

# Annual Plan 2011-2012



# DRAFT

Putting Northland first

**NORTHLAND  
REGIONAL  
COUNCIL**



# your regional council

## our vision

Creating a region of choice.

## our mission

Through growth, putting Northland first by providing regional leadership, environmental protection, economic opportunities and integrated infrastructure.

## our motto

Putting Northland first.

## our values

To achieve our vision and mission the Council will:

- Put our community and region first
- Be forward thinking and innovative
- Be flexible and open
- Be responsive and deliver value
- Be professional and accountable
- Work with others.

## our values in action

### **Put our community and region first**

Provide regional leadership, focussed on working towards strategies and action which will make a positive difference to Northland's communities and people.

### **Be forward thinking and innovative**

We will always look long-term at issues facing our region and seek innovative solutions.

### **Be flexible and open**

We will adapt to change quickly, listen carefully to our communities and act fairly and openly in everything we do.

### **Be responsive and deliver value**

We are committed to understanding what is important to Northlanders and, take action to deliver value to them.

### **Be professional and accountable**

We strive to deliver the highest levels of professionalism and we are responsible to the people and ratepayers of the Northland region.

### **Work with others**

We will work together and in partnership with others to achieve the most effective and affordable outcomes for the Northland region.

# Northland Regional Council

## Draft Annual Plan 2011-2012

This Draft Annual Plan sets out the activities planned for the coming year to achieve the goals outlined in the Northland Community Plan 2009-2019.

The Council recognises that you and your community have an important part to play in Northland's future and therefore welcomes your comments on this draft plan.

You may wish to use the submission form on page 21.

You can also view the Draft Annual Plan on the Council's website:  
*[www.nrc.govt.nz/draftannualplan](http://www.nrc.govt.nz/draftannualplan)*

**Submissions close at 3.00pm on Friday 6 May 2011**

## Whatungarongaro he tāngata toitu te whenua – Mankind passes on but the earth remains for all eternity

E rua ano nga hua e kite ana e te tāngata i te wā e ora ana e ia i runga i te mata o te whenua.

Ko nga mea na Te Atua i hanga, me nga mea na te tāngata ano i hanga.

Ta Te Atua i hanga ai, he taonga, he mea tapu, tapu rawa, mei ata tiaki marika, mehemea ngaro ai, ka ngaro mo ake tonu atu.

Ta te tāngata i hanga ai, he taputapu noa iho māna, ka whakamahia, ka whakapaua, ka whakarerea, e taea noa iho te whakahoua.

During a person's time on earth, he or she will see only two things; things created by the hand of God and things manufactured by the hand of man.

Things created by the hand of God are of divine creation and are given the sacred description of taonga. Being most sacred, they must be protected at all costs for once lost, they are lost forever.

Things manufactured by the hand of man are personal belongings and are for his or her convenience only. As such, they are usable, consumable, disposable and replaceable.

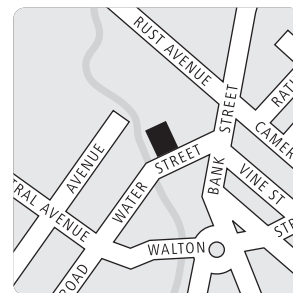
# contents

directory	4	regional economic development	58
welcome	5	resource management planning	61
foreword	6	transport	65
your regional councillors	8	consents	68
governance structure	9	environmental monitoring	71
council committees	10	land and rivers	78
focus for the year 2011-2012	11	biosecurity	82
update on major existing council projects	15	emergency management	85
council planning process	18	maritime operations	88
council management structure	19	support services	91
submission process	20	forecast financial statements – significant forecasting assumptions	93
submission form	21	statement of significant accounting policies	97
proposed staged redirection of investment income	23	forecast financial statements	107
proposed new Whāngārei Urban Rivers Management Rate	29	amendments to the Navigation Safety Bylaw 2007	115
proposed new Kaeo-Whangaroa River Management Rate	31	amendments to the Navigation, Water Transport and Maritime Safety Bylaw Charges 2010	119
financial overview	33	charging policy summary	122
council groups of activities	48	glossary and abbreviations	148
democracy and corporate services	49		
regional information and engagement	53		

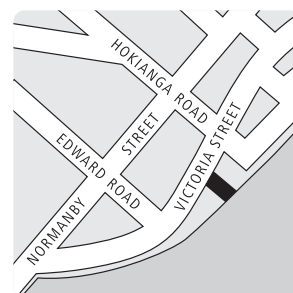
# directory

## Main Office

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Website: [www.nrc.govt.nz](http://www.nrc.govt.nz)  
LinkedIn: [www.linkedin.com/companies/northland-regional-council](http://www.linkedin.com/companies/northland-regional-council)  
Facebook: [www.facebook.com/NorthlandRegionalCouncil](http://www.facebook.com/NorthlandRegionalCouncil)  
Twitter: [www.twitter.com/NRCExpress](http://www.twitter.com/NRCExpress)



**WHĀNGĀREI**



**DARGAVILLE**

## Dargaville Office

Address: 61B Victoria Street, Dargaville 0310.  
Telephone No: 09 439 3300  
Facsimile No: 09 439 3301



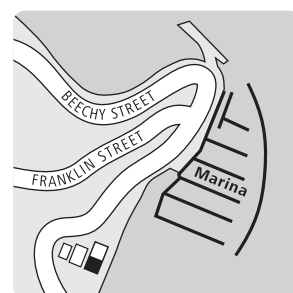
**KAITĀIA**

## Kaitāia Office

Address: 192 Commerce Street, Kaitāia 0410.  
Telephone No: 09 408 6600  
Facsimile No: 09 408 6601

## Ōpua Office

Address: Unit 10, Ōpua Marine Park, Ōpua 0200.  
Telephone No: 09 402 7516  
Facsimile No: 09 402 7510



**ŌPUA**

# welcome

## **Welcome to Northland Regional Council's Draft Annual Plan 2011-2012.**

The main purpose of the Annual Plan is to provide updated financial information on the budget and rates for the 2011-2012 year.

The Annual Plan 2011-2012 supports the Council's Long Term Council Community Plan (known as the Northland Community Plan 2009-2019) and focuses on identifying any changes or additions, rather than repeating the detailed information contained in the Community Plan. The next Long Term Council Community Plan will be released in April 2012 and will cover the period 2012-2022.

Except where noted, the plans and activities established in the Northland Community Plan 2009-2019 apply to this Annual Plan and the 2011-2012 operations of the Council. Therefore, it is important that this Annual Plan is read in conjunction with the Northland Community Plan 2009-2019.

*Copies of the Community Plan are available from the Council or from the Council's website*  
***[www.nrc.govt.nz/ltp](http://www.nrc.govt.nz/ltp)***

Excluding the variations to the Northland Community Plan 2009-2019 detailed throughout this Plan, the changes from what the Council had expected to happen in 2011-2012 are relatively minor, with some additional initiatives and refinement of costs as more information has become available.

*Full details of these variations affecting the Council's groups of activities are referred to on pages 48 to 92 of this plan.*

# foreword

## A word from the Chairman and Chief Executive Officer

Unlocking Northland's untapped economic potential has occupied a great deal of councillors' collective attention since their election in October.

Over the past few months your councillors and staff have devoted significant time and effort trying to identify how best to do this, while at the same time ensuring real - and lasting - economic, environmental, social and cultural benefits.

We want to partner with infrastructure and economic development leaders, our local authority counterparts and other parties to open up opportunities that will reverse a cycle of regional underinvestment.

In a nutshell, this means Council will support projects that create new opportunities and provide Northlanders – in particular our young people - with a better standard of living.

We have set up a new Regional Policy and Development Committee (whose members include district council representatives from around our region) to spearhead a Northland Community Growth Programme. The committee will also help ensure our regional planning regime is as flexible and responsive as possible to support economic, environmental and other initiatives.

Councillors believe that if we can increase disposable incomes in our region, improvements across multiple fronts – from health and education to reductions in unemployment and crime - should naturally follow.

One of the ways we can help achieve this is by redirecting Council's investment income from subsidising Northland Regional Council services, to directly funding specific projects via a dedicated Regional Investment Fund.

The core capital of all Council investments will remain protected to continue to provide benefits to future generations of Northlanders. Redirecting our investment income will reduce the need to introduce new targeted rates as we have done in recent years to fund projects like the Northland Events Centre and the rescue chopper service.

To that end, we're proposing an annual rate increase of about \$18 per ratepayer over each of the next five years – equivalent to 35 cents a week - that will enable us to phase in this new direction over the next five years.

As mentioned previously, another way to help advance Northland is to ensure we have the right planning framework in place and work is well-advanced towards developing a new Regional Policy Statement (RPS) to do exactly that.



The RPS is designed to ensure the region's natural and physical resources (things like its land, water, air, soil, minerals, energy, plants and animals) are sustainably managed, making it one of Northland's most important planning tools. It also guides the development of our other plans, as well as district plans prepared by the Whāngārei, Kaipara and Far North District Councils.

Much has changed legally, socially, environmentally and economically in recent years and we'll need your help over the coming months to ensure we get the right balance between use, development and protection as we move into the future.

Of course, our environment will remain at the core of Council's business and we will continue to build on recent environmental gains, including improvements in water quality and flood management work.

Council's priority rivers project to develop (or update) flood risk reduction plans for the 27 rivers in Northland with the highest levels of flood risk is progressing well.

The 2011-2012 year will mark a crucial stage in this project with a variety of flood risk reduction measures prioritised for inclusion in Council's 2012-2022 Long Term Plan.

Your Council is also proposing to introduce a new rate in the Whāngārei District to fund an initial \$681,697 (incl GST) programme of river maintenance works in urban Whāngārei rivers.

Council is concerned that apart from the obvious financial costs, flooding has a bad effect on Whāngārei Harbour's water quality because of the associated sewage overflows.

An increased rate of \$137.02 is also proposed on all properties in the Far North District's former Whangaroa Ward to construct stopbanks and carry out other flood risk reduction works in the Kaeo and Tauranga Bay area.



Another issue your Council will be watching closely is the possibility KiwiRail may mothball on economic grounds the rail line which currently services Northland.

Councillors believe rail is integral to the region's future and a vital piece of regional infrastructure. We'll work with others and do all in our power to convince those who will ultimately decide the fate of the rail line that it must be retained.

That will include approaches to central government to ensure work progresses as planned on the Puhoi to Wellsford State Highway project.

The government has already identified this roughly 38km route as a road of national significance because of the strategic role it has connecting Northland and Auckland.

The road of national significance designation also considers future regional growth, as well as improving the safety of the route and making journey times more reliable.

The loss of regional rail would force even greater numbers of logging and other heavy vehicles onto our roading network, with all the associated risks that brings to tourists and other motorists. While the current government supports the Puhoi to Wellsford route, it is a long term project and Northland cannot afford to have work on the Puhoi to Wellsford route abandoned by new, subsequent governments.

This situation also highlights the importance of Northland maintaining a good working relationship with the new Auckland Council, not just on transport matters, but across a range of issues.

Nearer to home, Northlanders have clearly indicated in recent months they want to see a much closer, more productive working relationship between the region's local authorities.

To an extent, this desire was reflected in the outcome of the October local body elections and the new political environment it delivered.

Efforts to strengthen those ties – including new committees with region-wide representation – will be ongoing, as will investigations into the possibility of sharing services wherever possible. Full Northland Regional Council meetings will also be held in both the Kaipara and Far North districts on a regular, alternating basis from now on.

Council has also been working more closely with iwi groups over the past year. Hui have been held for treaty settlement discussions and input to the new Regional Policy Statement.

On the financial front, councillors are all too aware that many in Northland are still suffering the lingering effects of the recent drought and global recession and do not wish to unnecessarily add to the pressures many continue to experience.

However, Northland is also at a crossroads of sorts and we're effectively asking ratepayers to make some hard choices this year in terms of whether they wish to support a number of new initiatives or not.

Northland Regional Council rates are currently among the lowest in New Zealand, a situation we expect to continue even if the public support the proposals outlined in this draft.

We urge you all to take the opportunity to comment on Council's Draft Annual Plan and let us know whether you think we've got it right or not. A submission form can be found on page 21.



**Craig Brown**  
Chairman



**Ken Paterson**  
Chief Executive Officer

# your regional councillors



## **Craig Brown - Chairman**

*Whāngārei constituency*  
Phone: 09 432 7575  
Email: craigb@nrc.govt.nz

Craig Brown is the former Mayor of the Whāngārei District Council and is serving his second term on the Regional Council. He is a former policeman, and has been involved in farming and real estate.

Cr Brown is serving his third term on the

Northland District Health Board and has been a co-opted member of the NorthTec Council for six years. He has been heavily involved on school boards of trustees since their instigation, for which he received an award for services to education from the New Zealand School Trustees Association. Cr Brown was on the Whāngārei District Council for 12 years, six of them as Mayor.



## **John Bain - Deputy Chairman**

*Whāngārei constituency*  
Phone: 09 437 6096  
Email: jrbain@internet.co.nz

John Bain is best-known to most as chairman of the high-profile air ambulance provider, the Northland Emergency Services Trust (NEST). A member of the Northland District Health Board, Cr Bain has had a 35-year

involvement with the Northland Ambulance Service, including many years as its chairman. Cr Bain has been self-employed since his early twenties and is currently in the importing business.



## **Joe Carr**

*Far North constituency*  
Phone: 09 401 9197  
Email: carr.clan@farmside.co.nz

Okaihau-based Joe Carr has local business, farm and forest interests and is also a Justice of the Peace. He is a trustee of the Far North Life Education Trust and a former Far North district councillor.

Cr Carr has served on a number of

regional council committees over the past nine years including Civil Defence and Emergency Management, Regional Land Transport and Landcare. He has previously been a Hearing Commissioner and Appeal Negotiator for the Far North District Council.



## **Tony Davies-Colley**

*Whāngārei constituency*  
Phone: 09 435 4090  
Email: tony@westpoint.net.nz

Tony Davies-Colley is a businessman involved in technology, engineering, farming, forestry and property. He is a director of several private companies. Cr Davies-Colley has an Agricultural Science degree and over the last 30 years

has been actively involved in farming, forestry and the wood processing industry.



## **Bronwyn Hunt**

*Far North constituency*  
Phone: 09 408 3412  
Email: bronyh@hotmail.com

Bronwyn has been involved in local government for over 20 years, 13 of which was in the Far North district. Her community interests are wide and varied. Currently working for the

Te Runanga o Te Rarawa, Bronwyn heads

the Strategy and Policy Unit. Cr Hunt is now serving her first term on the Regional Council.



## **Graeme Ramsey**

*Kaipara constituency*  
Phone: 09 439 7022  
Email: baylys@igrin.co.nz

Graeme returned home to Dargaville after a management career overseas. He served six years as Mayor of the Kaipara district and has continued his career in New Zealand as Chief Executive Officer and Director of commercial and not-for-profit national organisations. Graeme has degrees in Geography, Sociology and a Masters in Business Administration. He lives at Baylys Beach with his wife Josie.



## **Bill Rossiter**

*Whāngārei constituency*  
Phone: 09 437 2807  
Email: billr@igrin.co.nz

Bill Rossiter is serving his fifth term on the Regional Council. He previously served as a Whāngārei District Councillor. He is a Northpower trustee and was previously the Road Safety Co-ordinator for RoadSafe Northland. He is active in

community organisations, including Rotary and an appointed Whāngārei RSA Trustee. Cr Rossiter is a retired businessman involved in the printing and stationery business.



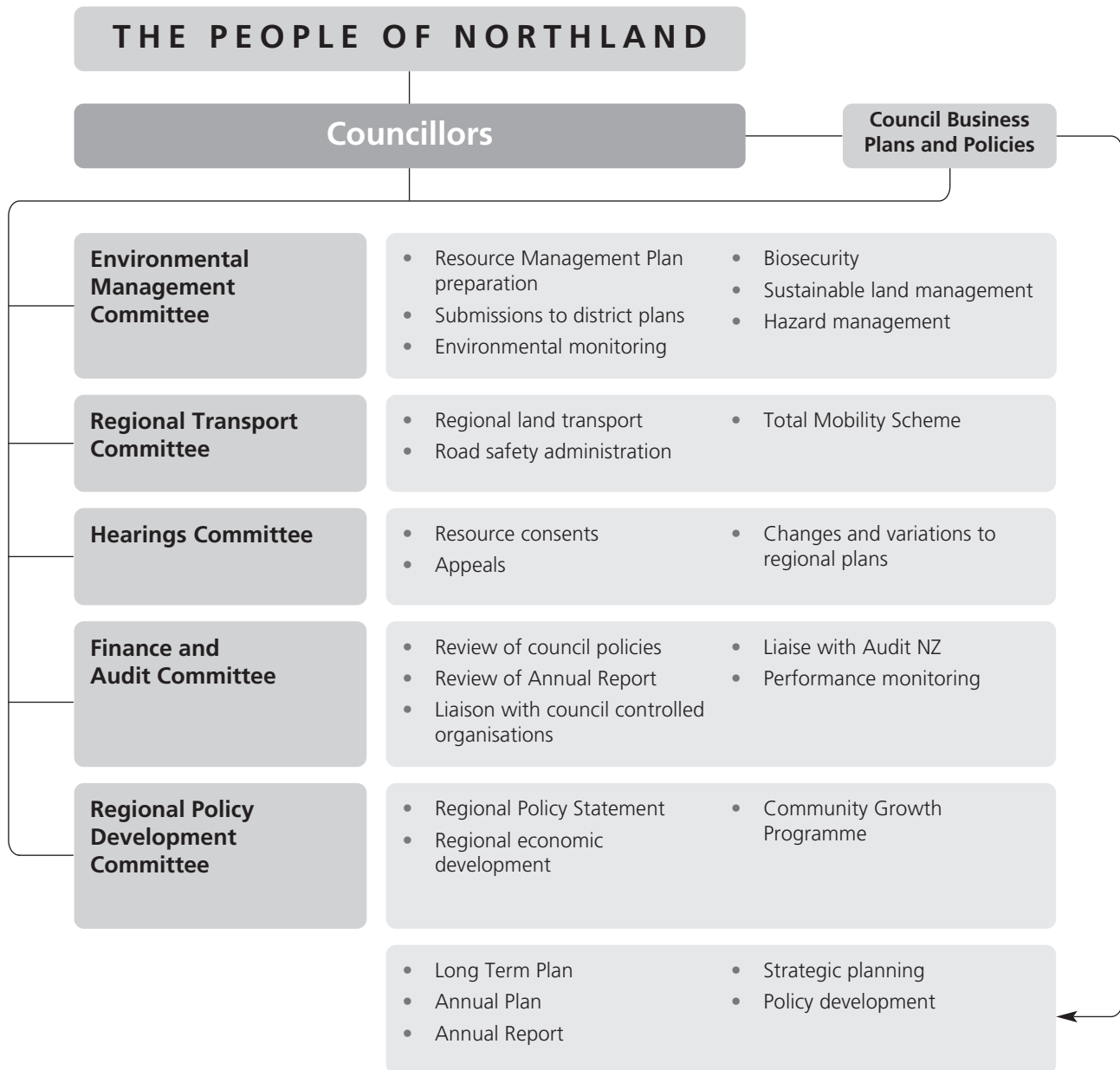
## **Ian Walker**

*Far North constituency*  
Phone: 09 408 0072  
Email: ian@nzfarmers.com

Ian Walker is a farmer, retailer and has business interests in IT. He has held a number of directorships and is currently President of Farmers of New Zealand and a Director of Northland Port Corporation NZ Limited. This is his fourth term as a

Regional Councillor.

# governance structure



Full details of all Council's Governance arrangements and processes are contained in its Governance Statement. A copy of Northland Regional Council's Governance Statement is available on request, or by visiting the website: [www.nrc.govt.nz](http://www.nrc.govt.nz)

# council committees

The Chairman, Craig Bown, is an ex-officio member of all committees.

## Environmental Management Committee

Councillors Joe Carr (Chairman), Graeme Ramsey (Deputy Chairman), Craig Brown (ex officio), Bill Rossiter, Bronwyn Hunt, Tony Davies-Colley.

