required to be taken into account by road controlling authorities and the New Zealand Transport Agency during the formulation of their own land transport programmes. The council is responsible for the implementation of the regional component of the strategy and the oversight of other activities incorporated within the strategy.

Under the New Zealand Transport Agency's funding procedures, only regional councils may apply for government funding for subsidised public transport services, Total Mobility Schemes and related public transport administrative functions. The registration of commercial public transport services by the council is required under

the section 31 of the Public Transport Management Act 2008.

How Transport contributes to council objectives

The transport activity contributes to the following council objectives:

- Maintain and improve the quality of Northland's overall environment.
- Promote regionally significant infrastructure and improvements that enable economic development, enhance the environment, and connect people and Northland to the wider world.
- Encourage the sustainable access and use of our environment in ways that will progress our collective quality of living.
- Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment to encourage our collective pride in Northland.

The Harbour safety and navigation activity provide the aids to navigation that enable a safe environment for recreational and commercial marine use which protects the environment from the adverse effects of maritime accidents (e.g. oil leakage). The maritime department is pro-active in managing the marine area to allow for the ever changing uses and needs of the marine sector. The maritime resources of vessels and skilled skippers are used by other council departments for purposes of water quality monitoring, and marine pollution regulations enforcement and education. Providing for safe navigation in harbours allows for continued economic use of the resources available. Harbour Safety management systems encourage key stakeholder involvement allowing business development in a safe manner. The public are consulted regarding changes to their harbours, and public concerns are addressed.

Harbours provide key economic benefits to Northland from tourism, fishing, diving, and access to kai moana. Whāngārei provides access to multiple ship repair, maintenance and ship-building industries that could not operate without an efficient harbour. Additionally Marsden point refinery is critical to New Zealand's economic well-being, and provides employment to a large skilled workforce. Northport provides an export point for logs, woodchip and other general goods. The Bay of Islands provides an access point for cruise ships

bringing tens of thousands of visitors to the region each summer, and provides income to the council by way of pilotage fees. The Bay of Islands is one of the most popular recreational boating areas in New Zealand, and both the Bay of Islands and Whāngārei, provide the first official ports of entry for visiting foreign yachts. Northlanders identify with the sea, and are proud of their coastline. Careful management of navigational safety is important for the region.

The transport network provides for the efficient and economic movement of goods and people around the region. Projects to provide new and improved infrastructure ensure environmental sustainability by taking into consideration the environmental impacts of the region's transport infrastructure. All buses operating on the CityLink Service in Whāngārei are fitted with Euro 4 low emission motors. The subsidised public transport service and the Total Mobility Scheme provides opportunities for the transport disadvantaged to access places of work, retail, medical and recreation.

There are no **significant negative effects** from delivering the Transport group of activities.

Key outcomes of consultation

Kaitiāia public bus service targeted rate

A new targeted rate will be established to fund the current bus service operating in the Kaitiāia, Mangōnui and Ahipara area (see map below for the rating area). There was a good level of support in the submissions we received with many submitters prepared to fully fund the service if it was necessary. The service did not reach the threshold for government subsidy so the full funding amount will be raised through a targeted rate of \$15.27 (including GST) per separately used or inhabited part of a rating unit for 2012/13 (refer to the map on page 58 for the targeted rating area and affected properties).

A bus service (BusaboutKaitiāia) has been operating in Kaitiāia since 1 June 2009, initially with funding assistance from the Ministry for the Environment (an \$80,000 grant to run bio-diesel motors). When the grant ended in 2011 the bus operator, Community Business and Environment Centre (CBEC), approached the regional council for funding assistance in order to continue operating the service. In August 2011 the New Zealand Transport Agency (NZTA) and the

Northland Regional Council agreed to fund a maximum of \$35,000 each for the 2011-2012 financial year to keep the bus service operating. The government subsidy for 2011/2012 was released on the understanding that it be used to assist in the growth of the service to the point that it reached a benefit cost ratio of four, having to improve from a ratio less than two.

CBEC operate a number of scheduled daily services between Kaitiāia and Ahipara, and Kaitiāia and Mangōnui including shoppers' runs between Kaitiāia and Pak N Save at North Road. Fares range from \$2.00 to \$5.00 per person per trip.