- Cr Di Maxwell representing the Far North District Council.
- Cr Crichton Christie representing the Whāngārei District Council.
- Cr Brian McEwing representing the Kaipara District Council.
- Ms Nicole Anderson representing cultural interests.
- Dr Greg Blunden representing environmental interest groups.
- Mr Richard Booth representing the farming community.
- Chris Jenkins representing the Department of Conservation.
- Mr Geoff Gover representing the forest industry.

## Regional Transport Committee

Councillors John Bain (Chairman), Joe Carr (Deputy Chairman), Craig Brown (ex officio).

- Cr Tom Baker representing the Far North District Council.
- Cr Greg Martin representing the Whāngārei District Council.
- Cr Wayne Linton representing the Kaipara District Council.
- Mr Stephen Town representing the NZ Transport Agency.
- Mr Tony Norman representing public health.
- Mr Ken Rintoul representing economic development.
- Mr Steve Westgate representing environmental sustainability.
- Mr Rawson Wright representing cultural interests.
- Mr Clifford Paxton representing New Zealand Police, safety and security.
- Mr Howeth Mountain representing access and mobility.

## Audit and Finance Committee

Councillors Bill Rossiter (Chairman), Graeme Ramsey (Deputy Chairman), Craig Brown (ex officio), John Bain, Joe Carr, Bronwyn Hunt, Tony Davies-Colley, Ian Walker.

## Regional Policy and Development Committee

Councillors Ian Walker (Chairman), Craig Brown (ex officio), Tony Davies-Colley and John Bain.

- Cr Ann Court representing the Far North District Council.
- Cr John Williamson representing the Whāngārei District Council.
- Cr Julie Geange representing the Kaipara District Council.

## Hearings Committee

Councillors Craig Brown (Chairperson) and Bronwyn Hunt.

The Committee (or the Council) may appoint any individual member/s or other independent person/s as Commissioner/s pursuant to section 34(1) of the RMA, to conduct a hearing in any particular case. The Committee (or the Council) may also revoke such a delegation at any time, by notice to the delegate.

## Northland Regional Council Community Trust

The Northland Regional Council Community Trust was established in March 1996 using the proceeds from the sale of some of the Northland Regional Council's majority shareholding in the Northland Port Corporation. The current trustees are Andrew Britton, Rawson Wright, Irene Durham and Bill Shepherd.

## Councillor portfolios and memberships

- Broadband – Cr Tony Davies-Colley and Cr Bill Rossiter.
- Catchment Management – Cr Joe Carr.
- Economic Development/Regional Growth – Cr Walker.
- Environment – Cr Joe Carr.
- Environment Awareness – Cr Bill Rossiter.
- Growth Strategy – Cr Ian Walker.
- NZ Refining Company Community Liaison Committee – Chairman Craig Brown.
- Northland Chamber of Commerce – Cr Tony Davies-Colley and Cr Bill Rossiter.
- Northland Conservation Board – Cr Bronwyn Hunt.
- Northland Regional Animal Health Committee – Cr Ian Walker.
- Ngunguru Sand Spit – Deputy Chairman John Bain.
- NRC Engagement with Māori – Cr Bronwyn Hunt.
- Northport – Cr Ian Walker.
- Northport Liaison Committee – Chairman Craig Brown.
- Regional Policy Statement – Cr Ian Walker.
- Rivers – Cr Joe Carr.
- Road Safety – Deputy Chairman John Bain.
- Ruakaka Sewerage Working Party – Chairman Craig Brown.
- Shared Services – Working Group CEO, Cr Bill Rossiter, Cr Tony Davies-Colley, Cr Bronwyn Hunt and Cr Graeme Ramsey.
- Transport – Deputy Chairman John Bain.
- Vehicles on Beaches – Deputy Chairman John Bain.
- Youth Education – Cr Bill Rossiter.

**The Chief Executive Officer** is responsible for setting the direction of the Council within the policy framework provided by councillors. The Management Team is accountable to him and he is accountable to the Council.

# focus for the year 2011-2012

This section highlights the key issues, actions and projects identified as priorities for the Northland Regional Council (NRC) for the coming year.

## 1. New Regional Policy Statement

The Regional Policy Statement (RPS) for Northland is a key planning document driven by the Resource Management Act 1991. One of the main purposes of the RPS is to provide for the integrated management of Northland's natural and physical resources (land, water, air, soil, minerals, energy, all plants and animals, and all structures) from Kaiwaka in the south, to Cape Reinga in the north, and out to the 12 nautical mile (22.2 km) limit. The RPS also guides the development of other plans prepared by the Regional Council, as well as district plans prepared by the Whāngārei, Kaipara and Far North District Councils. It is therefore a regionally important piece of work that the Council encourages you, the community, to become involved in.

Northland's first RPS is now 10 years old and was reviewed last year; as required by the Resource Management Act 1991 (RMA). Development of a new draft RPS, which followed consultation on a discussion document, has been the work for 2010-2011.

In July 2011 the Council expects to be consulting with tāngata whenua, stakeholders and the public on the new draft RPS. After this round of consultation the Regional Policy and Development Committee and staff will modify the plan where appropriate to form the proposed new RPS. The proposed RPS then follows the legal RMA process of consultation, including submissions and hearings before a final RPS is adopted by the Council. This last part of the process is expected to start in late 2011 - early 2012 and carry on until any appeals are resolved. The Council has spent considerable time and effort in the early stages of the development of the new RPS, so we hope resolution and the finalisation of most, if not all, of the new RPS will occur in 2013-2014.

More information about the RPS project can be found on the Council's website [www.nrc.govt.nz/newrps](http://www.nrc.govt.nz/newrps). You can register to receive updates from the website direct to your email inbox. If you register you will be sent an email with links to the updated information every time we add information to this section of our website.

*Further information is included in the project update section on page 15 and the Resource Management Planning group of activities on pages 61 to 64 of this plan.*

## 2. Proposed Redirection of Council Investment Income

The Council is seeking public comment on the proposed redirection of Council investment income from a direct rates subsidy funding council services, to funding specific projects that improve the economic, environmental, social and/or cultural well-being of Northlanders. The Council will support projects that create new opportunities for Northlanders, raise our overall standard of living and increase the enjoyment of living in this special part of New Zealand.

With one of the lowest council rates in the country, NRC wishes 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. It is important that we find new ways to bring investment into the region and create rewarding business and employment opportunities, while at the same time, safeguarding our natural environment. Economic growth is vital for generating the resources needed to address some of the pressing problems affecting Northland such as poor housing, health and education. These three factors are often inter-related and until we make progress on all three, there will still be problems in our communities with poverty, poor health and unemployment. These problems not only create inequalities and affect Northlanders' day to day lives, but also impact on the region's image and businesses. Among the indirect results of poor education is high unemployment rates and crime. The capital of all Council investments will remain protected and continue to provide benefits to future generations of Northlanders.

Should the Council go ahead with this proposal, the financial impact on ratepayers varies depending on whether the change is brought in over a period of 5, 7 or 10 years with corresponding rates increases of \$17.80, \$12.71 or \$8.09 per annum (including GST). The Council's preferred option is to phase this change in over a 5 year period, resulting in an annual rates increase of \$17.80 over each of those years for all ratepayers in the Whāngārei, Far North and Kaipara districts.

The redirection of investment income will reduce the need to introduce new targeted rates to fund new projects, such as the Council has done in recent years to fund the Northland Events Centre, the Rescue Helicopter Service, the Marsden Point rail link designation and contributions to the Dargaville Olympic Pool and Kerikeri Sports Complex. Should this proposal go ahead, the resulting Regional Investment Fund may provide a level of funding for projects identified in the Regional Community Growth Programme.

*More information on the proposal to redirect the Council's investment income to specific projects that provide tangible benefits to Northlanders can be found on pages 23 to 28 of this plan.*



## focus for the year 2011-2012 continued

### 3. Proposed road-side weed control programme

It is widely recognised that roads are pathways for the spread of pest plants. These plants can grow from roadsides onto neighbouring private property, where they continue to spread further. The New Zealand Transit Authority (NZTA), the district councils, power lines companies and private land owners, all spend considerable amounts of time and money trying to control the spread of pest plants on road sides. Instead of all these parties independently carrying out their own control programmes, it is proposed that it would be more effective (in terms of both the cost and the results), for these various parties to pool resources and work together on a co-ordinated control programme. One of the project partners would then be responsible for running the project.

To be called "Road Noxious Knockdown", it is proposed that the Council contribute \$115,000 (including GST), to a joint pest plant control programme in partnership with NZTA, power lines companies, Northland district councils and possibly other sponsors as well. The Council would fund this contribution by increasing its land management rate by about 50 cents for every \$100,000 of land value. Other parties would need to contribute a similar amount each for the project to go ahead.

Road Noxious Knockdown would involve an initial plant knockdown with one or two years of follow up control. Roading authorities and neighbouring land owners would then be responsible for ongoing maintenance. It is proposed to start first with state highways, and then progress on a prioritised basis to district roads.

### 4. Northland Community Growth Programme

Following the local authority elections in October 2010, the new Council has undertaken considerable investigation and discussion as to the most effective way to unlock Northland's future economic potential, and to foster community well-being in a way that is meaningful and acceptable to Northlanders, both now, and for future generations. Of particular concern was to ensure any approach taken would be successful in the long term and would have the support and buy-in from local communities, industry and business sectors and other sectors of local government.

The Council is proposing to work with communities, iwi and other groups who are able to make a positive contribution to the region. It will involve engaging with sectors or communities that demonstrate an interest in and capacity likely to result in benefits to economic, environmental, social and cultural well-being. In addition, the Council is investigating how it can support infrastructure and economic development opportunities that would bring significant economic gains to the region. The Council is not looking to develop these on its own, but to work in partnership with infrastructure and economic development leaders and other willing parties.

As part of the post election processes required in local government, the new Council has established a new committee that will also act as the leadership group for the Community Growth Programme. The Regional Policy and Development Committee has representation from Northland's three district councils and may form working groups with wider representation if required. A key function of the Regional Policy and Development Committee is to continue to develop the Community Growth Programme to a point where specific recommendations and a draft action plan can be recommended to the full Council.

*Further information on the Northland Community Growth Programme can be found in the Regional Economic Development group of activities on pages 58 to 60 of this plan.*

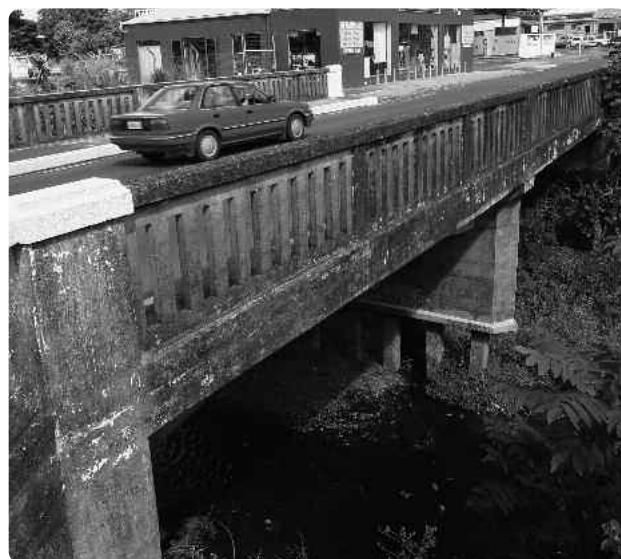
### 5. Priority Rivers Programme

There is significant work planned for the ongoing development, or updating of flood risk reduction plans for the 27 rivers in Northland that carry the highest level of flood risk. During the coming year, the main areas of work are as follows:

#### 5a. Proposed new Whāngārei Urban River Management Rate

In its last Annual Plan, the Council said it was going to assess flood risk reduction options for the Whāngārei central business district (CBD). Furthermore, the Council proposed to have costed works and targeted rates options ready for public consultation in this year's Annual Plan.

Progress since then has seen the development of river management plans for the Hātea and Waiarohia-Raumanga river catchments and the formation of an Urban Whāngārei River Management Liaison Committee. In addition, a range of flood risk reduction options have been developed resulting in the development of an initial programme of maintenance works. Priority options for flood risk reduction have been identified for further assessment and development as the project develops.



The average cost every year to the Whāngārei community of the current flood risk to the CBD is estimated at \$5.6M. Flooding can cause major interruptions to businesses in the CBD, damages the infrastructure of the city and is a threat to public health and safety. The potential flood risk and resulting damage to the urban centre of the Whāngārei district supports the Council's proposal to introduce measures to minimise, or at least significantly reduce, the effects of future floods.

A three stage flood risk reduction scheme is proposed for the Whāngārei CBD. The Council is proposing to establish a new targeted rate to fund the initial (Stage 1) programme of river maintenance works in the urban Whāngārei rivers. Stages 2 & 3 of the scheme will be subject to further community consultation in the coming years.

Stage 1 works will focus on channel maintenance within the CBD, take one year to complete and specifically target restrictions to channel flow associated with bridges and accumulated sediments in the lower river reaches. This work will include upgrading the flood flow capacity of the Rust Avenue bridge.

Stage 1 work would be carried out in the 2011-2012 financial year at a cost of \$681,697 (including GST). This work could be funded by two different rating methods as detailed below:

**Option 1:** An annual charge of \$17.39 (including GST) per annum for every ratable property in the Whāngārei district where all properties pay the same amount; OR

**Option 2:** A differential uniform annual charge where different properties pay different amounts per annum as follows:

- Commercial properties in Whāngārei CBD flood area pay \$178.55 (including GST);
- Residential properties in Whāngārei CBD flood area pay \$68.06 (including GST);
- Properties in the contributing catchments of Waiarohia, Raumanga, Kirikiri and Hātea river catchments pay \$23.93 (including GST); and
- Properties in the remainder of the Whāngārei district pay \$8.20 (including GST).

It is proposed that all ratepayers in the Whāngārei district pay towards this project as it will deliver benefits on some level to all residents.

*More information on this proposal including maps of the proposed rating areas can be found on pages 29 to 30 of this plan.*

## 5b. Proposed new Kaeo-Whangaroa River Management Rate

Since August 2008 the Council has been working with the Kaeo River – Whangaroa Catchment Management Liaison Committee to reduce the flood risk in rivers and streams from Taupo Bay to Te Ngairi. This work includes the Kaeo and Pupuke rivers and other smaller streams in the area of the former Whangaroa Ward. River management works have been undertaken to maintain the river channels and



floodplains, to reduce restriction on flow and lessen the flood risk. River management plans, developed under the Northland Regional Council's Priority Rivers Programme, have been produced providing an assessment of flood risk and options to reduce this risk.

As a result of this work, flood risk reduction schemes for the settlements of Kaeo and Tauranga Bay have been identified. The proposed scheme for the Kaeo township uses stopbanks and other engineered works to reduce the depth and speed of flood water in Kaeo. Construction of a stopbank and other works are proposed to reduce the risk of flooding for properties next to Tauranga Bay Beach Road in Tauranga Bay.

The total cost of these capital works is \$1.36M (including GST). The Council proposes to fund these works from a new targeted uniform rate on all rateable properties in the Far North District Council's former Whangaroa Ward. This new rate would replace the existing targeted Kaeo-Whangaroa River Management Rate.

The funds needed to do the work will be borrowed and can be repaid over a period of 5, 7 or 10 years. The shorter the repayment period, the higher the annual targeted rate. The repayment period is not proposed beyond 10 years because further flood protection works may need to be funded in the future. Therefore, the Council is seeking public comment on the following options:

**Option 1:** Repayment over 5 years – an annual charge of \$174.50 (including GST); OR

**Option 2:** Repayment over 7 years - an annual charge of \$137.02 (including GST); OR

**Option 3:** Repayment over 10 years - an annual charge of \$108.93 (including GST).

These amounts include river maintenance works on smaller rivers and streams from Taupo Bay to Te Ngairi.

The Council's preferred option is option 2, being repayment over a 7 year period. This would result in a rates increase of \$137.02 per annum for all ratepayers in the former Whangaroa Ward.

*Further information on proposed flood management works for Kaeo and Tauranga Bay including details on the costs, work phasing, funding and other options considered are detailed on pages 31 to 32 of this plan.*

## focus for the year 2011-2012 continued

### 6. Awanui River Flood Management Rate

The Council, working with the Awanui River Flood Management Liaison Committee, is proposing to revise the targeted rate for work on the Awanui river. This proposed revision is based on the actual annual cost of the scheme asset management and maintenance, including additional slip repair work in the urban Kaitiāia stopbank areas, and an adjustment of the apportionment of the existing targeted rate.

The Council is proposing to reduce the Awanui River Flood Management Rate from \$603,251 (including GST), to \$486,288 (including GST) in the 2011-2012 year covered by this plan. This reduction would only affect the rural rate contribution to flood management of the Awanui river with the urban rates remaining unchanged.

*More information on the proposed reduction of the targeted Awanui River Flood Management Rate can be found in the Funding Impact Statement on pages 36 to 43 and the Land and Rivers group of activities on pages 78 to 81 of this plan.*

### 7. Project Promise

The Council has decided not to contribute any funding to Project Promise at this time.

### 8. Northland's Long Term Plan 2012-2022

Following the introduction of the Transparency, Accountability and Financial Management Bill (TAFM) in November 2010, the 10 year plan previously referred to as the Long Term Council Community Plan (LTCCP) will be streamlined and become known as the Long Term Plan (LTP). The Council's next LTP must be adopted by 30 June 2012. The purpose of the LTP is to:

- Provide a long term focus for the decisions and activities of the Council;
- Describe the activities of the Council;
- Provide integrated decision-making and co-ordination of council activities; and
- Provide a basis for accountability and provide an opportunity for public participation in the decision making processes of the Council.

Council staff have already commenced work on the 2012 LTP. The new LTP will outline our levels of service, along with new performance measures and targets for the work we do in future years. It is expected that public consultation will occur in April-May 2012 with the final 10 year plan adopted in June 2012.

### 9. Policy Reviews and Amendments

As part of this annual plan process, the Council is seeking public comment on the review and consequent amendments to the following policies:

#### 9a. Charging Policy

The Council reviews its schedule of charges each year in order to recover the costs associated with the inspection and mitigation of adverse environmental impacts.

*A full copy of the proposed 2011-2012 Charging Policy can be found on pages 122 to 147 of this plan.*

#### 9b. Navigation, Water Transport and Maritime Safety Bylaw charges 2010

The Navigation, Water Transport and Maritime Safety Bylaw charges 2010 have been updated to remove charges that are no longer required.

Proposed amendments included in the Draft Annual Plan 2011-2012 are:

**Section 2:** amending the definitions of 'maritime facility' and 'mooring'.

**Section 3(1):** amending the fee category to cover every mooring, jetty, jetty berth, boatshed, boat ramp, minor structure, group of piles with 74 berths or less owned by one organisation. This was previously set at 24 berths or less and has been amended as there are no groups of piles with less than 24 berths owned by the same organisation.

**Section 3(1) – (11):** Navigation Safety Bylaw fees have increased between 10-20%. In most cases this means these fees will increase by about \$10. This is to more accurately reflect the time required to proactively manage problems and issues associated with moorings and due to the costs relating to the providing, improving and maintaining of navigation aids.

Removal of fees set out in clause 3(12)(a) – (d) of the 2010 bylaw. The fees have been removed as these functions are not undertaken by council.

**Section 7(a):** to encourage more superyachts to visit the Bay of Islands, the fee tier structure for pilotage fees inwards/outwards to wharf, Ōpua and to anchor in the Bay of Islands is amended to increase the number of smaller ships that will fall in the lower fee category. The minimum fee now applies to ships greater than 500 up to GRT 3000, whereas previously this was up to GRT1000.

**Section 9:** this section was amended to remove process covered in Navigation Safety Bylaw 2007.

*More detailed information can be found in the Navigational Water Transport and Maritime Safety Bylaw Charges 2010 section on pages 119 to 121 of this plan.*



# update on major existing council projects

Since the last Annual Plan published in June 2010, the Council has successfully completed a wide range of projects in addition to our day to day operations.