Dargaville bus service proposal

The draft Long Term Plan included a proposal to establish a targeted rate to support the bus service operating in Dargaville. The proposal received very little support through the submissions. The service did not meet the threshold for government subsidy and the operator has since indicated their withdrawal from the service. No targeted rate has therefore been established.

Consultation on draft Regional Land Transport Programme 2012-2015

The draft Regional Land Transport Programme was released for consultation at the same time as the draft Long Term Plan and joint submission hearings were held in Kerikeri and Whāngārei. The programme is essentially a "programme of works" through which the New Zealand Transport Authority and approved organisations in the Northland region bid for funding assistance from the National Land Transport Fund. This programme covers the 2012 – 2015 financial period. The programme was finalised by the Regional Transport Committee and submitted for New Zealand Transport Authority approval on 6 June 2012.

The programme includes proposed activities for local road projects and state highways in the Northland region over the next three years and aims for the most efficient and effective use of the existing infrastructure to improve safety, route security and resilience along the network. It also contains a 10-year financial forecast.

Assumptions specific to Transport

There are no assumptions specific to the Transport group of activities.

Level of service change

No service levels were changed in the 2011-2012 financial year from the previous year or Long Term Plan. A new targeted rate will be established in 2012/13 to fund the public bus service in the Kaitiāia, Ahipara and Mangōnui areas to allow the bus service to continue to operate (given the withdrawal of government funding) and for residents to continue to receive the benefits of the service.

How we measure our performance

The council administers the Regional Transport Committee which has representatives from each of the three district councils and the New Zealand Transport Agency as well as representatives for the transport objectives. The Regional Transport Committee receives regular updates on the progress with the Regional Land Transport Programme and 30 Year Transport Strategy including financial reporting. The council receives updates on projects within the Harbour safety and navigation activity at the monthly council meetings. The council's Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the Transport group of activities; these are also captured in the council's Annual Report.

Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Levels of service	Why it is important	Performance measure	Performance target	Baseline
Embed safety in the thinking of all Northland road users.	There is a community expectation and national directive to make our roading network safer.	Reducing the annual number of fatal and serious injury motor vehicle crashes in Northland.	Crashes involving fatalities: 2012 <20 2013 <18 2014 <17 2015-21 <17 Crashes involving serious injuries 2012 <30 2013 <22 2014 <20 2015-21 <18	The number of crashes for both categories for the past five years is below this table. Crashes involving fatalities – average for last 5 years = 24.4. Crashes involving serious injuries – average for last 5 years = 40.4.
Providing an efficient and effective public bus service.	A reliable and effective bus service will have an increasing number of patrons.	Number of passengers for the Whāngārei urban bus service.	Increases annually.	2008/09 269,556 (+17%) 2009/10 289,485 (+7%) 2010/11 287,006 (-1%)
Maintaining navigation aids for safe navigation.	Safety of harbour and coastal waters. Also mitigates environmental problems of oil spills from wrecks.	Failures to navigation aids are repaired within five working days of reporting.	100% of the time.	New measure.
Providing safe pilotage services for vessels entering the Bay of Islands.	Pilotage provides additional safety. Large ships carry large amounts of oil.	Number of incidents from providing pilotage services within BOI harbours.	Zero incidents related to pilotage.	2009/10 – 0 2010/11 – 0

Information on the council's performance measures continue on page 136.

Funding impact statement for Transport

Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Sources of Operating Funding						
General rates, uniform annual general charges, rates penalties	728,233	889,482	978,299	1,084,255	1,180,319	1,319,173
Targeted rates (other than a targeted water rates)	410,476	495,851	548,413	548,931	552,501	619,308
Subsidies and grants for operating purposes	1,206,966	1,091,972	1,123,245	1,170,867	1,224,930	1,506,198
Fees, charges and targeted rates for water supply	1,425,382	1,529,096	1,572,878	1,589,102	1,604,698	1,658,298
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	6,055	9,800	10,114	10,437	10,792	11,170
Total Operating Funding	3,777,112	4,016,200	4,232,949	4,403,593	4,573,240	5,114,147
Applications of Operating Funding						
Payments to staff and suppliers	3,579,290	3,859,899	3,954,855	4,071,468	4,191,013	4,733,633
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	513,283	632,460	644,239	675,885	701,297	705,692
Other operating funding applications	-	-	-	-	-	-
Total Applications of Operating Funding	4,092,573	4,492,360	4,599,094	4,747,353	4,892,310	5,439,325
Surplus / (Deficit) of Operating Funding	(315,460)	(476,159)	(366,145)	(343,760)	(319,070)	(325,178)
Sources of Capital Funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-
Applications of Capital Funding						
Capital expenditure	-	-	-	-	-	-
to meet additional demand	-	-	-	-	-	-
to improve levels of service	204,480	47,600	34,485	11,716	36,562	1,140
to replace existing assets	68,515	40,900	252,068	100,112	63,872	51,290
Increase / (decrease) in reserves	52,731	(26,606)	17,128	14,746	11,844	8,981
Increase / (decrease) of investments	(641,186)	(538,053)	(669,826)	(470,335)	(431,348)	(386,589)
Total Applications of Capital Funding	(315,460)	(476,159)	(366,145)	(343,760)	(319,070)	(325,178)
Surplus / (Deficit) of Capital Funding	315,460	476,159	366,145	343,760	319,070	325,178
Funding Balance	-	-	-	-	-	-

Year 6 2017- 2018 \$	Year 7 2018- 2019 \$	Year 8 2019- 2020 \$	Year 9 2020- 2021 \$	Year 10 2021- 2022 \$	Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June
					Sources of Operating Funding
1,350,683	1,451,187	1,568,835	1,696,129	1,784,695	General rates, uniform annual general charges, rates penalties
643,823	647,466	650,358	653,705	657,090	Targeted rates (other than a targeted water rates)
1,327,897	1,375,165	1,393,158	1,437,306	1,439,958	Subsidies and grants for operating purposes
1,676,989	1,694,740	1,713,043	1,733,542	1,754,182	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
11,550	11,931	12,324	12,768	13,215	Local authorities fuel tax, fines, infringement fees and other receipts
5,010,942	5,180,488	5,337,718	5,533,450	5,649,140	Total Operating Funding
					Applications of Operating Funding
4,521,205	4,639,734	4,711,762	4,835,819	4,892,676	Payments to staff and suppliers
-	-	-	-	-	Finance costs
734,350	747,307	769,623	803,581	817,559	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
5,255,554	5,387,041	5,481,385	5,639,400	5,710,235	Total Applications of Operating Funding
(244,613)	(206,553)	(143,667)	(105,949)	(61,095)	Surplus / (Deficit) of Operating Funding
					Sources of Capital Funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total Sources of Capital Funding
					Applications of Capital Funding
-	-	-	-	-	Capital expenditure
-	-	-	-	-	to meet additional demand
35,356	14,853	12,576	-	43,421	to improve levels of service
218,028	81,689	95,577	84,687	250,816	to replace existing assets
6,081	2,943	(242)	(3,748)	(7,283)	Increase / (decrease) in reserves
(504,078)	(306,038)	(251,578)	(186,888)	(348,048)	Increase / (decrease) of investments
(244,613)	(206,553)	(143,667)	(105,949)	(61,095)	Total Applications of Capital Funding
244,613	206,553	143,667	105,949	61,095	Surplus / (Deficit) of Capital Funding
-	-	-	-	-	Funding Balance

How we measure our performance (continued)

These measures were selected as the major aspects for Transport after considering the level of risk either posed by the council's activities or the risk that these activities are intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, the Environmental Hotline, presentations to council meetings); the government's policy direction and the council's objectives.

Number of crashes with fatalities and serious injuries for the period 2007-2010.

Year	Fatalities	Serious injuries
2007	28	115
2008	27	107
2009	31	89
2010	20	86
2011	7	53



Community representation and engagement

This group of activities only includes the Community representation and engagement activity.