Full details of progress made on all council activities can be found in the 2010 Annual Report on the Council's website [www.nrc.govt.nz/annualreport](http://www.nrc.govt.nz/annualreport)

In terms of major projects only, the following is a brief update of achievements during the past year.

## New Regional Policy Statement (RPS)

During the 2009-2010 financial year, the Council reviewed the current RPS, assessed relevant monitoring information (including community outcome monitoring, and specific economic and environmental information), held workshops and sought public feedback on the New RPS Discussion Document 2010. All that work and your feedback has shaped the writing of a new draft RPS, which is scheduled for release for public comment in July 2011.

The discussion document asked the public and stakeholders to tell the Council how it can and should balance the competing values and interests between the use, development and protection of our natural and physical resources to meet Northland's needs now and in the future. A summary of the discussion document feedback was presented to the Council in March 2011.

*A copy of the discussion document, summaries of the feedback and report cards are available on the Council's website [www.nrc.govt.nz/newrps](http://www.nrc.govt.nz/newrps)*

Work began in February 2011, on the drafting of the new RPS.

The Council also contracted Te Rarawa (supported by the Iwi Technicians' Forum and the resource management experts from Te Uri O Hau and Te Roroa) to consult with tāngata whenua of Tai Tokerau to identify their regionally significant resource management issues. This contract will continue in the 2011-2012 financial year to provide regional hui on the new draft RPS.

## Mangrove Management Programme

Following strong support in last year's Annual Plan, the Council has proceeded assisting with community-led initiatives, using the \$135,000 (including GST) set aside in last year's Annual Plan.

The support programme opened on 1 September 2010 with 12 expressions of interest received from community groups. Eight projects have been recommended to go on to have environmental effects assessments done. Based on these reports, two proposals have already had the costs of resource consent processing met through the support programme. For the projects that successfully go through the programme and are granted resource consent for the removal of mangroves, it is expected that the communities benefiting from this work will pay for the actual physical removal of mangroves in their area. Future updates will be provided in the 2012-2022 Long Term Plan.

## Water Quality Initiatives

The improvement of water quality in Northland remains a top priority. Strong support was received from the public in last year's annual plan to budget an additional \$112,000 (including GST) for new initiatives aimed at improving Northland's water quality. With an increasing awareness of water quality issues in Northland, a number of communities have wished to become more involved. During the past year, funding has been directed towards the support of initiatives where communities have become actively involved in monitoring water quality and working together with the Council to instigate environmental improvement projects. Examples include the Waiora Hokianga working group – which is monitoring to establish current water and shellfish quality – and groups in Kerikeri/Waipapa, Doubtless Bay and the Kaipara Harbour.

*More information on the Council's planned activities in relation to water quality can be found in the environmental monitoring section on pages 161 to 176 of Volume 1 of the Northland Community Plan 2009-2019 and in the Land and Biodiversity Activity on page 188.*

## Priority Rivers Programme

The Council has continued work on the development, or updating of, flood risk reduction plans for the 27 rivers in Northland that carry the highest levels of flood risk. Draft river management plans have been completed for each of these rivers. The plans are based on detailed survey and hydrological information, from which computer hydraulic flood models have been developed and flood maps produced to show areas at risk of flooding. The plans also contain an assessment of flood risk reduction options available in each river catchment. Consultation over these draft plans was carried out during September - November 2010, with 22 public meetings and hui held throughout the region. To assist with any future improvements to the flood models, the Council undertook an extensive survey of flood levels in the catchments most impacted by flooding associated with the 29-30 January 2011 Cyclone Wilma storm. The plans are considered living documents, and will be updated as required to reflect changes in the understanding of river systems as knowledge of the systems improves.

Refinement of the hydraulic models for the Awanui, Kerikeri-Waipapa and Kaihū River catchments were also undertaken during the 2010-2011 year. This work was used to assess options for reducing the flood risk in these catchments, in conjunction with the relevant river management liaison committees. During the coming year, the Awanui and Kerikeri-Waipapa models will be used to further assess the options that have been identified for reducing flood risk in these catchments, before proceeding to the detailed design stage. In the Awanui model, the option of improving the utilisation of the Whangatane Spillway, including modification of Donald Road bridge, to further reduce the risk of flooding has been assessed.

## update on major existing council projects continued

Consultation over this option will take place with the community in the coming year. In addition, a proposed flood management scheme has been identified for the Kaihū River Valley. Submissions are sought on the future of this scheme before committing to further development.

Outcomes from the draft flood risk reduction plans for the 27 priority rivers in Northland are already being used to develop a variety of flood risk reduction measures. These measures will be prioritised during the 2011-2012 year to produce a schedule for the development and implementation of flood risk reduction works for consideration in the Council's 2012-2022 Long Term Plan.

### Kaihū River Management Plan

In the interim Kaihū River Management Plan, the Council stated its intention to investigate future options for managing flooding in the Kaihū River Valley. These investigations began in 2008, with the gathering of detailed survey and hydrological information from which a computer hydraulic flood model was developed and refined. The computer model has since been used to assess the impact of stopbanks, floodgates, spoil heaps, the railway embankment, the role of ponding areas and the general flood flow dynamics in the Kaihū River Valley. The results of these investigations are documented in a number of reports available on the Council's website [www.nrc.govt.nz](http://www.nrc.govt.nz)

Design of the spillway overflow crests is required to complete the feasibility investigation for the flood management scheme. However, because this work will need to be funded from the Council's region-wide targeted Land Management Rate, the Council wishes to seek public comment before determining the future direction of the scheme. A public meeting will be held during the submission period of this plan, to provide further detail of the concept to stakeholders. No changes are proposed to the existing targeted rate for the Kaihū River Management works.

*More information on the Council's Land and Rivers group of activities can be found on Page 13 of Volume 1 of the Northland Community Plan 2009-2019.*



### Broadband

Central Government has decided to support investment into improving internet access speeds in New Zealand, through two broadband initiatives. The first is the Ultra-fast Broadband (UFBB) initiative, which involves urban areas and aims to reach 75 percent of New Zealanders within ten years. In addition, the aim is that 97 percent of New Zealand schools will also have ultra fast broadband. The second initiative is the rural broadband initiative, which aims to improve coverage, so that 97 percent of New Zealand households and enterprises are able to access broadband services of 5 Mbps or better.

Crown Fibre Holdings has been created to manage the government's \$1.5 billion investment UFBB infrastructure. Northpower bid for the roll-out of UFBB in the Whāngārei area and was announced as a successful bidder in late 2010. Northpower has already begun installing UFBB in Whāngārei, and Whāngārei is the first area in the country to begin the roll-out of UFBB.

In rural areas, the Ministry of Economic Development is assisting the government with its rural broadband initiative. The government intends to spend up to \$300 million to improve rural broadband. Currently the government is negotiating a joint proposal from Telecom and Vodafone.

The Council indicated in last year's Annual Plan that the lead role in broadband development lies with other organisations such as Northpower. However, the Council remains ready to assist in any appropriate way that would deliver benefits to the economy and the future well-being of Northland.

The Council is assisting in the collaborative development of a broadband strategy for the region which will focus on the opportunities available through UFBB. These opportunities include new business processes, economic opportunities, productivity gains, expansion of existing businesses nationally and internationally. Other benefits include a step change in the availability of health and education services to Northlanders and providing a medium for the promotion of a wide range of social and cultural opportunities.

### Northland Energy Forum

The Council and Enterprise Northland have facilitated the development of an Energy Forum. The Northland Energy Forum is a body of energy sector companies and consultants, large commercial energy users, local government and economic development practitioners, formed to discuss, formulate, advocate and endorse regional energy policy, strategies and projects. The Council and Enterprise Northland are providing the secretarial services for the forum.

### Minerals Investigation

The Northland region contains a wide range of mineral commodities and currently produces cement, high quality ceramic clays, limestone for agriculture, and rock and sand aggregates. In addition, there are prospects for aluminium, bentonite, coal, copper, diatomite, feldspar sand, gold,

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kauri gum, lead, mercury, nickel, peat, phosphate, serpentinite, silica sand, zeolite and zinc. The potential economic benefits of discovering and developing Northland's mineral resources have been estimated at \$47 billion. Following support from public submissions on last year's annual plan, the Council contributed \$112,000 (including GST) to the cost of mineral investigations and/or assessments to be carried out with the additional financial support of the Far North District Council and the Ministry of Economic Development.

Consequently, one of the largest airborne geophysical surveys to have been carried out in New Zealand took place over Northland during February and March 2011. A light aircraft of a type used for topdressing carried out the survey using sensors in the tail of the aircraft. The data produced by the survey has a wide range of applications including understanding the complex Northland geology, mapping faults, resource assessment (including water, aggregate, clays and other minerals), foundation conditions for infrastructure, primary industry applications and land-use planning. The results will be made public later in the year following interpretation by GNS Science.

### Stock effluent truck disposal facilities

In order to reduce the amount of stock effluent spillage on the region's roads, the Council has previously budgeted \$101,250 (including GST) to provide two additional stock truck effluent disposal sites. The sites will not only reduce the incidence of illegal discharges, but will also improve road safety and promote public and environmental health.

Agreement was reached with a private effluent site operator in the Kaipara district, with a new site opened in late 2010. This new site is located on the premises of Kaipara Livestock Dargaville Ltd, on Beach Road, off State Highway (SH)12 and is being actively used by stock truck drivers. Funding to apply for a resource consent to increase the throughput of this facility has been approved by the Kaipara District Council. Work is proceeding with the NZ Transport Agency (NZTA) to increase the volume of this site.

In the Far North, a site at Pakaraka on SH1 has been identified and a scheme assessment report completed. NZTA has approved the funding for their share of the construction of the facility and associated roading costs. Construction and annual maintenance costs have been provided to the Far North District Council for their approval before work can commence.

As regards the provision of a site in Whāngārei, it was proposed that a new facility be located in South End Ave. For a variety of reasons, it is now unlikely that the facility can be located in South End Ave, so work is currently underway to find an alternative site. NZTA has urgently commissioned consultants to carry out a combined scoping report and scheme assessment report to identify suitable alternative sites in Whāngārei, and then recommend a preferred site. Future updates will be provided once more information is available.

### Northland Events Centre

This facility was completed by the Regional Council on time and under-budget with over 80% of the \$18.5M project awarded to local businesses. Contractor Argon Construction formally handed over the completed facility to the Regional Council in September 2010.

The Regional Council is working jointly with the Whāngārei District Council on the formal opening of the centre, expected to be in mid 2011.

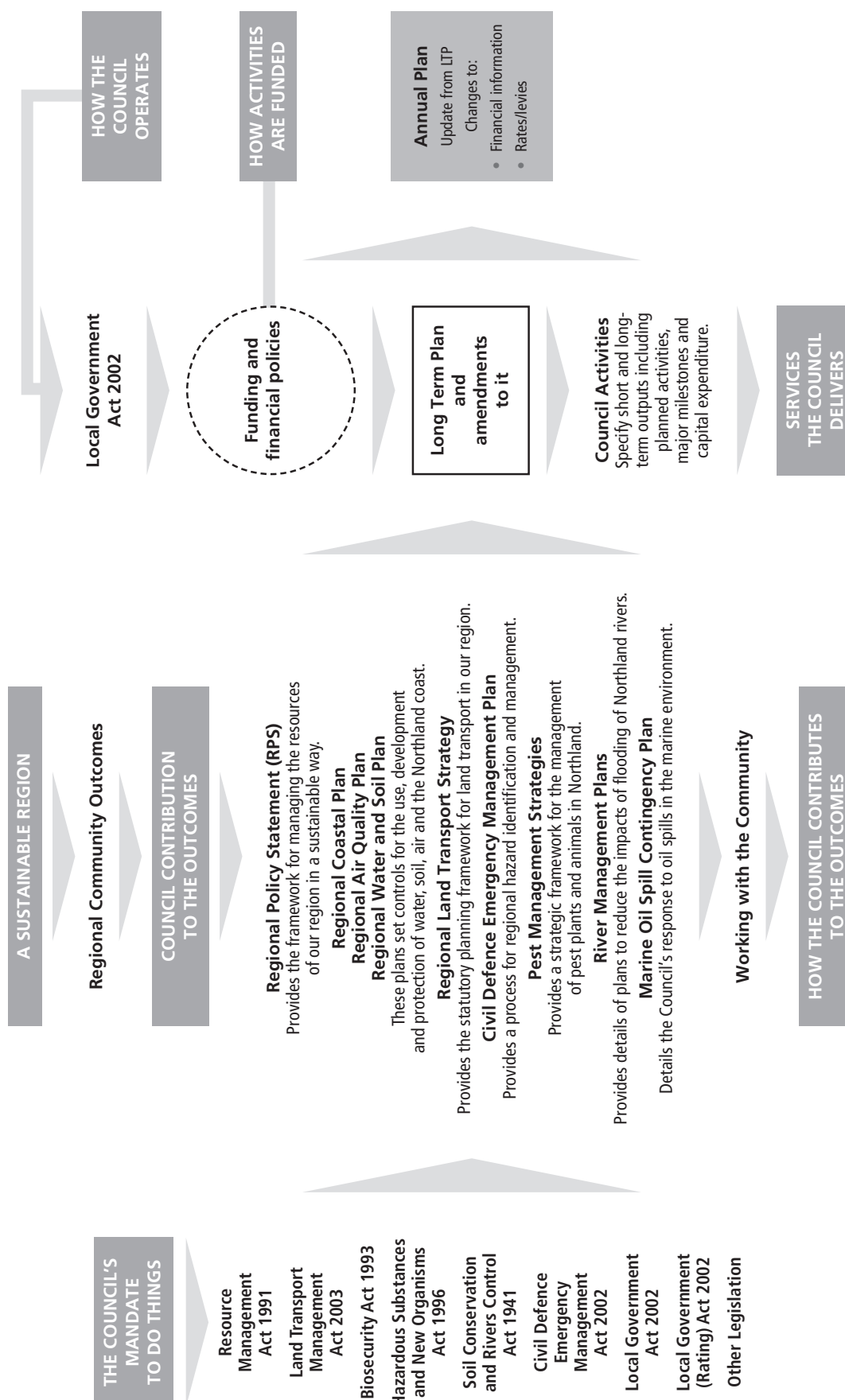
### Unitary Authority Debate

Independent commissioners have now released a report examining a proposal to reorganise Northland's local government into unitary authorities.

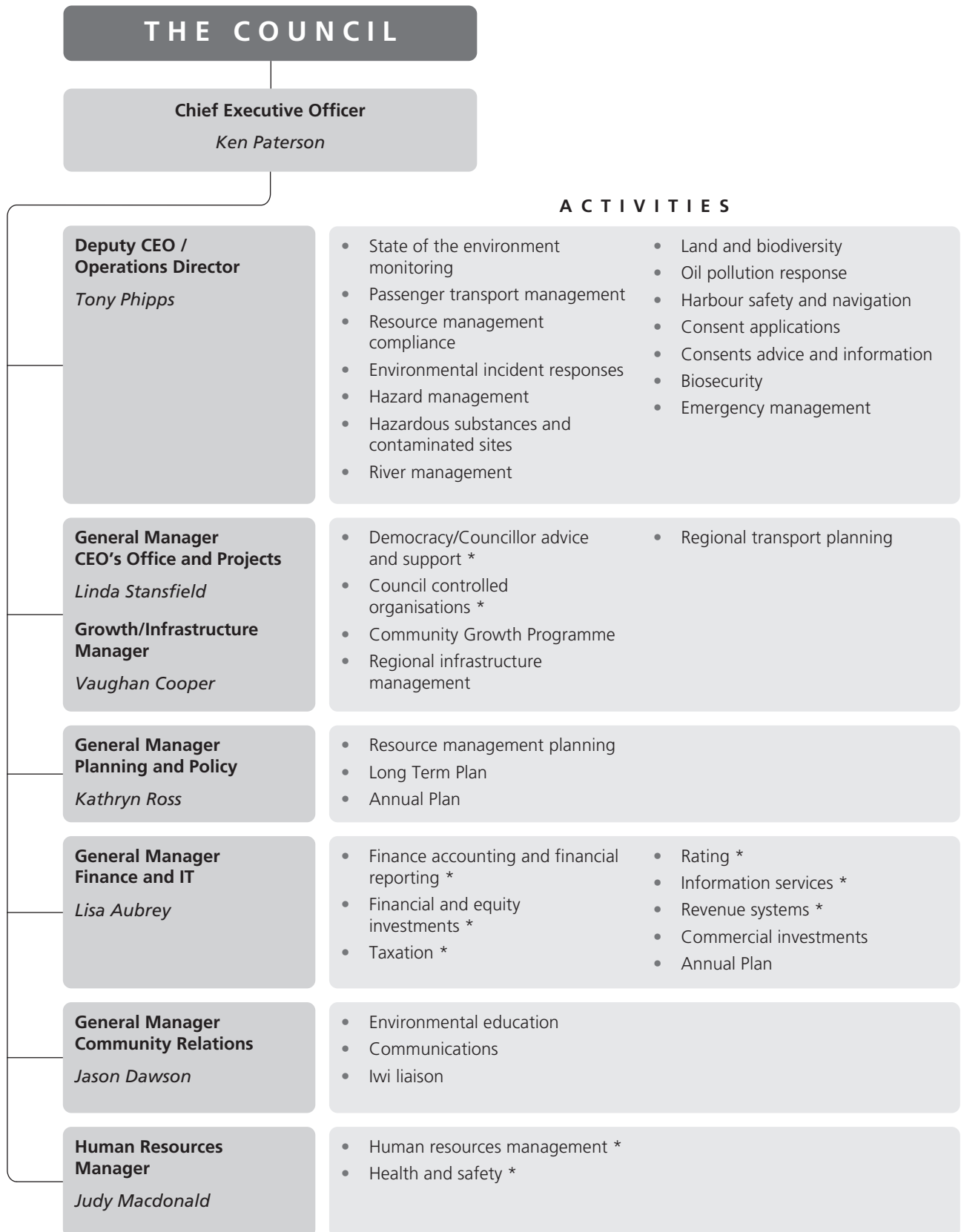
In the wake of this report, all Northland councils have agreed to actively seek ways to work more efficiently and effectively together to provide better services and value to the public.



# council planning process



# council management structure



\* Activity support services



# submission process

## Draft Annual Plan process and timeline

**6 April 2011:** The Draft Annual Plan will be made available at all Council offices and on the Council's website for people to read and make submissions. A copy of the Plan will also be sent to organisations and individuals currently on the Council's Annual Plan mailing list.

**6 April 2011:** The Draft Annual Plan is publicly notified.

**Week commencing 4 April 2011:** A summary document about the Draft Annual Plan will be distributed to households in the Northland region. People will be able to make a submission, or request a full copy of the Draft Annual Plan. Both the summary and the full plan are available on the Council's website [www.nrc.govt.nz/draftannualplan](http://www.nrc.govt.nz/draftannualplan)

**6 May 2011:** The four-week consultation period ends. People who wish to make a submission and have their say on the Draft Annual Plan must have done so by this date.

**17-19 May 2011:** Submission hearings will be held for people who wish to present their submissions in person to the Chairman and Councillors. Final decisions will be made about what is to be included in the Annual Plan 2011-2012 following the hearings and consideration of all submissions received.

**21 June 2011:** The Council will adopt the Annual Plan 2011-2012 at its June Council meeting.

**28 June 2011:** The final Annual Plan will be available on the Council's website [www.nrc.govt.nz/draftannualplan](http://www.nrc.govt.nz/draftannualplan)

## What is a submission?

A submission is a letter, fax, email or any other form of written communication, which outlines your opinion on a particular matter in the Draft Annual Plan 2011-2012. Please use the submission form opposite.

The "Focus for the year 2011-2012" section on pages 11 to 14 outlines what the Council considers to be the important issues for the region for the year ahead.

Submissions on this section will be very helpful to the chairman and councillors when making decisions for inclusion in the final plan.