About Community representation and engagement

The Northland community is represented by eight councillors to make decisions for the Northland Regional Council. The council is divided into three constituencies in line with the boundaries of the three districts making up the Northland region. Community representation is as follows:

- Whāngārei constituency – four members
- Far North constituency – three members
- Kaipara constituency – one member

The Northland Regional Council has four committees to assist it to achieve its purpose in governing within its legal mandate. The Community Representation and Engagement activity guides the council's operations in accordance with the requirements of the Local Government Act 2002 including:

- The identification of council objectives.
- The preparation of the council's long term plans and annual plans.
- Monitoring the council's progress towards achieving its objectives.
- Implementing the council's policy for decision making under the Local Government Act 2002.
- Implementing the council's policy on undertaking consultation and seeking community views under the Local Government Act 2002.
- Organising and monitoring the electoral process for regional council elections.

Why we provide Community representation and engagement

Community representation through elected councillors is the central part of the democratic process and is dictated by statutory requirements.

Essentially the role of elected members is to provide good governance over the functions and responsibilities of the Northland Regional Council. The Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, the Local Electoral Act 2002 and other relevant legislation sets out the role of elected members and places obligations relating to the conduct of regional council business. These obligations are designed to ensure that the council:

- Conducts its business in an open, transparent and democratically accountable manner; and
- Gives effect to its identified priorities and desired outcomes in an efficient and effective manner.

How Community representation and engagement contributes to council objectives

The Community Representation and Engagement activity contributes to the following council objectives:

- Maintain and improve the quality of Northland's overall environment.
- Build a business friendly environment that encourages business and employment opportunities.
- Invest in Northland to increase all our communities' economic performance and quality of living and reduce disparities.
- Promote regionally significant infrastructure and improvements that enable economic development, enhance the environment, and connect people and Northland to the wider world.
- Encourage the sustainable access and use of our environment in ways that will progress our collective quality of living.
- Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment to encourage our collective pride in Northland.

As policy-maker for the council the councillors play an instrumental role in contributing to the council objectives through understanding and representing the views of the region and encouraging the participation of others in our decision-making. Having transparent decision-making processes that are easily understood helps to encourage community participation. The

council will continue to provide opportunities for Māori to gain knowledge of council processes and to support avenues for Māori to participate in the decision-making processes. The council will also continue to recognise the special relationship Māori have with the natural and physical resources of the region. Once the first steps have been taken, council hopes to build a strong governance relationship with the iwi authority governance representatives that will see us broadening our relationship and engaging directly around major issues, proposals and consultations.

Two key policy processes for this term of council is the development of this Long Term Plan (which occurs every three years) and the new Regional Policy Statement (which occurs about every 10 years). The proposals within this draft Long Term Plan are intended to address our active contribution towards all of the council objectives and the Regional Policy Statement is addressing matters that relate to the sustainable use of our natural and physical resources.

There are no **significant negative effects** from delivering the Community Representation and Engagement group of activities.

How we measure our performance

The council's Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the Community representation and engagement group of activities; these are also captured in the council's Annual Report.

Participation in our decision-making and advocacy by the council were selected by the council as the major aspects for the Community Representation and Engagement activity.

Assumptions specific to Community representation and engagement

Council has assumed that it will support the Te Oneroa-a-Tōhē Board (co-governance arrangement from treaty settlement) through "committee secretariat" support along with the Far North District Council. The settlement process that sets up the Board will provide some of the

initial funding for the operation and support of the Board. Council has also budgeted for staff support for the development of the Beach Management Plan in years 1-3 (\$8,000 in years 1 and 2; \$4,000 in year 3).

Level of service change

No service levels were changed in the 2011-2012 financial year from the previous year or Long Term Plan and no service levels are proposed to change in this plan. The increase in expenditure from 2011-12 reflects minor increases to a wide range of expenses.

Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Levels of service	Why it is important	Performance measure	Performance target	Baseline
Maintaining effective, open and transparent democratic processes.	This is council in action – facilitating community participation in decision making.	Submissions received on council's long term plans and annual plan.	Increasing number of submissions for Annual Plans and Long Term Plans.	220 submissions - 2011/2012 Annual Plan. 500 submissions – 2010/2011 Annual Plan. 612 submissions – 2009-19 Long Term Plan.
Maintain effective, open and transparent democratic processes.	Providing responses to submitter feedback enhances the experience of submitters and encourages their ongoing participation in local government decision making processes.	Time to respond to submitters post adoption of annual plans and long term plans.	Within one month of adoption.	2011/2012 Annual Plan – one month.
Providing effective advocacy on behalf of Northlanders on matters of regional significance.	This is council in action – advocating for Northlanders on issues of importance to them.	Level of advocacy undertaken on issues of importance to Northland over and above government submission processes.	10 submissions made annually.	New measure