## Guidelines on how to write your submission

- To make your submission clear to the Council, it needs to be concise and to the point – background information can be important but the main points you are trying to get across should be highlighted in your submission.
- You need to make clear what you are supporting or opposing and why, and refer to the appropriate corresponding page numbers in the plan.
- If the topic in your submission is not in the plan now and you want to suggest a new project or expenditure, then please indicate what items currently in the plan you think are a lower priority.
- Requests for new projects or expenditure should include suggestions on how these projects should be funded – general rates, targeted rates, user fees etc.
- Please read all the information available before making your submission. The plan will guide you to the relevant page numbers and website references with extra information.

### Post your submission to:

Draft Annual Plan 2011-2012 Submission  
Northland Regional Council  
Freepost 139690  
Private Bag 9021, Whāngārei Mail Centre  
Whāngārei 0148

### Make your submission online at:

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

### Fax your submission to:

09 438 0012

### E-mail your submission to:

[mailroom@nrc.govt.nz](mailto:mailroom@nrc.govt.nz)

## Submissions should reach the Council by 3.00pm Friday 6 May 2011

Submissions received after 3.00pm are classified as a "late submission". Late submissions are considered at Councillors' discretion.

Hearing of submissions will be held 17-19 May 2011.

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

### For more information:

Please contact Angela Jane with any questions relating to the Draft Annual Plan and submission process.  
Telephone 09 470 1212 or 0800 002 004  
Email [angelaj@nrc.govt.nz](mailto:angelaj@nrc.govt.nz)

# submission form

## Draft Annual Plan 2011-2012

### Submitter details (please print clearly)

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

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

Draft Annual Plan 2011-2012 Submission Northland Regional Council Freepost 139690 Private Bag 9021, Whāngārei Mail Centre Whāngārei 0148	Online: via <a href="http://www.nrc.govt.nz/draftannualplan">www.nrc.govt.nz/draftannualplan</a> Fax: 09 438 0012 e-mail: <a href="mailto:mailroom@nrc.govt.nz">mailroom@nrc.govt.nz</a>
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### Submissions should reach the Council by 3.00pm, 6 May 2011

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

### Would you like to attend a hearing in person to tell Councillors more about the matters you have raised in your written submission?

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

<input type="checkbox"/>	<b>NO, I DO NOT</b> wish to appear in support of my submission		
<input type="checkbox"/>	<b>YES, I DO</b> wish to appear in support of my submission (please indicate preferred venue – date)		
<input type="checkbox"/>	<b>Dargaville – 17 May</b>	<input type="checkbox"/>	<b>Kaikohe – 18 May</b>
<input type="checkbox"/>		<input type="checkbox"/>	<b>Whāngārei – 19 May</b>

### What are the issues in this Draft Annual Plan that you would like to make a submission on?

I support / oppose

Issue no:

On pages:

Because:

I suggest:

*PTO for additional comments on the Draft Annual Plan – use further sheets if necessary.*

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**What are the issues in this Draft Annual Plan that you would like to make a submission on?**

I support / oppose

Issue no:

On pages:

Because:

I suggest:

I support / oppose

Issue No:

On pages:

Because:

I suggest:

**Are there any other issues that you would like to make a submission on?**

*Use further sheets if necessary.*

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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



# proposed staged redirection of investment income

## Introduction

The Northland Regional Council (NRC) is seeking public comment on the proposed redirection of Council investment income from a direct rates subsidy funding Council services, to funding specific projects that improve the economic, environmental, social and/or cultural well-being of Northlanders.

The Council will support projects that:

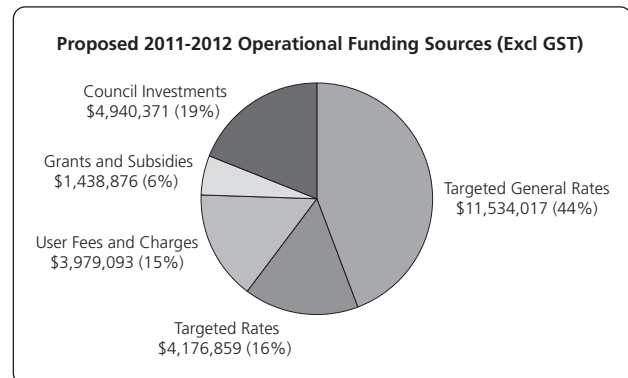
- Remove the obstacles to our success;
- Bring investment into our region;
- Create rewarding business and employment opportunities;
- Raise the living standards of Northlanders; and
- Increase our enjoyment of living in this special place.

With one of the lowest council rates in New Zealand, NRC wishes to reverse the cycle of underinvestment, and lead by example through investing directly in projects that deliver tangible benefits to current and future generations of Northlanders. It is important that we find new ways to develop the kind of growth that creates jobs and wealth for the region while at the same time, safeguarding our natural environment. Economic growth is vital for generating the resources needed to address some of the pressing problems affecting Northland such as poor housing, health and education. These three factors are often inter-related and until we make progress on all three, there will still be problems in our communities with poverty, poor health and unemployment. These problems not only create inequalities and affect Northlanders' day to day lives, but also impact on the region's image and businesses. Among the indirect results of poor education is high unemployment rates and crime. The capital of all Council investments will remain protected and continue to provide benefits to future generations of Northlanders.

It is proposed to make this change over a period of time, with several options for ratepayers to consider reflected in proposed increases in rates of between \$17.80 (including GST) per annum if bought in over 5 years, down to \$8.90 (including GST) if bought in over 10 years.

## Background

Currently, the Council's operating expenses are funded through a variety of sources. The graph (above) shows where the proposed 2011-2012 revenue outlined in this Annual Plan will be funded from.



As you can see, \$4,940,371 or 19% (23% or \$6,315,826 prior to the redirection of \$1.3 million of investment income) of revenue comes from Council investments including term deposit and bond interest payments, dividends received and lease payments from our commercial property portfolio. This relatively high proportion of revenue coming from such investments, does make the Council vulnerable to sudden changes in its investment income streams. If for example, income from investments reduced significantly, the Council would be left with a shortfall or deficit. This proposal would have the added benefit of "future-proofing" the Council against such income shocks, and preserve the Council's current levels of service to the community. It is proposed to redirect this investment income over time from a direct rates subsidy to specific projects that provide tangible benefits to Northlanders. The funding of such projects has long been a core activity of the Council and is reflected in the Regional Economic Development group of activities in the Northland Community Plan 2009-2019:

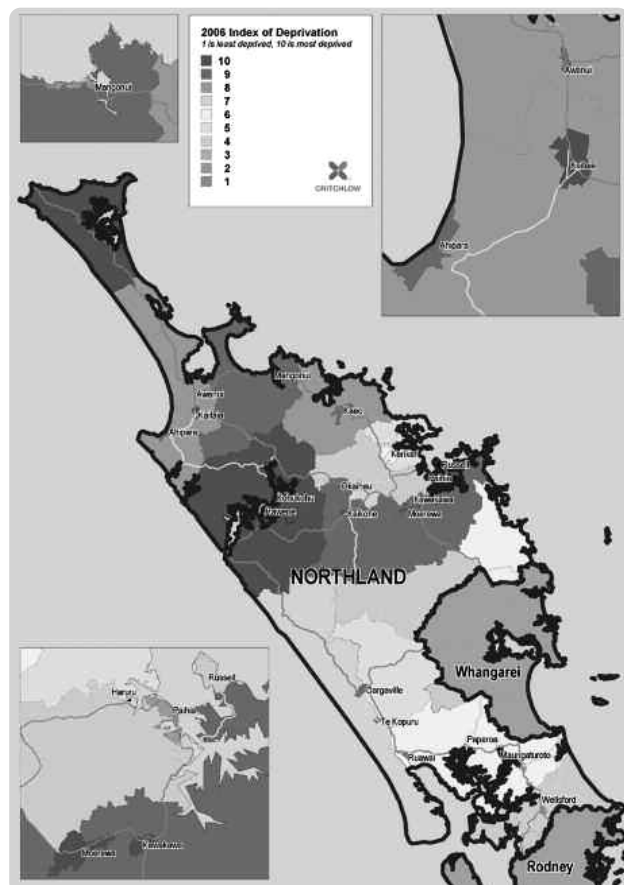
### Activity 3.2 Economic Development

#### 3.2.1 Support economic development initiatives that align with the Regional Community Growth Programme and/or benefit Northland.

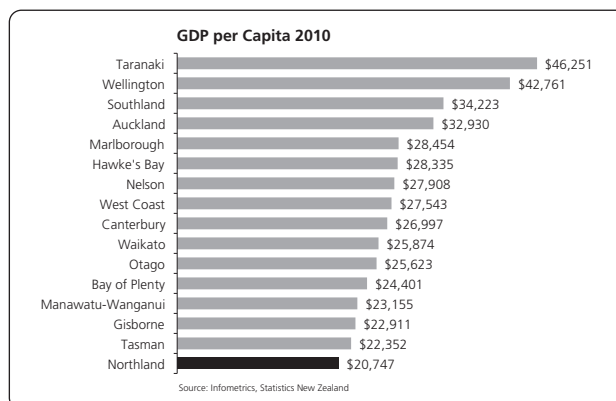
- Provide community funding for regional initiatives undertaken by the Council or in joint venture or partnership with other authorities and organisations on a case by case basis.
- Develop a project funding strategy and risk assessment of any infrastructure priority that the Council decides to commit significant funding to.

Northland is an extremely diverse region both in socio-economic patterns and environmental characteristics. A relatively high percentage of the population identify themselves as Māori (43% in the Far North, 22% in Kaipara and 25% in Whāngārei), compared to 16% across New Zealand. Northland is internationally renowned for its coastline, harbours, natural landscapes and ecosystems of important conservation value. The Council wants to fund projects that create new opportunities for Northlanders and raise our overall standard of living. Economic improvement is vital for generating the resources needed to address some of the pressing problems affecting Northland such as low wages, poverty, unemployment and crime. The graphs below show how Northland compares to the rest of New Zealand in these important areas affecting our overall quality of life and demonstrate the need for improvement.

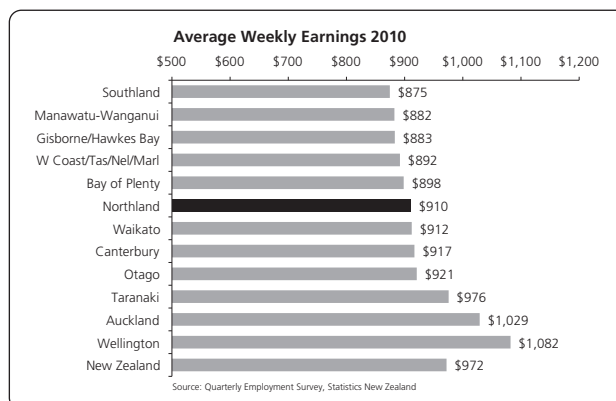
The Deprivation Index measures and interprets the socio-economic status of communities by ranking from the least deprived through to the most deprived. It is calculated using a range of variables including income, employment, access to telephone and car, educational qualifications and housing. The deprivation index is recognised as a good tool to measure and compare inequalities and overall living standards. As demonstrated below, areas of Northland are among the most deprived in New Zealand.



GDP is a measure of economic output and GDP per capita is a measure of the economic output per person. Northland had the lowest GDP per capita among New Zealand's 16 regions in 2010. Many factors contributed to this overall low productivity of the region including higher than average levels of unemployment among working age people and a relatively small service sector.

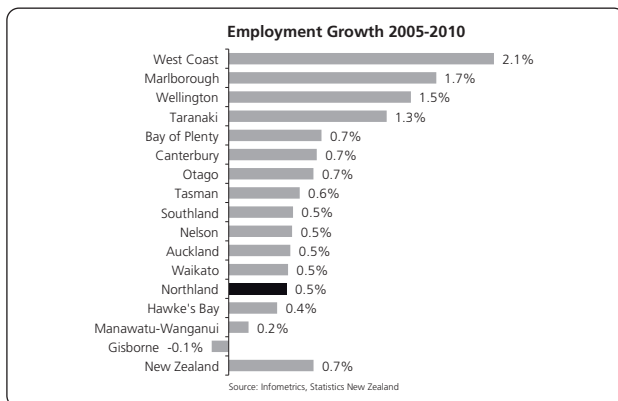


Northland's average weekly earnings of \$910 ranks the region 6th out of 12 regional groupings. Our earnings are similar to Bay of Plenty, Waikato and Canterbury. It is considerably lower than the New Zealand average of \$972 per week.



The number of people employed in Northland increased from about 61,000 in 2005 to 62,400 in 2010. However, growth over the five year period disguises a sharp decline in the last few years. The recession hit Northland very hard with almost 2,400 jobs being lost in the year to March 2010. Industries shedding the most jobs were construction, wholesale and retail trade, and manufacturing.

Northland 's employment growth (0.5%pa) between 2005 and 2010 was lower than the national average (0.7%) and the region was well down the regional ranking. Its employment growth has been relatively slow as the industries that made the largest contribution to the region's economic growth are not labour intensive.



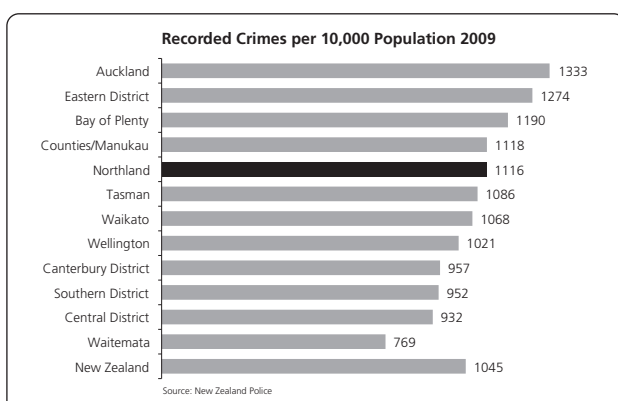
## 5. Life Expectancy

Northlanders' life expectancy at birth is among the lowest in the country. Life expectancy in Northland over the period 2005 to 2007 was 81.2 years for females (82.4 nationally) and 76.3 for males (78.2 nationally).



## 6. Crime

Northland Police District recorded 1,116 crimes per 10,000 population during the 2009 calendar year. This rate was above the national rate (1,045) and placed Northland in the top half of the police district crime ranking. The number of recorded crimes increased by 7% over the past two years, which was higher than the national growth of 4%.



## 7. Infrastructure

At both a regional and a district level, Northland has significant challenges in many key infrastructure areas. Supporting a growing population, developing a diverse economic base, and sustainably managing the natural environment requires well-planned infrastructure. Physical infrastructure includes transport networks, water and sewerage systems, energy distribution systems and telecommunications networks.

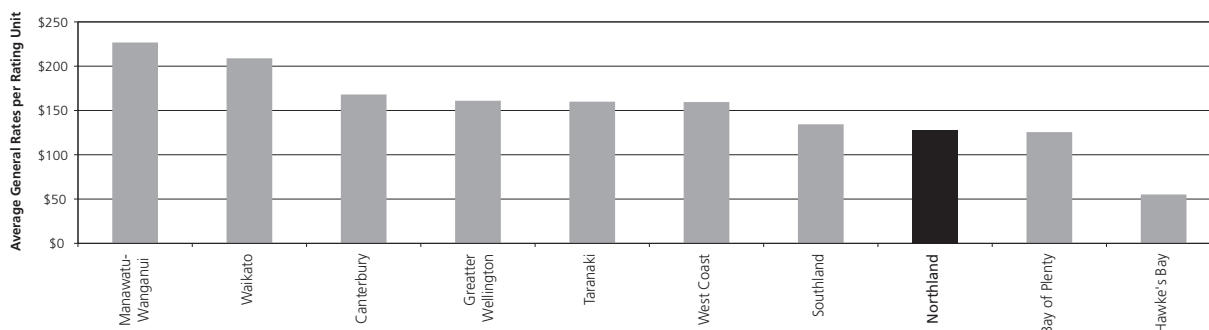
Much of Northland's infrastructure is aged and is being outpaced by the current needs of the community and business interests – let alone being sufficient for future growth and development. The region's water supplies are also increasingly coming under pressure. Another key concern is the security and stability of energy supply. Northland is currently able to generate only 5% of its energy demands.

A combination of affordability and a focus on keeping rate rises to a minimum has sometimes resulted in a lack of appropriate investment in, and maintenance of, infrastructure. Consequently, the capital to both catch up and provide for future needs is substantial. Where and how Northland's infrastructure will be developed and how it fits together locally and regionally are key questions facing Northland's leadership community. All infrastructure needs to be efficient and effective without undue adverse impact on the environment. Bringing regional infrastructure together with economic development could be a key beneficiary of this proposal to redirect Council investment income, providing additional funds to invest in the region's infrastructure needs.

As illustrated above, there is room for improvement in Northland's economic, environmental, social and cultural well-being. This is well understood and well publicised, with areas of below par performance having been identified for some time. Positive action is needed to address the inequalities and under-performance of the region.

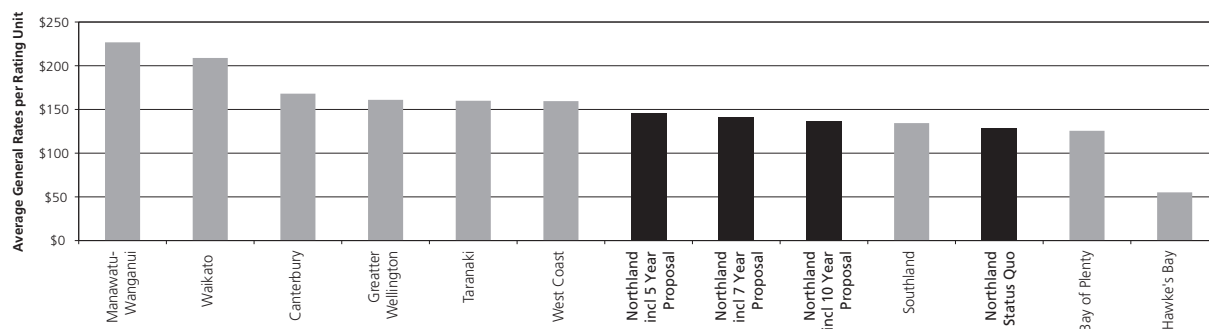
## proposed staged redirection of investment income continued

Graph A: Average General Rates by Region 2010-2011 (including GST)



Council has used 2010-2011 rating information for comparative purposes as the proposed 2011-2012 rating information was not available at the time of publishing this Draft Annual Plan.

Graph B: Average General Rates by Region 2010-2011 (including GST)



Council has used 2010-2011 rating information for comparative purposes and has projected the resulting rate increase for one year only.

### Details of the Proposal

NRC receives investment income from a variety of sources including term deposit and bond interest payments, dividends received and lease payments from its commercial property portfolio. In the 2011-2012 financial year, it is expected that investment income will amount to \$7,149,537 or 28% of operating costs. Currently, this investment income is used to subsidise the cost of providing council services. NRC's long history of using its investment income to subsidise rates has resulted in it currently having the third lowest level of regional council general rates in New Zealand. **Graph A** (above top) illustrates the Council's standing relative to other regional councils for its current operations funded from general rates. It should be noted that these figures do not include targeted rates.

Should the Council go ahead with this proposal, the financial impact on ratepayers varies depending on the number of years over which the change is made. In order to manage issues of affordability, and to provide a level of choice for ratepayers, the Council is seeking public comment on the following options:

Annual impact on rates	Option 1 Phase in over 5 years	Option 2 7 years	Option 3 10 years
Whāngārei district	\$17.80	\$12.71	\$8.90
Kaipara district	\$17.80	\$12.71	\$8.90
Far North district	\$17.80	\$12.71	\$8.90

(All figures include GST)

**Graph B** (above) illustrates how the Council's level of general rates, relative to other regional council changes from the status quo, through to phasing in the redirection of investment income over 5, 7 or 10 years.

As you can see, the decision to phase in this proposal over the various time periods makes little difference to the Council's position relative to other regional councils. NRC would have the fourth lowest regional council general rates in New Zealand regardless of whether option 1, 2 or 3 was implemented.

It is proposed to redirect the investment income into a reserve used to fund specific projects. This will reduce the need to introduce new targeted rates to fund new projects, such as the Council has done in recent years to fund the Northland Events Centre, the Rescue Helicopter Service, the Marsden Point rail link designation and contributions to the Dargaville Olympic pool and Kerikeri sports complex. The Council will allocate funding from the reserve to projects benefiting economic, environmental, social and/or cultural well-being, in accordance with its existing levels of service as follows:

## Activity 3.2 Economic Development

### 3.2.1 Support economic development initiatives that align with the Regional Growth Programme and/or benefit Northland.

#### Performance Measures

- c. Provide community funding for regional initiatives undertaken by the council or in joint venture or partnership with other authorities and organisations on a case by case basis.
- d. Develop a project funding strategy and risk assessment of any infrastructure priority that the Council decides to commit significant funding to.

#### Performance Targets

- Conduct due diligence and the appropriate community consultation on significant projects as required in accordance with the requirements of the Local Government Act 2002.
- Report annually on any regional initiatives undertaken.
- Conduct appropriate due diligence and community consultation in accordance with the requirements of the Local Government Act 2002.
- Report annually on any regional initiatives undertaken.

The Council will allocate monies from the reserve to projects in accordance with set criteria. As part of this consultation process, the Council is seeking public comment on appropriate criteria to assess projects, which may include a combination of the following factors:

- Ability to generate employment;
- Return on the Council's investment (NB: This may not always be an economic return, eg for projects that primarily improve social and/or cultural well-being);
- Ability to have a positive impact on Northland's GDP or productivity;
- An impact report and a business case with an acceptable risk assessment.

Any project would have to be able to demonstrate tangible economic, environmental, social or cultural benefits to Northland, or a community within the Northland region. The decision to direct funding to any project will be within the Council's approved levels of service and made by resolution of the Council at a public meeting.

Northland Regional Council has a demonstrated track record of contributing to projects that provide improvements to Northlanders' current and future well-being. This includes projects that provide not only economic benefits, but have also had a positive impact in terms of social, cultural and environmental well-being. Recent examples include:

- **The Northland Events Centre (NEC)**

Funded jointly by the Northland Regional Council, the Whāngārei District Council and the Ministry of Social Development, this premier community asset resulted in around \$12 million of money being spent in the regional economy during a significant recession. There have been 155 bookings or events and just over 57,000 people through the gates in the first six months of operation. With the Rugby World Cup (RWC) coming to New Zealand later this year, at least two games will be played at the NEC and teams from Canada, Tonga and Japan will be based in Whāngārei and the Bay of Islands during September.

It is estimated that at least 38% of the 85,000 plus visitors coming to New Zealand for the RWC are coming to Northland. This event alone is expected to bring in excess of \$27 million of economic benefit into the region as a direct result of the \$18.5 million spent on this project.

- **Rescue Helicopter Services**

The Regional Council currently provides funding to the Northland Emergency Services Trust (NEST) which provides a region wide emergency helicopter/air ambulance service. Over 9,000 Northlanders in need of medical attention have been carried by this service to date, providing a positive impact on the health services provided to Northlanders.

- **Marsden Point Rail Link Designation**

This joint venture with ONTRACK has purchased the land required for the rail link corridor between the deepwater port at Marsden Point and the main trunk line, should the government decide to proceed at some stage in the future. The rail link designation has effectively secured the rail corridor against incompatible subdivision and development, preserving the opportunity for the region to benefit in the future. Benefits may include:

1. An alternative transport mode (rail) to serve the port;
2. Enhancement of the Marsden Point/Ruakaka area as a major regional growth node for industrial and commercial development;
3. Reduction of heavy vehicles on the road and the associated savings in road maintenance and road safety; and
4. Greater protection of the viability of the existing rail lines in Northland.



## proposed staged redirection of investment income continued

### • Regional Recreational Facilities

The Regional Council has provided significant financial contributions to community facilities promoting health and social well-being in the Whāngārei, Kaipara and Far North Districts. These include:

1. A \$700,000 contribution to the 50m Olympic size swimming pool in Dargaville. This facility recently hosted the Northland Age Group Swimming Championship attended by over 200 swimmers and an estimated 300 parents, coaches and officials; and
2. A \$500,000 contribution to the Kerikeri Sport complex. This facility features 12 netball courts, three sports fields along with eight changing rooms, canteen, social area, officials meeting and control rooms, kitchen and tiered decking for spectators.

It is questionable whether these projects would have come to fruition without Regional Council support.

The proposed redirection of Council investment income will allow the Council to do more of the types of projects listed above, bringing further economic, social, cultural and environmental benefits and consequent opportunities to Northlanders.

It should be noted however, that the projects listed above may not necessarily be compatible with the criteria that will be developed to assess future projects.

### The Council's preferred Option

The Council is committed to working with other leaders in the region and the community to actively find ways to reduce inequality and reverse the trends of underinvestment and consequent underperformance of our region.

The Council prefers option 1 to phase in the redirection of Council investment income over a period of 5 years. This would amount to a general rates increase of \$17.80 per annum (GST inclusive) for all ratepayers in the Whāngārei, Kaipara and Far North Districts over each of those five years.

The Council prefers option 1 for the following reasons:

- It is a matter of prudent financial management to take steps to protect the Council's revenue streams and its ability to fund the services that it currently provides to Northlanders;
- It is a decisive move to more quickly establish an Investment Fund that can be applied to projects that will help Northland improve its future in areas of economic, environmental, social and cultural well-being;
- Whether the Council phases in this proposal over 5, 7 or 10 years, it makes little difference to the fact that NRC still has comparatively low rates for a regional council in New Zealand. NRC would still have the fourth lowest regional council rates in NZ after the introduction of this proposal, (refer previous graph).

The financial impact on ratepayers of this proposal maintains NRC's position as one of the lowest regional rates in New Zealand.

*Submissions on the Council's proposal to redirect investment income from a direct rates subsidy funding council services to funding specific projects, are invited by 3.00pm on 6 May 2011 using the submission form on page 21 of this plan.*

# Proposed new Whāngārei Urban Rivers Management Rate

## Proposed Whāngārei CBD flood scheme

The Whāngārei City central business district (CBD) has experienced significant flooding over the last 60 years with the largest flood events occurring in 1956, 1988, 1995 and 1999. These floods have caused significant damage, disruption and costs to the Whāngārei CBD, with the impacts of the flooding of the region's main city affecting the wider communities of Whāngārei and Northland. The annualised average damage from flooding in the Whāngārei CBD has been calculated at \$5.6M. This is the annual damage cost to the community that can be expected as a result of the current flood risk to the CBD.

In December 2009, the Regional Council formed the Urban Whāngārei Rivers Flood Management Liaison Committee, comprised of representatives of the Chamber of Commerce, Whāngārei District and Regional Council's commercial and business interests, iwi and ratepayers. The Committee has been instrumental in assisting the Regional Council to assess the flood risk and determine the most appropriate options for reducing the risk. Furthermore, in its Annual Plan 2010-2011, the Council signalled its intention to assess flood risk reduction options for the CBD and to have costed works and targeted rates options ready for public consultation in conjunction with this year's Annual Plan 2011-2012.

A three stage flood risk reduction scheme is proposed for the Whāngārei CBD. The Council proposes that Stage 1 of the flood risk reduction scheme for the Whāngārei CBD be undertaken as part of the Annual Plan 2011-2012 programme. Stages 2 & 3 of the scheme are also outlined and will be subject to further community consultation in the coming years.

## Details of the proposed Whāngārei CBD flood scheme

Stage 1 includes the maintenance of the existing river channels within the CBD and an upgrade of the Rust Avenue Bridge during the 2011-2012 financial year. The cost of the stage 1 work is \$681,697 (including GST), which could be funded by two different rating methods as detailed below:

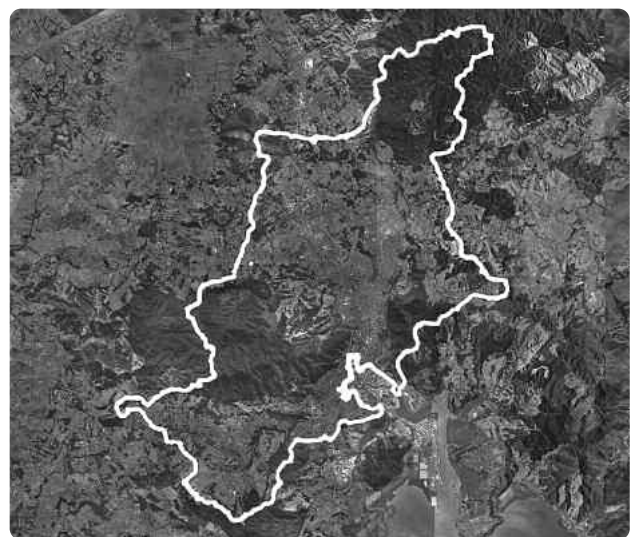
- Option 1:** An annual charge of \$17.39 (including GST) per annum for every rateable property in the Whāngārei District where all properties pay the same amount; OR
- Option 2:** A differential uniform annual charge where different properties pay different amounts per annum as follows:
- Commercial properties in Whāngārei CBD flood area (Map 1) pay \$178.55 (including GST);
  - Residential properties in Whāngārei CBD flood area (Map 1) pay \$68.06 (including GST);

- Properties in the contributing catchments of Waiarohia, Raumanga, Kirikiri and Hatea river catchments (Map 2) pay \$23.93 (including GST); and
- Properties in the remainder of the Whāngārei District pay \$8.20 (including GST).

It is proposed that all rateable properties in the Whāngārei District contribute to this rate, as all residents will benefit from the steps being taken to protect the city from significant damage, disruption and costs associated with flood events.



**Map 1 - CBD Flood Area**



**Map 2 - Contributing Catchments.** Includes all those properties located within the white line, which is comprised of the Waiarohia, Raumanga, Kirikiri and Hatea River catchments.

## Proposed new Whāngārei Urban Rivers Management Rate continued

Maintenance of the existing river channels is required to remove obstructions to the flow of water, which will improve the efficiency of the channels and reduce the risk of flooding during the smaller more frequent flood events. Works are also proposed at bridges to improve the flow of water. These works are proposed to be undertaken at strategic locations in and around the CBD, with the majority of works focused on the Waiarohia and Raumanga Streams. The cost of these maintenance works is \$345,000 (including GST).

The Rust Avenue Bridge is a key constriction on the Waiarohia Stream. The bridge traps debris and has the potential to force water directly into the CBD. The Regional Council intends to work with the Whāngārei District Council and the New Zealand Transport Authority (NZTA), to replace the bridge to reduce the risk. A funding contribution of \$287,000 (including GST) towards the upgrade is proposed, with the remainder of funding to be sought from NZTA and the Whāngārei District Council. Administration costs of \$49,697 bring the total cost of the Stage 1 works to \$681,697 (including GST).

### Future work

Stages 2 and 3 would be carried out in future years following appropriate consultation. The proposed stage 2 involves the design, land purchase and construction of a flood detention dam some time beyond mid 2012. A flood detention dam works to reduce flooding by temporarily slowing 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 1,270,000 m<sup>3</sup>. Normal stream flow would pass through the culverts enabling continuation of the natural flow of the stream. The suitability assessment indicated that the pay back on the detention dam land

acquisition and construction costs was five years, based on the assessed reduction in tangible flood damages alone. Further investigation, detailed design, land purchase and construction of the flood detention dam will be undertaken over a period of three to five years. The estimated cost of constructing the dam, and associated land purchase and design is estimated at \$8,423,750 (including GST).

The proposed stage 3 is a grass-lined flood corridor along the banks of the Waiarohia and Raumanga Streams through the CBD, and further bridge upgrades and sections of flood walls where a grass-lined corridor is not feasible. The grass-lined flood corridor will link with the Whāngārei District Council's 20/20 CBD growth strategy, providing further opportunities 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 benefits. Further community consultation, hydraulic modelling, design and assessment of costs and benefits are required to determine the optimal design and level of flood protection for the grass lined flood corridor and the cost of this stage.

### Analysis of options considered

The Regional Council, in consultation with the Urban Whāngārei Rivers Flood Management Liaison Committee, has considered a number of options to reduce the risk of flooding to the Whāngārei CBD. A summary of the key options considered are presented below.

The proposed Stage 1 channel maintenance works are considered to be the most cost effective option to reduce flood risk from smaller more frequent floods. However, the effectiveness of these works will be much less in the larger flood events. Upgrading the Rust Avenue Bridge capacity will reduce the risk of debris blockages at this location, lessening the risk of flood waters being forced into the CBD from Rust Avenue Bridge.

Options considered	Option	Comments
1. Status quo.	Warning and civil defence response.	Limited reduction in flood risk, low cost.
2. Channel maintenance.	Remove obstructions from channels and improved flow around bridges.	Flood risk reduction benefit limited to smaller floods, low cost.
3. Floodwalls.	Stopbanks and floodwalls to contain flood flows.	Visually obtrusive due to heights of walls, high cost.
4. Concrete lined floodways.	Concrete line stream channels to maximise channel efficiency.	Modification of natural stream environment, high cost.
5. Planning controls and subsidised flood proofing.	Assistance to raise/flood proof at risk properties, imposition of minimum floor levels.	Gradually occurring over time, flood proof assistance at moderate to high cost.
6. Detention dam and grass lined flood corridor.	Detention dam to reduce peak flows, grass lined flood corridor to improve flood carrying capacity.	Provides high flood mitigation, and substantial opportunities for other benefits, high cost.

*Submissions on the proposed new Whāngārei Urban Rivers Management Rate can be made using the submission form on page 21 of this plan.*



# Proposed new Kaeo-Whangaroa River Management Rate

## Proposed Kaeo and Tauranga Bay flood schemes

The Northland Regional Council, as the Catchment Board for Northland, has a function to minimise and prevent damage within its region caused by floods. The settlement of Kaeo has been subjected to damaging flood events over time. The severity of the two flood events of 2007 demonstrated the need to assess and propose further options for reducing the flood risk to Kaeo.

Since August 2008, the Council has been working with the Kaeo River - Whangaroa Catchment Management Liaison Committee to reduce flood risk in rivers and streams from Taupo Bay to Te Ngairi, including the Kaeo and Pupuke Rivers and other smaller streams in the area of the former Whangaroa Ward. River management works have been undertaken to maintain the river channels and floodplains to reduce restriction on flow and lessen the flood risk. River management plans, using detailed hydraulic models and flood maps, have been produced to assess the flood risk and options to reduce the risk.

The estimated cost of both the Kaeo and Tauranga Bay flood scheme's capital costs are as follows:

Kaeo Stage 1	554,415
Kaeo Stage 2	614,067
Tauranga Bay	162,267
Operating maintenance	34,500
<b>Total cost</b>	<b><u>\$1,365,249</u></b>

(All figures include GST)

The Council proposes to fund the \$1.365M (including GST) of capital works from a new targeted uniform rate on all rateable properties in the Far North District Council's former Whangaroa Ward. This new rate would replace the existing targeted Kaeo-Whangaroa River Management rate. The funds will be borrowed and can be repaid over a period of 5, 7 or 10 years. The shorter the repayment period, the higher the annual targeted rate. The repayment period is not proposed beyond 10 years because further flood protection works may need to be funded in the future. Therefore, the Council is seeking public comment on the following options:

**Option 1:** Repayment over 5 years - an annual charge of \$174.50 (including GST); OR

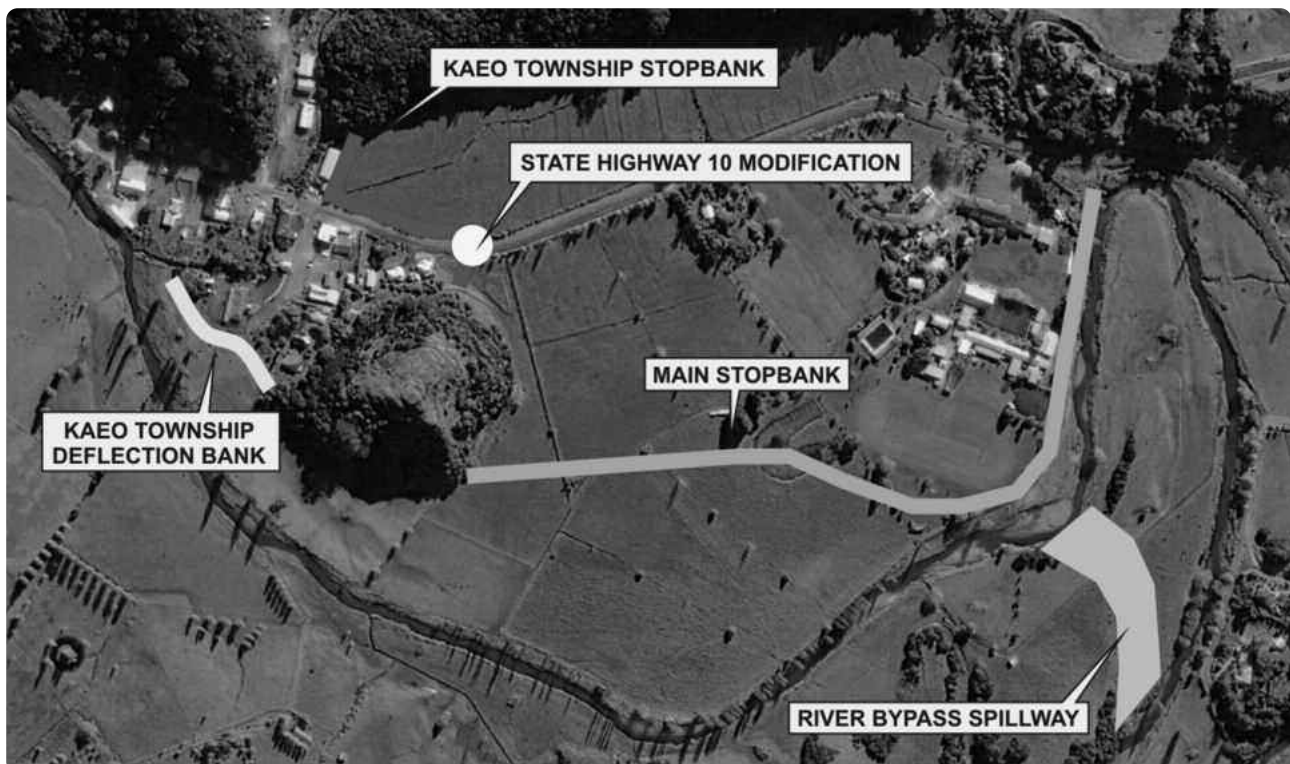
**Option 2:** Repayment over 7 years - an annual charge of \$137.02 (including GST); OR

**Option 3:** Repayment over 10 years - an annual charge of \$108.93 (including GST).

The Council's preferred option is option 2, being repayment over a 7 year period. This would result in a rates increase of \$137.02 for all ratepayers in the former Whangaroa Ward.

## Details of the proposed Kaeo flood scheme

The proposed Kaeo flood scheme has been developed on the basis of reducing the flood risk to as low as reasonably practical in the circumstances that exist. The scheme has been developed in a way that enables a staged implementation of works.



# Proposed new Kaeo-Whangaroa River Management Rate continued

The flood mitigation scheme proposed for Kaeo comprises of two stages of works.

Stage 1 has been designed with a focus on reducing the depth and velocity of flood waters in the Kaeo township, whilst Stage 2 provides protection to the schools and improves access to Kaeo during flood events. The aerial photograph (opposite) shows the elements of the proposed Kaeo flood scheme works.

## Stage 1

### Kaeo Township Stopbank

A stopbank will be constructed immediately east of the Kaeo township. This stopbank is designed to reduce the velocity and depth of flood water in the Kaeo township by preventing Kaeo River flood water from flowing directly through the township. This stopbank will also operate in conjunction with the proposed Stage 2 works, by preventing Kaeo River flood waters back flowing into the area proposed for protection under Stage 2.