Funding impact statement for Community representation and engagement

Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Sources of Operating Funding						
General rates, uniform annual general charges, rates penalties	1,148,798	1,385,850	1,545,979	1,680,399	1,831,259	1,946,887
Targeted rates (other than a targeted water rates)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	60,000	61,920	63,901	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	8,000	-	-	-	-	-
Total Operating Funding	1,156,798	1,445,850	1,607,899	1,744,301	1,831,259	1,946,887
Applications of Operating Funding						
Payments to staff and suppliers	1,681,635	1,910,913	2,121,976	2,026,399	2,054,813	2,267,675
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	365,311	451,925	459,906	481,711	493,348	504,170
Other operating funding applications	-	-	-	-	-	-
Total Applications of Operating Funding	2,046,946	2,362,838	2,581,882	2,508,110	2,548,161	2,771,845
Surplus / (Deficit) of Operating Funding	(890,148)	(916,989)	(973,983)	(763,810)	(716,903)	(824,958)
Sources of Capital Funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-
Applications of Capital Funding						
Capital expenditure	-	-	-	-	-	-
to meet additional demand	-	-	-	-	-	-
to improve levels of service	-	-	-	-	-	-
to replace existing assets	-	-	-	-	-	-
Increase / (decrease) in reserves	-	-	(144,480)	-	-	(159,569)
Increase / (decrease) of investments	(890,148)	(916,989)	(829,503)	(763,810)	(716,903)	(665,389)
Total Applications of Capital Funding	(890,148)	(916,989)	(973,983)	(763,810)	(716,903)	(824,958)
Surplus / (Deficit) of Capital Funding	890,148	916,989	973,983	763,810	716,903	824,958
Funding Balance	-	-	-	-	-	-

Year 6 2017- 2018 \$	Year 7 2018- 2019 \$	Year 8 2019- 2020 \$	Year 9 2020- 2021 \$	Year 10 2021- 2022 \$	Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June
					Sources of Operating Funding
2,106,023	2,251,281	2,438,866	2,573,800	2,710,805	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	Targeted rates (other than a targeted water rates)
-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	Local authorities fuel tax, fines, infringement fees and other receipts
2,106,023	2,251,281	2,438,866	2,573,800	2,710,805	Total Operating Funding
					Applications of Operating Funding
2,160,971	2,220,331	2,461,213	2,348,628	2,412,717	Payments to staff and suppliers
-	-	-	-	-	Finance costs
525,219	534,122	550,158	575,093	584,534	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
2,686,190	2,754,453	3,011,370	2,923,720	2,997,250	Total Applications of Operating Funding
(580,167)	(503,172)	(572,504)	(349,920)	(286,445)	Surplus / (Deficit) of Operating Funding
					Sources of Capital Funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total Sources of Capital Funding
					Applications of Capital Funding
-	-	-	-	-	Capital expenditure
-	-	-	-	-	to meet additional demand
-	-	-	-	-	to improve levels of service
-	-	-	-	-	to replace existing assets
-	-	(176,064)	-	-	Increase / (decrease) in reserves
(580,167)	(503,172)	(396,440)	(349,920)	(286,445)	Increase / (decrease) of investments
(580,167)	(503,172)	(572,504)	(349,920)	(286,445)	Total Applications of Capital Funding
580,167	503,172	572,504	349,920	286,445	Surplus / (Deficit) of Capital Funding
-	-	-	-	-	Funding Balance

Support Services

The funding impact statement below relates to council's support services which are the corporate and support functions for the organisation and include the expenditure and funding sources for commercial activities (interest, dividends and rental income) finance operations, records administration, human resources, communications, information technology and other administration.

Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June	Annual Plan 2011-2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Sources of Operating Funding						
General rates, uniform annual general charges, rates penalties	803,217	-	-	-	-	-
Targeted rates (other than a targeted water rates)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	26,419	37,000	38,184	39,406	40,746	42,172
Internal charges and overheads recovered	5,919,340	6,152,066	6,394,056	6,855,642	7,034,182	7,132,604
Local authorities fuel tax, fines, infringement fees and other receipts	6,052,221	6,187,403	6,074,441	5,941,993	6,349,677	6,112,428
Total Operating Funding	12,801,198	12,376,469	12,506,681	12,837,041	13,424,605	13,287,203
Applications of Operating Funding						
Payments to staff and suppliers	5,542,046	5,415,291	5,584,870	5,732,245	5,876,495	6,007,181
Finance costs	1,000	1,000	1,000	1,000	1,000	1,000
Internal charges and overheads applied	369,486	16,249	16,500	17,346	17,753	18,121
Other operating funding applications	-	-	-	-	-	-
Total Applications of Operating Funding	5,912,533	5,432,541	5,602,370	5,750,591	5,895,247	6,026,302
Surplus / (Deficit) of Operating Funding	6,888,665	6,943,929	6,904,311	7,086,450	7,529,358	7,260,901
Sources of Capital Funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total Sources of Capital Funding	-	-	-	-	-	-
Applications of Capital Funding						
Capital expenditure	-	-	-	-	-	-
to meet additional demand	-	-	-	-	-	-
to improve levels of service	2,237,007	1,576,616	376,680	388,734	137,654	74,086
to replace existing assets	769,875	448,500	503,616	546,890	681,114	841,726
Increase / (decrease) in reserves	1,325,455	1,077,310	1,729,888	2,587,929	3,701,962	4,238,506
Increase / (decrease) of investments	2,556,328	3,841,503	4,294,127	3,562,897	3,008,627	2,106,583
Total Applications of Capital Funding	6,888,665	6,943,929	6,904,311	7,086,450	7,529,358	7,260,901
Surplus / (Deficit) of Capital Funding	(6,888,665)	(6,943,929)	(6,904,311)	(7,086,450)	(7,529,358)	(7,260,901)
Funding Balance	-	-	-	-	-	-

A change in council rates as a source of operating funding for the Communications department has occurred since the 2011/12 Annual Plan was developed. The majority of the costs associated with the Communications department are now treated as a council overhead and redistributed across the council's activities. The exception is the cost associated with Environmental Education which is now included in the Community representation and engagement activity.

Year 6 2017- 2018 \$	Year 7 2018- 2019 \$	Year 8 2019- 2020 \$	Year 9 2020- 2021 \$	Year 10 2021- 2022 \$	Prospective Funding Impact Statement for the 2012-2022 Long Term Plan periods ending 30 June
					Sources of Operating Funding
-	-	-	-	-	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	Targeted rates (other than a targeted water rates)
-	-	-	-	-	Subsidies and grants for operating purposes
43,606	45,045	46,531	48,206	49,893	Fees, charges and targeted rates for water supply
7,291,468	7,297,549	7,409,531	7,675,103	7,763,895	Internal charges and overheads recovered
6,241,286	6,317,571	6,281,683	6,898,027	6,452,954	Local authorities fuel tax, fines, infringement fees and other receipts
13,576,359	13,660,164	13,737,745	14,621,336	14,266,742	Total Operating Funding
					Applications of Operating Funding
5,920,325	6,042,424	6,180,207	6,512,590	6,618,072	Payments to staff and suppliers
1,000	1,000	1,000	1,000	1,019	Finance costs
18,926	19,216	19,800	20,753	21,047	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
5,940,251	6,062,640	6,201,008	6,534,342	6,640,138	Total Applications of Operating Funding
7,636,108	7,597,524	7,536,738	8,086,994	7,626,604	Surplus / (Deficit) of Operating Funding
-	-	-	-	-	Sources of Capital Funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total Sources of Capital Funding
					Applications of Capital Funding
-	-	-	-	-	Capital expenditure
-	-	-	-	-	to meet additional demand
430,164	493,056	459,023	241,031	141,589	to improve levels of service
436,056	527,752	597,359	588,246	860,999	to replace existing assets
5,452,864	6,353,231	7,372,243	8,891,407	9,387,778	Increase / (decrease) in reserves
1,317,024	223,485	(891,887)	(1,633,690)	(2,763,762)	Increase / (decrease) of investments
7,636,108	7,597,524	7,536,738	8,086,994	7,626,604	Total Applications of Capital Funding
(7,636,108)	(7,597,524)	(7,536,738)	(8,086,994)	(7,626,604)	Surplus / (Deficit) of Capital Funding
-	-	-	-	-	Funding Balance

Council-controlled organisations

Until this long term plan the council had one council-controlled organisation – the Northland Regional Council Community Trust. The council has disestablished the Northland Regional Council Community Trust as a consequence of its consultation on the proposals within the draft plan about the structure of its council-controlled organisations and a new council-controlled organisation for economic development. Destination Northland Limited, formerly a subsidiary of the Northland Regional Council Community Trust, will become the council's new council-controlled organisation. Details of these changes are included on pages 115-117.

A Statement of Intent for the new council-controlled organisation will be finalised as soon as practicable.

Nature and scope of new council-controlled organisation:

- Facilitate economic development in Northland.
- Promote Northland as a destination to live, work, invest and visit.

Key performance measures and targets for the new council-controlled organisation:

- Employment rate – increases annually
- Business growth – increases annually
- GDP of Northland – increases annually
- Visitor numbers – increases annually

IRIS – Integrated Regional Information Software

The council is establishing a council-controlled organisation with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils in the delivery of their activities under a long-term plan. The application suite being developed is called IRIS – Integrated Regional Information Software. The council consulted on establishing the IRIS council-controlled organisation with the other regional councils in its 2009-2019 Long Term Plan.

The main drivers of the Integrated Regional Information Software project are:

- Continuity of supply;
- Influence/control of the destiny of regional council sector specific software;
- Risk reduction;
- Economies of scale;
- Standardisation of practice and/or adoption of best practice.

It is intended that the council-controlled organisation will be formed and become operative post 1 July 2012. This council-controlled organisation will be a limited liability company. The shareholders of the council-controlled organisation will be the six regional councils that are developing the Integrated Regional Information Software suite.

The council will hold shares in the council-controlled organisation. By committing its share of the costs of development, the council will be financing the council-controlled organisation. The operating costs will be recovered from the participating councils using an agreed recovery formula taking into account each councils size and use of the system. The council will maintain its ownership of the council-controlled organisation as long as it continues to operate and the council continues to utilise the products developed by the council-controlled organisation. Once established, the council-controlled organisation will prepare a statement of intent. This statement of intent will form the basis of key performance targets and other measures by which the performance of the council-controlled organisation may be judged.

Subsidiary organisations

Northland Port Corporation (NZ) Ltd

Port ownership

The Northland Regional Council owns 53.6% (22.1 million shares) of the issued capital of the Northland Port Corporation (NZ) Limited (NPC). The balance of shares is held by the public and all shares are listed on the New Zealand stock exchange. The council reviews its shareholding in the company during the triennial review of its strategic plan.

There are six directors of the Northland Port Corporation (NZ) Limited. Two directors retire by rotation each year. The following are the current directors:

Mr R Blackmore	Sir J Goulter
Ms S Huria	Mr D Keys
Mr P Griffiths	Mr C Mitten (Chairman)
Ms E Trout	Mr I C Walker

Company operations

Over the last few years the company has rationalised its operations and is now essentially an investment company with holdings in the following companies:

- Northport Limited (operates a deep water port facility at Marsden Point)
- North Port Coolstores (1989) Limited
- Northland Stevedoring Services Limited

The company also owns approximately 180 hectares of industrially zoned land in the Marsden Point area which is being progressively developed for industry that utilises the port at Marsden Point.

Company financial data

As a listed company, Northland Port Corporation (NZ) Limited is not required to publish a statement of corporate intent nor provide budget estimates to the council, its major shareholder. The corporation is exempt from the council-controlled organisations' provisions of the Local Government Act 2002.

Subsidiaries

Company	NPC Holding	Main activity
Northport Limited	50.0%	Port operating company
Northland Stevedoring Services Limited	50.0%	Stevedores
North Port Coolstores (1989) Limited	50.0%	Coolstore operators
Marsden Point Stevedoring Services Limited	50.0%	Non-trading