### State Highway 10 Modification.

A section of State Highway 10, located immediately east of the Kaeo police station, will be raised in height to merge with the proposed township stopbank crest levels.

### Kaeo Township Deflection Bank

A deflection bank will be constructed at a location from near the Kaeo cemetery extending towards the confluence of the Kaeo River and Waikara Creek. This deflection bank is designed to reduce the velocity of Kaeo River flood waters in the Kaeo township by deflecting flood flow away from the township.

### River Bypass Spillway

A river bypass spillway will be constructed to bypass high river level flows from the river meander adjacent to the school stopbank. This will work to reduce the depth and velocity of flood water adjacent to the existing school stopbank.

## Stage 2

### Main Stopbanks

Stopbanks and/or a flood wall will be constructed to protect the Whangaroa College and Kaeo Primary School and the eastern approach to the Kaeo township via SH10. This will involve increasing the height of the existing school stopbank. In conjunction with this, a new stopbank will be constructed from the southwest extent of the school stopbank extending to the base of Pohue Pa. This will form a continuous stopbank that provides an area protected from river flood waters to a 1% Annual Exceedance Probability climate change (1% AEP CC) design standard.

## Details of the proposed Tauranga Bay flood scheme

The proposed Tauranga Bay flood scheme is designed to reduce the risk of river flooding to those properties located on low lying land adjacent to Tauranga Bay Beach Road.



*The aerial photograph (above) shows the elements of the proposed Tauranga Bay flood scheme.*

The works associated with the Tauranga Bay flood scheme proposal involve:

- Stopbanks to protect the low lying properties located on the floodplain adjacent to the Tauranga Bay Beach Road, to a design standard agreed with local residents;
- Dredging of part of the estuary to improve flood flows and to reduce erosion of the river bank;
- Modification of a section of Tauranga Bay Beach Road, to merge with stopbank crest levels; and
- Drainage of internal impounded local water, including new drainage and improvements to the existing drainage network.

## Analysis of options considered

The Council, in consultation with the Kaeo River - Whangaroa Catchment Management Liaison Committee, analysed a range of options to reduce the risk of flooding to Kaeo. These options included the enhanced status quo, raising buildings on site, dredging channels, catchment dams and managed retreat. These options were assessed based against social, cultural, economic, environmental, and technical and flood mitigation criteria. The high cost, limited benefit and/or practicality constraints of many of these options ruled them out from further consideration. The works proposed are considered to be the most effective available to reduce flood risk within the circumstances that exist.

*Submissions on the proposed new Kaeo-Whangaroa River Management Rate can be made using the submission form on page 21 of this plan.*

# financial overview

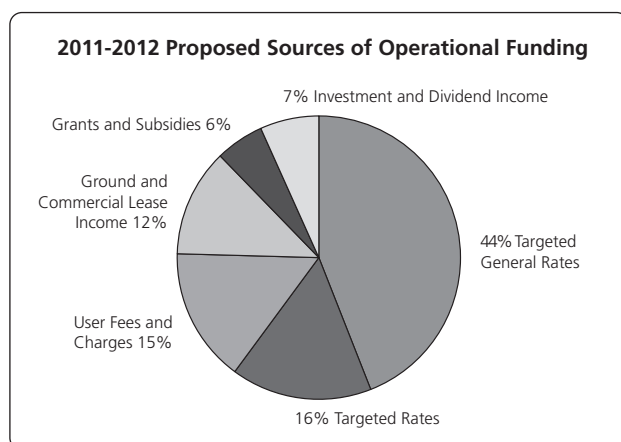
## Operational Spending

We are forecasting total operational spending of \$25 million during 2011-2012.

Operational spending provides for all our day-to-day operations and services; things like working with the community to care for our environment – air, and water and coast. We also have flood management responsibilities, look after the navigational safety of all vessels in our region's harbours and work with regional and national agencies to help ensure the provision and security of core regional infrastructure like transport, energy and telecommunications. We administer Whāngārei's urban bus service and help plan the region's transport network, ensure there is enough water for everyone and work to protect our environment from harmful impacts of pest animals, pest plants and diseases. The Regional Council also coordinates Northland's Civil Defence Emergency Management Group.

### Where will the money come from?

Operating expenses are funded through rates, fees and charges, grants and subsidies and other income. Rating provides 60% of the Council's income, fees and charges another 15% and grants and subsidies 6%. The balance comes from investment income 7%, and ground and commercial lease income 12%.



## General Rates

Our Draft Annual Plan 2011-2012 calls for a rates increase of between 5.5% and 15.3%, excluding targeted river management rates.

The final rates increase adopted by Council will effectively be informed on submissions made during the public consultation on the Draft Annual Plan.

At the lowest end, the Draft Annual Plan calls for a 5.5% general rates increase generating approximately an extra \$611,769 (including GST) in rates. This follows a comprehensive review of Council operating budgets and is equivalent to a rates increase of about \$7.05 (including GST) per ratepayer. It would cover inflationary increases, the cost of producing and auditing the 2012-2022 Long Term Plan, increased depreciation and other minor adjustments across Council activities.

However, the Draft Annual Plan also includes proposals to fund two optional initiatives including:

- The proposed Staged Redirection of Council Investment Income – \$1,543,193 (including GST).
- The proposed Whāngārei Urban Rivers Management Rate – \$681,697 (including GST).

If the public is supportive of the Staged Redirection of Council Investment Income and is adopted by Council, the average rates bill would increase by an additional \$17.80 per ratepayer (for the next five years). *Further information on this proposal is set out on pages 23 to 28.*

The fixed charges for the Northland Regional Recreational Facilities Rate, Rescue Helicopter Services Rate and the Transport Rate have not been increased.

The targeted Regional Infrastructure Rate revenue has increased by \$26,081 (4.5%) representing an average 35 cents (including GST) increase per ratepayer per annum.

If the public was supportive and these and other initiatives were adopted by Council, the average ratepayer's rates bill would increase by approximately \$25.07 (including GST) a year or 15.3%.

Rates collected for river management schemes are excluded from the above calculations. The Council is proposing to make a number of amendments to the targeted river management scheme rates. These proposed changes are explained below.

## Targeted River Rates

### Whāngārei Urban Rivers Management Rate

The Draft Annual Plan sets out a proposal to implement Stage 1 of the Whāngārei Urban Rivers Management Scheme at a cost of \$681,697 (including GST). It is proposed that this be levied as a fixed rate of \$17.39 (including GST) on each separately used or inhabited part of each rating unit within the Whāngārei constituency. *Further information on this proposal is set out on pages 29 to 30.*

### Awanui River Management Rate

The Draft Annual Plan sets out a proposal to reduce rates levied on the rural rating class while maintaining the rates levied on the urban rating class. The actual impact on ratepayers will vary according to the rating class of each ratepayer. In the 2011-2012 it is proposed that the total Awanui River Management Rate revenue be reduced by \$117,000 (including GST) compared to the 2010-2011 financial year. *Further information on this proposal is set out on page 14 of this plan.*

### Kaihū River Management Rate

There are no changes proposed for the Kaihū River Management Rate for the 2011-2012 financial year.

### Kaero-Whangaroa Rivers Management Rate

It is proposed to increase the rate levied over the rateable properties within the former Whangaroa Ward to a fixed rate of \$137.02 (including GST) per separately used or inhabited part of each rating unit. The increased rate is intended to fund \$1.365M (including GST) of capital works to be carried out in the 2011-2012 financial year and to be repaid over a proposed seven year period. *Further information on this proposal is set out on pages 31 to 32.*



## financial overview continued

### What level of rates can you expect to pay

#### Proposed 2011-2012 Financial Year Rates

(assuming Land Value is \$225,000)

	Far North (per SUIP) \$ Incl GST	Kaipara (per RU) \$ Incl GST	Whāngārei (per SUIP) \$ Incl GST
Targeted Council Services Rate	82.31	102.74	95.11
Targeted Land Management Rate	52.66	49.27	53.53
Regional Recreational Facilities Rate	5.75	5.75	28.75
Regional Infrastructure Rate	6.70	6.26	6.81
Rescue Helicopter Services Rate	8.22	8.22	8.22
Transport Rate (Whāngārei district)			12.04
<b>TOTAL (including GST)</b>	<b>\$155.64</b>	<b>\$172.24</b>	<b>\$204.46</b>

The above table identifies what your rates will be if your property has a land value of \$225,000. It should be noted the targeted Land Management Rate and Regional Infrastructure Rate are set as a rate in the dollar per dollar of land value. The rate in the dollar is different for each district as the rates are equalised using data provided by Quotable Value, to effectively align the three districts valuation dates. If the valuation dates were aligned, the Land Management Rate and Regional Infrastructure Rate would be set as the same rate in the dollar across all three districts.

#### Proposed Rate Movement from 2010-2011 to 2011-2012

	2010-2011 Annual Plan \$ Incl GST	2011-2012 Draft Annual Plan \$ Incl GST	Movement \$ Incl GST
Targeted Council Services Rate	6,319,226	7,896,904	1,577,678
Targeted Land Management Rate	4,789,932	5,367,216	577,284
Regional Recreational Facilities Rate	1,378,413	1,400,775	22,362
Regional Infrastructure Rate	652,649	682,642	29,993
Rescue Helicopter Services Rate	723,571	713,022	(10,549)
Transport Rate (Whāngārei district)	471,969	472,048	78
<b>TOTAL (including GST)</b>	<b>\$14,335,760</b>	<b>\$16,532,607</b>	<b>\$2,196,847</b>

### User Fees and Charges

We also impose fees and charges for some of our services.

Fees and Charges are applied in accordance with Council's Fees and Charges Policy.

It is proposed to increase the hourly staff charges and other fees across most activity areas by approximately 5%. A number of other minor amendments are proposed to ensure the Charging Policy better reflect the legislative provisions which allow for cost recovery in certain areas, including setting fees for Emergency Works and Environmental Incidents and Maritime Related Incidents.

Refer to the pages 122 to 147 for further information, or refer to Council's website [www.nrc.govt.nz](http://www.nrc.govt.nz) for a copy of the proposed 2011-2012 Charging Policy.

A number of amendments are proposed to our charges for the Navigation, Water Transport and Maritime Safety Bylaw Charges 2010. These include increasing the Navigation Safety bylaw fee and removing fees for functions which are not carried out by Council. It is proposed to amend the fee tier structure for pilotage fees to increase the number of smaller ships (ships greater than 500GRT to 3000GRT, previously capped at 1000GRT) that will fall in the lower fee category and thereby will encourage more superyachts to visit the Bay of Islands.

Refer to pages 115 to 121 for further information or refer to Council's website [www.nrc.govt.nz](http://www.nrc.govt.nz) for a copy of the proposed Navigational Water Transport and Maritime Safety Bylaw Charges 2011.

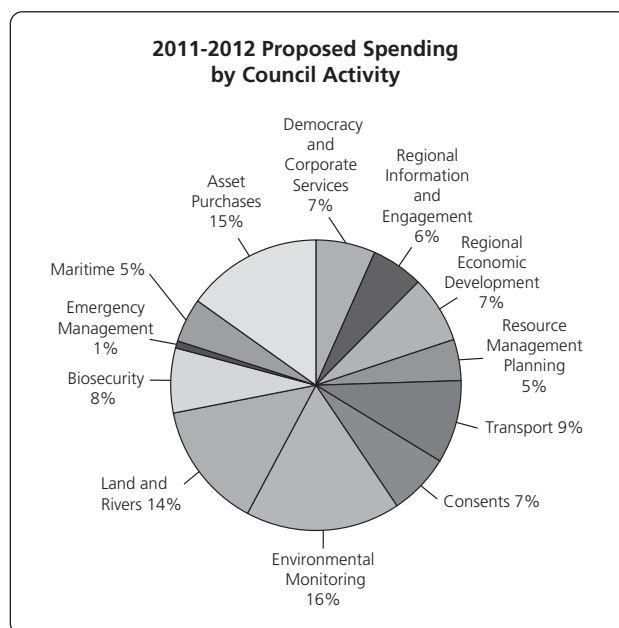
### Grants and Subsidies

Council receives Government subsidies for some activities including transport planning and oil spill planning, state of the environment and biosecurity activities.

### Expenditure

We are forecasting total gross spending of \$29.7 million during 2011-2012.

The graph bellows illustrates the allocation of our proposed spending by Council activity.



The cost of all activities includes a component of support services costs (Finance, Information Services, Human Resources and Records Management and Administration).

## Capital Spending

Capital expenditure pays for property, plant and equipment.

The new capital expenditure proposed for 2011-2012 totals \$2,536,142 (excluding GST) and includes the cyclical replacement of plant and equipment \$444,348; information technology \$684,621; vehicle replacement \$250,000; and Kaeo and Tauranga Bay River works of \$1,157,173.

Repayment of the \$1,157,173 Kaeo and Tauranga Bay River capital works amount plus a financing cost (interest) of 7% per annum is proposed over 7 years and will be funded from the targeted Kaeo-Whangaroa Rivers Management Rate.

Proposed new capital expenditure does not include any proposed carry forwards of unspent capital expenditure from the current financial year. At the end of the current financial year a review will be carried out on ongoing projects where capital expenditure remains unspent and where appropriate a proposal will be put to the Council's Audit and Finance Committee, requesting capital funding be carried forward into the 2011-2012 financial year to enable projects to be completed.

The Council funds its capital expenditure consistent with the Revenue and Financing policy. *The Revenue and Financing Policy is set out on pages 62 to 89 in Volume Two of the 2009-2019 Northland Community Plan.*

## 2011-2012 projected LTCCP budget compared to forecast 2011-2012 Annual Plan budget

*Understanding the reason for the variance between the LTCCP forecast 2011-2012 budget and proposed 2011-2012 Annual Plan*

### Operating Expenditure

The Council's Community Plan estimates the Council's total estimated operating expenditure for the 2011-2012 financial year at \$25,403,295.

This compares to a lower \$25,052,743 spend forecast in the Draft Annual Plan 2011-2012.

The \$350,552 represents a 1.41% reduced spend to that signalled in the Community Plan, and is predominantly due to a reduction resulting from a change in the accounting treatment of the Marsden Point Rail Link Joint Venture \$487,000 (surplus now repaying reserves), a reduction of the Awanui River Management maintenance expenditure of \$157,000, reduction of the Kaeo-Whangaroa Rivers maintenance expenditure \$51,000 (capital works to be carried out in the 2011-2012 financial year), reduced expenditure on the Total Mobility Services contract \$290,000, and reduced expenditure on forestry management of \$65,000 following the 2009-2010 harvest. These operational expenditure savings of \$1.05M are largely offset by the introduction of the Whāngārei rivers works of \$593,000, a roadside weed control proposal and other minor activity adjustments.

### Operating Revenue

The Council's Community Plan estimates the Council's total estimated operating revenue for the 2011-2012 financial year at \$26,019,123.

This compares to a higher revenue forecast of \$27,546,730 in the Draft Annual Plan 2011-2012.

The increase of \$1.5M is largely a result of the proposed redirection of Council investment income to be aside for projects that will enhance the well-being of the region of \$1.34M.

The Council's Community Plan estimated Council's capital expenditure for the 2011-2012 financial year at \$1,546,731. The Draft Annual Plan 2011-2012 has a projection of \$2,536,142. The increase of \$989,411 is predominantly due to the flood mitigation works proposed for Kaeo (Stages 1 and 2) and Tauranga Bay. The initial funding of these proposed works comes from Council reserves with repayment of the capital amount, plus financing costs (interest) of 7% per annum over a seven year period. This will be funded from the targeted Kaeo-Whangaroa Rivers Management Rate.

## financial overview continued

### Funding Impact Statement

The Funding Impact Statement is stated excluding GST.

The total estimated gross expenditure for the Northland Regional Council for 2011-2012 is \$28,463,788. Total expenditure will be funded from the sources listed (excluding GST). These funding/financing sources are consistent with the Revenue and Financing Policy. *The Revenue and Financing Policy is set out on pages 62 to 89 in Volume Two of the 2009-2019 Northland Community Plan.*

### Prospective Funding Impact Statement

for the period ending 30 June 2011

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
Operating Expenditure	25,403,295	25,052,743	350,552
Internal Finance Costs	595,444	891,407	(295,963)
Capital Expenditure	1,546,731	4,611,353	(3,064,622)
Less Non-Cash Expenditure	1,125,292	2,091,715	(966,423)
<b>Net Operating and Capital Expenditure to be funded</b>	<b>26,420,178</b>	<b>28,463,788</b>	<b>(2,043,610)</b>
Funded by:			
Targeted Council Service Rate	4,984,812	6,866,873	1,882,061
Targeted Land Management Rates	4,138,839	4,667,144	528,305
Regional Infrastructure Rate	598,787	593,602	(5,185)
Northland Regional Recreational Facilities Rate	1,147,910	1,218,065	70,155
Targeted Rates	2,264,284	2,365,191	100,907
User Charges	4,085,083	3,956,038	(129,045)
Rental Income	3,288,634	3,195,309	(93,325)
Dividends	1,367,712	1,328,574	(39,138)
Interest	2,774,482	1,791,943	(982,539)
Internal Interest Income	595,444	–	(595,444)
Subsidies and Grants	1,232,703	1,438,876	206,173
Other Income	33,817	23,055	(10,762)
Transfers from/(to) Cash Reserves	(92,329)	1,019,116	1,111,445
<b>Total Funding</b>	<b>26,420,178</b>	<b>28,463,788</b>	<b>2,043,610</b>

### Rates

#### Uniform Annual General Charge

The Council does not assess a Uniform Annual General Charge.

#### Targeted General Rates

The Northland Regional Council levies two rates which are applied as targeted general rates, these being the targeted Council Services Rate and the targeted Land Management Rate. Targeted general rates are paid on all rateable properties in the Northland region.

#### Targeted Council Services Rate

##### What it funds

The Council will fund activities which are carried out pursuant to the Resource Management Act 1991, the Local Government Act 2002, the Maritime Transport Act 1994 and Maritime Bylaws and any other activities which are not

covered by any other funding source, by a targeted council services rate. This rate will fund the costs remaining after appropriate user fees and charges and a share of investment income have been taken into account.

##### How it is set

The targeted Council Services Rate is a fixed rate, differentiated by location. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. An additional \$1.73 (including GST) per separately used or inhabited part (SUIP) of rating units is to be levied across the Whāngārei Constituency to provide \$67,629 to fund the ongoing maintenance needs of the Hātea River channel. This rating policy recognises that a differentiated fixed charge on separately used or inhabited part (SUIP) of each rating unit or per rating unit (property) links better to environmental planning, strategic planning, education, public advice, the public good elements of issuing resource consents, regional advocacy and transport planning where the link to land value is very weak.

For efficiency, the targeted Northland Regional Recreational Facilities Rate, the targeted Council Services Rate and the targeted Rescue Helicopter Services Rate will be shown as a single amount on the face of the joint regional and district rates assessments issued by the Kaipara District Council and the Far North District Council, with the amounts and descriptions of the separate rates shown clearly on the reverse of all assessments.

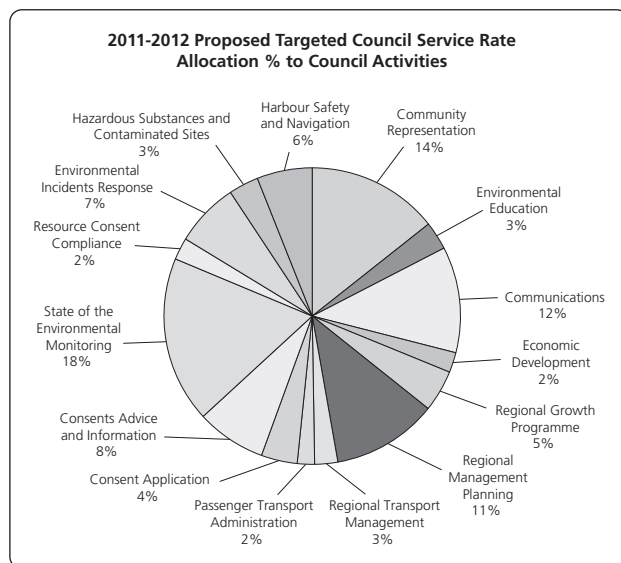
### How much is the rate?

The estimated total General Rate amounts to \$7,896,904 (including GST) for the 2011-2012 financial year.

The General Rate payable in respect of each rating unit in the Kaipara District, and each separately used or inhabited part (SUIP) of rating units in the Far North and Whāngārei Districts of the Northland region, will be levied as follows:

District	Excl GST	Incl GST	
Far North	\$71.57	\$82.31	per SUIP
Kaipara	\$89.34	\$102.74	per rating unit
Whāngārei	\$82.70	\$95.11	per SUIP

### How is the rate applied



## Targeted Land Management Rate

### What it funds

The Council will fund activities that are carried out pursuant to the Biosecurity Act 1993, the Soil Conservation and Rivers Control Act 1941 and the Civil Defence Emergency Management Act 2002 and the implementation of the Resource Management Act, by a land value based targeted rate.

The targeted Land Management Rate will specifically fund land and general river management planning, minor river works and pest plant and pest animal control functions that have a direct relationship to land.

The land value rates to be levied across all sectors of the Northland community recognises that all communities benefit from the protection of forests, the prevention of soil erosion, and the minimisation of damage by floodwaters and resulting improvements in the quality of natural water.

### How it is set

This rate is levied on the land value of each rating unit or separately used or inhabited part (SUIP) of a rating unit in the region. The rate is set as a cents in the dollar, per dollar of the actual rateable land value. This varies by district, as it is set and allocated on the basis of projected land value. The Council does not apply a differential on this rate.

### How much is the rate?

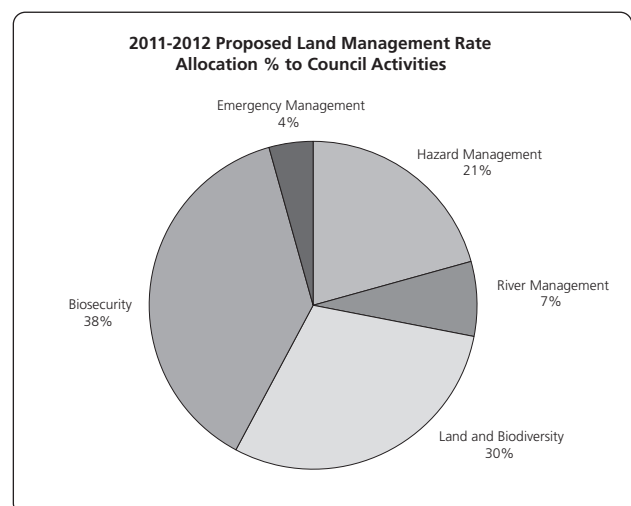
The estimated total targeted Land Management Rate amounts to \$5,367,216 (including GST) for the 2011-2012 financial year.

The following table shows the actual and equalised land value for each district and sets the rate in the dollar for each district based on the equalised land values.

District	Actual Land Value \$(000)'s	Equalised Land Value \$(000)'s	Rate per \$100,000 of Actual Land Value Excl GST	Rate per \$100,000 of Actual Land Value Incl GST
Far North	8,540,821	8,338,223	\$20.35	\$23.40
Kaipara	4,614,126	4,214,588	\$19.04	\$21.90
Whāngārei	9,911,750	9,842,665	\$20.69	\$23.79

It is important to note that if all districts had the same valuation date, each district would have the same rate per dollar each \$100,000 of actual land value.

### How is the rate applied?



## financial overview continued

### Targeted Rates

The following Targeted Rates are intended for 2011-2012:

#### Targeted Rate – Northland Regional Recreational Facilities

##### What it funds

It is intended to fund the development of the Regional Events Centre.

##### How it is set

The Northland Regional Recreation Facilities Rate will be a targeted and differentiated rate of \$28.75 (including GST) to each separately used or inhabited part (SUIP) of rating units in the Whāngārei District constituency and \$5.75 (including GST) separately used or inhabited part (SUIP) of rating units in the Far North District constituency and \$5.75 (including GST) per rating unit in the Kaipara District constituency.

*For efficiency the targeted Northland Regional Recreational Facilities Rate, the targeted Council Services Rate and the targeted Rescue Helicopter Services Rate will be shown as a single amount on the face of the joint regional and district rates assessments issued by the Kaipara District Council and Far North District Council, with the amounts and descriptions of the separate rates shown clearly on the reverse of all assessments.*

##### How much is the rate?

The estimated total targeted Northland Regional Recreational Facilities Rate amounts to \$1,400,775 (including GST) for the 2011-2012 financial year. The rate is to be levied as follows:

District	Excl GST	Incl GST	
Far North	\$5.00	\$5.75	per SUIP
Kaipara	\$5.00	\$5.75	per rating unit
Whāngārei	\$25.00	\$28.75	per SUIP

##### How is the rate applied?

This rate is applied 100% to the development of the Regional Events Centre which forms part of the Economic Development Activity.

### Targeted Rate – Regional Infrastructure

##### What it funds

The Council will fund activities relating to the development and/or completion of regional infrastructure projects, beginning with the Marsden Point Rail Link project.

##### How it is set

This rate is levied on the land value of each rating unit or separately used or inhabited part (SUIP) of a rating unit in the region. The rate is set as a cents in the dollar, per dollar of the actually rateable land value. This varies by district, as it is set and allocated on the basis of projected land value. The Council does not apply a differential on this rate.

##### How much is the rate?

The estimated total targeted Regional Infrastructure Rate amounts to \$682,642 (including GST) for the 2011-2012 financial year.

The following table shows the actual and equalised land value for each district and sets the rate in the dollar for each district based on the equalised land values.

District	Actual Land Value \$(000)'s	Equalised Land Value \$(000)'s	Rate per \$100,000 of Actual Land Value Excl GST	Rate per \$100,000 of Actual Land Value Incl GST
Far North	8,540,821	8,338,223	\$2.59	\$2.98
Kaipara	4,614,126	4,214,588	\$2.42	\$2.78
Whāngārei	9,911,750	9,842,665	\$2.63	\$3.03

##### How is the rate applied?

This rate is applied 100% to the funding infrastructure development activity. The proceeds from this rate will be applied to funding the Marsden Point Rail Link designation.



## Targeted Rate – Rescue Helicopter Services

### What it funds

The Council will collect the targeted Rescue Helicopter Services Rate to provide funding certainty to the Northland Emergency Services Trust which administers the Northland Rescue Helicopter. The rescue helicopter provides emergency services to the benefit to all Northlanders.

### How it is set

The Rescue Helicopter Service Rate is to be levied as a targeted fixed rate set on a uniform basis. The fixed charge is to be levied on each rating unit in the Kaipara District and each separately used or inhabited part (SUIP) of rating units in the Far North and Whāngārei Districts of the Northland Region.

*For efficiency the targeted Northland Regional Recreational Facilities Rate, the targeted Council Services Rate and the targeted Rescue Helicopter Services Rate will be shown as a single amount on the face of the joint regional and district rates assessments issued by the Kaipara District Council and Far North District Council, with the amounts and descriptions of the separate rates shown clearly on the reverse of all assessments.*

### How much is the rate?

The estimated total targeted Rescue Helicopter Services Rate amounts to \$713,022 (including GST) for the 2011-2012 financial year.

The fixed charge is set for on each rating unit in the Kaipara District and each separately used or inhabited part (SUIP) of rating units in the Far North and Whāngārei Districts of the Northland region being \$8.22 (including GST) or \$7.15 (excluding GST).

### How is the rate applied?

The targeted Rescue Helicopter Services Rate collected will be applied to the Northland Emergency Services Trust. The collection and payment of this rate forms part of the Economic Development Activity.

## Targeted Rate – Transport Rate (Whāngārei District)

### What it funds

To fund the local contribution required to fund the Whāngārei bus passenger transport service.

### How it is set

The rate is to be set by way of a set fixed charged levied on each separately used or inhabited part (SUIP) of rating units in the Whāngārei District.

### How much is the rate?

The estimated total targeted Transport Rate amounts to \$472,048 (including GST) for the 2011-2012 financial year.

The fixed charge will be set at \$12.04 (including GST) or \$10.47 (excluding GST) for each separately used or inhabited part (SUIP) of rating units in the Whāngārei District.

### How is the rate applied?

The targeted Transport Rate will be applied to the Regional Transport Management Activity to subsidise bus passenger transport in the Whāngārei District.

## Targeted Rate - Awanui River Management Rate

### What it funds

To fund works on the Awanui Flood Management Scheme.

### How it is set

The Awanui River Flood Management Scheme is funded by a targeted and differentiated rate based on indirect benefit, direct benefit and to the extent that land use increases the need for the scheme (for example, clearing land of forest), as set out in that Management Plan and its Rating District for the Awanui River Catchment and tributaries as described in the Awanui River Flood Management Scheme. The rate is set differentially as follows:

	Excl GST	Incl GST
1. Urban rate class UA (floodplain location) \$128.11 (including GST) direct benefit plus \$12.81 (including GST) indirect benefit, total per each separately used or inhabited parts of a rating unit:	\$122.54	\$140.92
2. Urban rate classes UF (higher ground) \$12.81 (including GST) direct benefit plus \$12.81 (including GST) indirect benefit, total per rating each separately used or inhabited parts of a rating unit:	\$22.28	\$25.62
3. Commercial differential factor:		3.0
4. Rural rate differentiated by class, \$7.88 (including GST) per each separately used or inhabited parts of a rating unit of indirect benefit plus a rate per hectare for each of the following classes of land in the defined Kaitāia Flood Rating District.	\$6.85	\$7.88

## financial overview continued

The rating classifications and the rate charged are illustrated as follows:

Awanui River Management Rate		Rate per Ha Excl GST	Rate per Ha Incl GST
Class	Description		
A1/A2	Maximum benefit; peat basins, low-lying reclaimed tidal land; alluvial land at risk from frequent ponding and flooding.	\$14.13	\$16.24
B1/B2	High benefit land subject to floodwater flows but not ponding as floods recede.	\$10.59	\$12.18
C	Moderate benefit; land floods less frequently and water clears quickly.	\$7.06	\$8.12
E	Land in flood ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	—	—
F	Contributes runoff waters, and increases the need for flood protection.	\$0.56	\$0.65

### How much is the rate?

The estimated total Awanui River Management Rate amounts to \$486,288 (including GST) for the 2011-2012 financial year. The revenue sought from each category of rateable land will be as follows:

		Total Revenue \$ Excl GST	Total Revenue \$ Incl GST
Class A	Rural	42,321	48,669
Class B	Rural	33,467	38,488
Class C	Rural	11,414	13,126
Class F	Rural	11,324	13,023
Indirect benefit	Rural	11,788	13,556
Urban A		175,953	202,346
Urban F		14,482	16,654
Commercial differential	Majority Urban	122,110	140,426
<b>Total Rate</b>		<b>\$422,859</b>	<b>\$486,288</b>

### How is the rate applied?

The rate is applied 100% to Awanui River Management works which forms part of the River Management Activity.

## Targeted Rate - Kaihū River Management Rate

### What it funds

To fund works on the Kaihū River Management Scheme.

### How it is set

To fund channel maintenance work carried out in accordance with the Kaihū River Flood Management Plan by way of a targeted and differentiated rate based on the level of benefit to land and rating units, falling within the Kaihū River Management area. The Council will set the rate differently as follows:

1. Class A - land on the floodplain and side valleys downstream of the Rotu Bottleneck, rate is applied per hectare of land.
2. Class B - land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck, rate is applied per hectare of land.
3. Catchment Rate - balance of land within the Kaihū River rating area not falling within class A and class B, rate is applied per hectare of land.
4. Urban Contribution - a contribution from Kaipara District Council instead of a separate rate per property.

The rating classifications and the rate charged are illustrated as follows:

Kaihū River Management Rate		Rate per Ha Excl GST	Rate per Ha Incl GST
Class	Description		
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$22.28	\$25.62
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck.	\$11.14	\$12.81
Catchment Rate	Balance of rateable land within the Kaihū River rating area.	\$1.67	\$1.92
Urban Contribution	A contribution from Kaipara District Council instead of a separate rate per property.	\$4,951 per annum	\$5,694 per annum

**How much is the rate?**

The estimated targeted Kaihū River Management Rate amounts to \$90,404 (including GST) in the 2011-2012 financial year. The revenue sought from each category of rateable land will be as follows:

	Total Revenue \$ Excl GST	Total Revenue \$ Incl GST
Class A	25,022	28,775
Class B	17,215	19,797
Catchment Rate	31,424	36,138
Urban Contribution	4,951	5,694
	<b>\$78,612</b>	<b>\$90,404</b>

**How is the rate applied?**

The rate is applied 100% to Kaihū River Management works which forms part of the River Management Activity.

**Targeted Rate – Kaeo-Whangaroa Rivers Management Rate****What it funds**

This rate will be used to fund operational and capital flood scheme works in Kaeo and Tauranga Bay, and minor river maintenance works to clear flood debris and gravel from streams from Taupo Bay to Te Ngairu.

**How it is set**

A fixed targeted Kaeo-Whangaroa Rivers Management Rate for the 2011-2012 year, set on a uniform basis across all rateable properties within the former Whangaroa Ward (falling between rating roles 100 -199). The fixed targeted Kaeo-Whangaroa Rivers Management Rate is payable in respect of each separately used or inhabited part of rating units falling between rating roles 100 -199.

**How much is the rate?**

The estimated targeted Kaeo-Whangaroa Rivers Management Rate amounts to \$276,512 (including GST) in the 2011-2012 financial year. The fixed levy of \$137.02 (including GST) or 119.15 (excluding GST) will be applied to each separately used or inhabited part of rating units falling between rating roles 100 -199.

**How is the rate applied?**

The rate is applied 100% to Kaeo-Whangaroa Rivers Management works which forms part of the River Management Activity.

**Targeted Rate – Whāngārei Urban Rivers Management Rate****What it funds**

To fund stage 1 (of 3) of the flood risk reduction project for the Whāngārei CBD.

Stage 1 consists of maintenance works on the existing river channels within the CBD and the upgrade of the Rust Avenue Bridge.

**How it is set**

The rate is to be set by way of a set fixed charge levied on each separately used or inhabited part (SUIP) of rating units in the Whāngārei District.

**How much is the rate?**

The estimated targeted Whāngārei Urban Rivers Management Rate amounts to \$681,697 (including GST) in the 2011-2012 financial year.

The fixed charge will be set at \$17.39 (including GST) or \$15.12 (excluding GST) for each separately used or inhabited part (SUIP) of rating units in the Whāngārei District.

**How is the rate applied?**

The rate is applied 100% to Whāngārei Urban Rivers Management works which form part of the River Management Activity.

## financial overview continued

### Further Rating information

Three Northland district councils collect rates on behalf of the Northland Regional Council and hold delegated powers to discount, remit, postpone or add penalties to the regional rate, as resolved by the Far North, Kaipara and Whāngārei District Councils.

A rating unit or separately used or inhabited part of a rating unit is defined as follows:

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

Northland Regional Council will apply the definitions of the Far North, Kaipara and Whāngārei District Councils to determine a rating unit within each district.

### Inspection and objection to Council's Rating Information Database

The Rating Information Database (RID) for each District is available at the relevant district council and on the district council's websites, the website addresses are:

- [www.fndc.govt.nz](http://www.fndc.govt.nz)
- [www.wdc.govt.nz](http://www.wdc.govt.nz)
- [www.kaipara.govt.nz](http://www.kaipara.govt.nz)

Ratepayers have the right to inspect the RID records and can object on the grounds set out in the Local Government (Rating) Act 2002.

### Funding Impact Statement – Table of Rates

The following table illustrates the distribution of the regional rate on the actual and forecast bases for the current year and the next financial year 2011-2012. The actual and projected apportionment of rates between constituent districts of Northland is as follows, based on the Valuation Roll at 30 June in each year:

#### District Valuation Roll

Estimate - 30 June 2011

	No of RU (Kaipara) or SUIP (others)	Capital Value \$000s	Land Value \$000s	Equalised Capital Value \$000s	Equalised Land Value \$000s	Equalised CV%	Equalised LV%
Far North District	34,891	14,465,312	8,540,821	14,195,245	8,338,233	36.68%	37.23%
Kaipara District	12,620	6,852,099	4,614,126	6,408,768	4,214,588	16.56%	18.82%
Whāngārei District	39,205	18,299,470	9,911,750	18,100,371	9,842,665	46.76%	43.95%
<b>Total Valuation - Northland</b>	<b>86,716</b>	<b>39,616,881</b>	<b>23,066,697</b>	<b>39,704,384</b>	<b>22,395,486</b>	<b>100.00%</b>	<b>100.00%</b>

#### Budgeted Rates 2011-2012 (including GST)

	Far North District	Kaipara District	Whāngārei District	Total	Far North District	Kaipara District	Whāngārei District	Total
<b>Targeted Council Services Rate</b> (calculated on CV)								
Rate per SUIP	\$82.31			2,871,721	\$69.00			2,386,710
Rate per RU		\$102.74		1,296,591		\$80.43		993,935
Rate per SUIP			\$95.11	3,728,592			\$76.25	2,938,581
				<b>7,896,904</b>				<b>6,319,226</b>

#### Targeted Land Management Rate

(calculated on LV)

Rate per \$ of Actual LV	0.0002340			1,998,766	0.0001823			1,916,608
Rate per \$ of Actual LV		0.0002190		1,010,309		0.0001788		824,596
Rate per \$ of Actual LV			0.0002379	2,358,141			0.0002025	2,048,728
				<b>5,367,216</b>				<b>4,789,932</b>

#### Targeted Rate – Northland Regional Recreational Facilities

(fixed)

Rate per SUIP	\$5.75			200,802	\$5.75			199,069
Rate per RU		\$5.75		72,630		\$5.75		71,122
Rate per SUIP			\$28.75	1,127,344			\$28.75	1,108,222
				<b>1,400,775</b>				<b>1,378,413</b>

	Budgeted Rates 2011-2012 (including GST)				Budgeted Rates 2010-2011 (including GST)			
	Far North District	Kaipara District	Whāngārei District	Total	Far North District	Kaipara District	Whāngārei District	Total
<b>Targeted Rate – Regional Infrastructure</b>								
(calculated on LV)								
Rate per \$ of Actual LV	0.0000298			254,388	0.0000248			261,209
Rate per \$ of Actual LV		0.0000278		128,411		0.0000243		112,209
Rate per \$ of Actual LV			0.0000303	299,842			0.0000276	279,231
				<u>682,642</u>				<u>652,649</u>
<b>Targeted Rate – Rescue Helicopter Services</b>								
(fixed)								
Rate per SUIP	\$8.22			286,891	\$8.46			292,771
Rate per RU		\$8.22		103,768		\$8.46		104,598
Rate per SUIP			\$8.22	322,363			\$8.46	326,203
				<u>713,022</u>				<u>723,571</u>
<b>Targeted Rate – Transport</b>								
(fixed)								
Rate per SUIP – Whāngārei only			\$12.04	<u>472,048</u>			\$12.25	<u>471,969</u>
<b>Awanui River Management Rate</b>								
(on area)								
Far North District – Rural				128,199				245,433
Far North District – Urban				358,089				357,818
See page 14 for further details on the Awanui River Management Rate				<u>486,288</u>				<u>603,251</u>
<b>Kaihū River Management Rate</b>								
Kaipara				<u>90,404</u>				<u>90,404</u>
See page 16 for further details on the Kaihū River Management Rate								
<b>Kaeo-Whangaroa Rivers Management Rate</b>								
Far North – Kaeo only				<u>276,512</u>				<u>136,549</u>
See page 31 for further details on the Kaeo-Whangaroa Rivers Management Rate								
<b>Whāngārei Urban Rivers Management Rate</b>								
Rate per SUIP – Whāngārei only			\$17.39	<u>681,697</u>			–	<u>–</u>
See page 29 for further details on the Whāngārei Urban Rivers Management Rate								
<b>Total Rates</b>								
Far North District				\$6,375,368				\$5,796,166
Kaipara District				\$2,702,113				\$2,196,863
Whāngārei District				\$8,990,027				\$7,172,935
				<u>\$18,067,507</u>				<u>\$15,165,964</u>



## financial overview continued

### How much will my rates be?

Presented on the next four pages is a selection of example rates for properties falling within each constituent district in the Northland region. The tables show the total rates that different groups of ratepayers will incur under this plan.

The estimated rates detailed above are based on the revenue required from each rate and the estimated capital or land values of the constituent districts of the region. The capital or land values of the constituent part of the region used to set the rates will be based on the district valuation rolls as at 30 June. Therefore values may differ from those used in these calculations.

### Ratepayers in the Whāngārei constituency

Whāngārei ratepayers will be levied per separately used or inhabited part of rating units: (1) a targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June, with an additional charge of \$1.73 (including GST) to fund the maintenance of the Hātea Channel; (2) a targeted Land Management Rate based on the equalised land value of the property, and (3) a fixed targeted Northland Regional Recreational Facilities Rate, differentiated by location; (4) a targeted Regional Infrastructure Rate based on the land value of the property; (5) a fixed targeted Transport Rate; (6) a fixed targeted Rescue Helicopter Services Rate, (7) a fixed targeted Whāngārei Urban Rivers Management Rate. All rates include GST.

<b>Whāngārei Urban/Rural/Other</b>		<b>2011-2012</b>
<b>Land Management Rate = LV rate in the \$ = \$0.0002379</b>		<b>Rates</b>
<b>Infrastructure Rate = LV rate in the \$ = \$0.0000303</b>		<b>\$ Incl GST</b>
<b>Land Value \$</b>		
<b>Residential Property, Targeted Council Services Rate</b>		95.11
Targeted Land Management Rate	120,000	28.55
Northland Regional Recreational Facilities Rate		28.75
Regional Infrastructure Rate		3.64
Transport Rate		12.04
Rescue Helicopter Services Rate		8.22
Whāngārei Urban Rivers Management Rate		17.39
<b>Total Regional Rates (including GST)</b>		<b>\$193.69</b>
Residential Property, Targeted Council Services Rate		95.11
Targeted Land Management Rate	225,000	53.53
Northland Regional Recreational Facilities Rate		28.75
Regional Infrastructure Rate		6.82
Transport Rate		12.04
Rescue Helicopter Services Rate		8.22
Whāngārei Urban Rivers Management Rate		17.39
<b>Total Regional Rates (including GST)</b>		<b>\$221.86</b>
Farm Property, Targeted Council Services Rate		95.11
Targeted Land Management rate	2,750,000	654.23
Northland Regional Recreational Facilities Rate		28.75
Regional Infrastructure Rate		83.33
Transport Rate		12.04
Rescue Helicopter Services Rate		8.22
Whāngārei Urban Rivers Management Rate		17.39
<b>Total Regional Rates (including GST)</b>		<b>\$899.06</b>
Commercial Property, Targeted Council Services Rate		95.11
Targeted Land Management Rate	2,000,000	475.80
Northland Regional Recreational Facilities Rate		28.75
Regional Infrastructure Rate		60.60
Transport Rate		12.04
Rescue Helicopter Services Rate		8.22
Whāngārei Urban Rivers Management Rate		17.39
<b>Total Regional Rates (including GST)</b>		<b>\$697.91</b>

## Ratepayers in the Kaipara constituency

Kaipara ratepayers will be levied (1) a targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June (2) a targeted Land Management Rate based on the equalised land value of the property, and (3) a fixed targeted Northland Regional Recreational Facilities Rate, differentiated by location; (4) a targeted Regional Infrastructure Rate based on the land value of the property; (5) a fixed targeted Rescue Helicopter Services Rate per rating unit, and (6) the Kaihū River Management Rate, based on land area, and level of benefit to land and rating units. All rates include GST.

<b>Kaipara Urban/Rural</b>	<b>Land Value \$</b>	<b>2011-2012 Rates \$ Incl GST</b>
<b>Land Management Rate = LV rate in the \$ = \$0.0002190</b>		
<b>Infrastructure Rate = LV rate in the \$ = \$0.0000278</b>		
<b>Residential property, Targeted Council Services Rate</b>		102.74
Targeted Land Management Rate	120,000	26.28
Northland Regional Recreational Facilities Rate		5.75
Regional Infrastructure Rate		3.34
Rescue Helicopter Services Rate		8.22
<b>Total Regional Rates (including GST)</b>		<b>\$146.33</b>
<b>Residential property, Targeted Council Services Rate</b>		102.74
Targeted Land Management Rate	225,000	49.28
Northland Regional Recreational Facilities Rate		5.75
Regional Infrastructure Rate		6.26
Rescue Helicopter Services Rate		8.22
<b>Total Regional Rates (including GST)</b>		<b>\$172.24</b>
<b>Farm property, Targeted Council Services Rate</b>		102.74
Targeted Land Management Rate	2,750,000	602.25
Northland Regional Recreational Facilities Rate		5.75
Regional Infrastructure Rate		76.45
Rescue Helicopter Services Rate		8.22
<b>Total Regional Rates (including GST)</b>		<b>\$795.41</b>
<b>Commercial property, Targeted Council Services Rate</b>		102.74
Targeted Land Management Rate	900,000	197.10
Northland Regional Recreational Facilities Rate		5.75
Regional Infrastructure Rate		25.02
Rescue Helicopter Services Rate		8.22
<b>Total Regional Rates (including GST)</b>		<b>\$338.83</b>

<b>Property Kaihū River Catchment 10 hectares</b>	<b>Land Value \$</b>	<b>Class A \$ Incl GST</b>	<b>Class B \$ Incl GST</b>	<b>Class C \$ Incl GST</b>
Targeted Council Services Rate		102.74	102.74	102.74
Targeted Land Management Rate	120,000	26.28	26.28	26.28
Northland Regional Recreational Facilities Rate		5.75	5.75	5.75
Regional Infrastructure Rate		3.34	3.34	3.34
Rescue Helicopter Services Rate		8.22	8.22	8.22
Kaihū River Management Rate		256.22	128.10	19.20
<b>Total Regional Rates (including GST)</b>		<b>\$402.55</b>	<b>\$274.43</b>	<b>\$165.53</b>

<b>Property Kaihū River Catchment 100 hectares</b>	<b>Land Value \$</b>	<b>Class A \$ Incl GST</b>	<b>Class B \$ Incl GST</b>	<b>Class C \$ Incl GST</b>
Targeted Council Services Rate		102.74	102.74	102.74
Targeted Land Management Rate	600,000	131.40	131.40	131.40
Northland Regional Recreational Facilities Rate		5.75	5.75	5.75
Regional Infrastructure Rate		16.68	16.68	16.68
Rescue Helicopter Services Rate		8.22	8.22	8.22
Kaihū River Management Rate		2,562.20	1,281.00	192.00
<b>Total Regional Rates (including GST)</b>		<b>\$2,826.99</b>	<b>\$1,545.79</b>	<b>\$456.79</b>

## financial overview continued

### Ratepayers in the Far North constituency

Far North District ratepayers will be levied per separately used or inhabited part of rating units: (1) a targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June; (2) a targeted Land Management Rate based on the equalised land value of the property; (3) a fixed targeted Northland Regional Recreational Facilities Rate, differentiated by location; (4) a targeted Regional Infrastructure Rate based on the equalised land value of the property; (6) a fixed targeted Rescue Helicopter Services Rate (7) the Awanui River Management Rate, classes UA/UF and A to F.; (8) a targeted Kaeo-Whangaroa Rivers Management Rate set on a uniform basis across all properties within the former Whangaroa Ward (rating rolls 100-199). All rates include GST.

<b>Far North District</b>		<b>Land Value \$</b>	<b>Urban UA Low Land \$ Incl GST</b>	<b>Urban UF Hills \$ Incl GST</b>	<b>Commercial # Urban UA \$ Incl GST</b>
Land Management Rate = LV rate in the \$ = \$0.0002340					
Infrastructure Rate = LV rate in the \$ = \$0.0000298					
<b>Urban area (1 hectare or less) Residential and Commercial</b>					
Targeted Council Services Rate			82.31	82.31	82.31
Targeted Land Management Rate		120,000	28.08	28.08	28.08
Northland Regional Recreational Facilities Rate			5.75	5.75	5.75
Regional Infrastructure Rate			3.58	3.58	3.58
Rescue Helicopter Services Rate			8.22	8.22	8.22
Awanui River Management Rate			140.92	25.62	422.76
<b>Total Regional Rates (including GST)</b>			<b>\$268.86</b>	<b>\$153.56</b>	<b>\$550.70</b>

<b>Including GST</b>	<b>Land Value \$</b>	<b>Commercial # A</b>	<b>Commercial # B</b>	<b>Rural Class A</b>	<b>Rural Class B</b>	<b>Rural Class C</b>	<b>Rural Class E</b>	<b>Rural Class F</b>
<b>Lifestyle – 10 hectares</b>								
Targeted Council Services Rate		82.31	82.31	82.31	82.31	82.31	82.31	82.31
Targeted Land Management Rate	450,000	105.30	105.30	105.30	105.30	105.30	105.30	105.30
Northland Regional Recreational Facilities Rate		5.75	5.75	5.75	5.75	5.75	5.75	5.75
Regional Infrastructure Rate		13.41	13.41	13.41	13.41	13.41	13.41	13.41
Rescue Helicopter Services Rate		8.22	8.22	8.22	8.22	8.22	8.22	8.22
Awanui River Management Rate #		884.34	762.54	170.28	129.68	89.08	7.88	14.38
<b>Total Regional Rates (including GST)</b>		<b>\$1,099.33</b>	<b>\$977.53</b>	<b>\$385.27</b>	<b>\$344.67</b>	<b>\$304.07</b>	<b>\$222.87</b>	<b>\$229.37</b>

<b>Including GST</b>	<b>Land Value \$</b>	<b>Farms outside Awanui Plan</b>	<b>Non Farm Com A &amp; B</b>	<b>Farm</b>	<b>Farm</b>	<b>Farm</b>	<b>Farm</b>	<b>Farm</b>
<b>Farm property – No commercial differential – 100 hectares</b>								
Targeted Council Services Rate		82.31	82.31	82.31	82.31	82.31	82.31	82.31
Targeted Land Management Rate	2,750,000	643.50	643.50	643.50	643.50	643.50	643.50	643.50
Northland Regional Recreational Facilities Rate		5.75	5.75	5.75	5.75	5.75	5.75	5.75
Regional Infrastructure Rate		81.95	81.95	81.95	81.95	81.95	81.95	81.95
Rescue Helicopter Services Rate		8.22	8.22	8.22	8.22	8.22	8.22	8.22
Awanui River Management Rate		– # Refer Below	1,631.88	1,225.88	819.88	7.88	72.88	
<b>Total Regional Rates (including GST)</b>		<b>\$821.73</b>	<b>\$821.73</b>	<b>\$2,453.61</b>	<b>\$2,047.61</b>	<b>\$1,641.61</b>	<b>\$829.61</b>	<b>\$894.61</b>

# Commercial properties are subject to the 3:1 commercial differential on Class UA (\$137.85 including GST), and Rural A (\$31.33 per ha) and B (\$23.49 per ha) for the Awanui River Management Rate. Note that commercial and industrial activities in rural zones that have a lower area and land value will be rated less than the illustrated differentials above – refer to rating factors previously set out (and multiply by the differential factor of 3). Those properties with greater land values and hectares than illustrated above will consequently pay proportionately more than shown in the second and third sections of the table.

## Ratepayers in the Far North constituency (continued)

### Ratepayers in the Far North constituency – properties falling in rating areas 100-199

Far North District ratepayers will be levied per separately used or inhabited part of rating units: (1) a targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June (2) a targeted Land Management Rate based on the equalised land value of the property; (3) a fixed targeted Northland Regional Recreational Facilities Rate, differentiated by location; (4) a targeted Regional Infrastructure Rate based on the equalised land value of the property; (6) a fixed targeted Rescue Helicopter Services Rate (7) the Awanui River Management Rate, classes UA/UF and A to F; (8) a targeted Kaeo-Whangaroa Rivers Management Rate set on a uniform basis across all properties within the former Whangaroa Ward (rating rolls 100-199). All rates include GST.

<b>Far North District</b>		<b>2011-2012</b>
<b>Land Management Rate = LV rate in the \$ = \$0.0002340</b>	<b>Land</b>	<b>Rates</b>
<b>Infrastructure Rate = LV rate in the \$ = \$0.0000298</b>	<b>Value \$</b>	<b>\$ Incl GST</b>
<b>Residential/Commercial/Other</b>		
Targeted Council Services Rate		82.31
Targeted Land Management Rate	120,000	28.08
Northland Regional Recreational Facilities Rate		5.75
Regional Infrastructure Rate		3.58
Rescue Helicopter Services Rate		8.22
Kaeo-Whangaroa Rivers Management Rate		137.02
<b>Total Regional Rates (including GST)</b>		<b>\$264.96</b>
<b>Residential/Commercial/Other</b>		
Targeted Council Services Rate		82.31
Targeted Land Management Rate	250,000	58.50
Northland Regional Recreational Facilities Rate		5.75
Regional Infrastructure Rate		7.45
Rescue Helicopter Services Rate		8.22
Kaeo-Whangaroa Rivers Management Rate		137.02
<b>Total Regional Rates (including GST)</b>		<b>\$299.25</b>
<b>Residential/Commercial/Other</b>		
Targeted Council Services Rate		82.31
Targeted Land Management Rate	2,750,000	643.50
Northland Regional Recreational Facilities Rate		5.75
Regional Infrastructure Rate		81.95
Rescue Helicopter Services Rate		8.22
Kaeo-Whangaroa Rivers Management Rate		137.02
<b>Total Regional Rates (including GST)</b>		<b>\$958.75</b>

# council groups of activities

This section of the Annual Plan outlines the groups of activities through which the Council delivers its services to the community.

Northland Regional Council's Groups of Activities are:

- **Democracy and Corporate Services**
- **Regional Information and Engagement**
- **Regional Economic Development**
- **Resource Management Planning**
- **Transport**
- **Consents**
- **Environmental Monitoring**
- **Land and Rivers**
- **Biosecurity**
- **Emergency Management**
- **Maritime Operations**
- **Support Services**

The groups of activities section concentrates on identifying major variations or additions to the levels of service outlined in the Northland Community Plan 2009-2019.

Estimated levels of expenditure, and how that expenditure is to be funded is included for each group of activities.

Except where noted, the plans and activities established in the Northland Community Plan 2009-2019 apply to this section of the Annual Plan and the 2011-2012 operations of the Council.

Copies of the Community Plan are available from the Council offices or from our website [www.nrc.govt.nz/ltp](http://www.nrc.govt.nz/ltp)

Council Activity	Page
<b>1. Democracy and Corporate Services</b>	49
1.1 Community Representation	51
1.2 Commercial Investments	52
<b>2. Regional Information and Engagement</b>	53
2.1 Environmental Education	55
2.2 Communications	56
2.3 Economic and Environmental Education	57
<b>3. Regional Economic Development</b>	58
3.1 Regional Growth Programme	60
3.2 Economic Development	60
<b>4. Resource Management Planning</b>	61
4.1 Resource Management Planning	63
<b>5. Transport</b>	65
5.1 Regional Transport Management	67
5.2 Passenger Transport Administration	67
<b>6. Consents</b>	68
6.1 Consents Applications	70
6.2 Consents Advice and Information	70
<b>7. Environmental Monitoring</b>	71
7.1 State of the Environment Monitoring	74
7.2 Compliance Monitoring	75
7.3 Environmental Incidents Response	76
7.4 Hazardous Substances and Contaminated Sites	77
<b>8. Land and Rivers</b>	78
8.1 Hazard Management	80
8.2 River Management	80
8.3 Land and Biodiversity	81
<b>9. Biosecurity</b>	82
9.1 Biosecurity	84
<b>10. Emergency Management</b>	85
10.1 Emergency Management	87
<b>11. Maritime Operations</b>	88
11.1 Oil Pollution Response	90
11.2 Harbour Safety and Navigation	90
<b>Support Services – Democracy and Corporate Services</b>	91
• Finance Accounting and Financial Reporting	
• Financial and Equity Investments	
• Rating and Revenue Systems	
• Taxation	
• Records Management and Administration	
• Information Services	
• Legislative Compliance	
• Project Management	
• Human Resources Management	
• Health and Safety	



council groups of activities

## democracy and corporate services

### Main objectives for 2011-2012

#### **Activity 1.1 Community Representation**

Ensure community representation through elected Councillors by:

- Ensuring the effective and efficient running of local body elections for the 2010-2013 triennium.
- Continuing to ensure that all Council meetings and decisions are made in an effective and accountable manner.
- Continuing to involve the community in the Council's long term planning.
- Undertaking appropriate public consultation and adopting the Council's Annual Plan by 30 June 2011.

#### **Activity 1.2 Commercial Investments**

Effectively and efficiently manage the Council's commercial investments to provide a maximum rate of return, (within the constraints of the relevant lease agreements), thus providing a reliable cash flow to reduce the burden on regional ratepayers by:

- Continuing to effectively manage and maximise returns on the Council's commercial property portfolio.

### Variations from the Northland Community Plan 2009-2019

#### **Proposed staged redirection of Council investment income**

The Council is proposing to redirect its Investment Income that is currently used as a direct subsidy on rates funding Council Services, to funding specific projects that improve the economic, environmental, social and/or cultural well-being of Northlanders.

Should the Council go ahead with this proposal, the financial impact on ratepayers depends on whether the change is brought in over a period of 5, 7 or 10 years with corresponding rates increases of \$17.80, \$12.71 or \$8.90 (including GST) per annum over each of those years.

*Full details of this proposal are included on pages 23 to 28 of this plan.*

There are no significant variations within this group of activities.

council groups of activities

## democracy and corporate services

### Prospective Statement of Costs and Funding

for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
User Charges	26,419	26,419	—
Other Revenue	3,286,520	3,191,309	95,211
<b>TOTAL OPERATING REVENUE</b>	<b>3,312,939</b>	<b>3,217,728</b>	<b>95,211</b>
<b>EXPENDITURE</b>			
Personnel Costs	507,737	821,746	314,009
Depreciation	5,568	19,533	13,964
Other Operating Expenses	888,640	874,540	(14,100)
Support Costs internally allocated to Activity	208,008	304,919	96,911
<b>TOTAL EXPENDITURE</b>	<b>1,609,953</b>	<b>2,020,738</b>	<b>410,785</b>
Less Non-Cash Items	5,568	19,533	13,964
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>(1,708,554)</b>	<b>(1,216,523)</b>	<b>492,032</b>
<i>Funded by:</i>			
Targeted Council Service Rate	556,818	964,800	(407,982)
Investment Income	474,478	223,097	251,381
Transfer from/(to) Cash Reserves	(2,739,850)	(2,404,420)	(335,430)
<b>TOTAL OPERATIONAL FUNDING</b>	<b>(1,708,554)</b>	<b>(1,216,523)</b>	<b>(492,032)</b>
<b>CAPITAL EXPENDITURE</b>	<b>—</b>	<b>50,000</b>	<b>50,000</b>
<i>Funded by:</i>			
Targeted Council Service Rate	—	19,533	(19,533)
Transfer from Cash Reserves	—	30,467	(30,467)
<b>TOTAL CAPITAL FUNDING</b>	<b>—</b>	<b>50,000</b>	<b>(50,000)</b>
<b>TOTAL EXPENDITURE BY ACTIVITY</b>			
Community Representation	1,264,671	1,735,241	470,570
Commercial Investments	345,282	285,497	(59,786)
<b>TOTAL DEMOCRACY AND CORPORATE SERVICES</b>	<b>1,609,953</b>	<b>2,020,738</b>	<b>410,785</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Personnel Costs have increased due to a re-organisation of staff from other activities into the Democracy and Corporate Services activity.
- Allocation of overheads has increased due to the increase in full time equivalents transferred from other activities. It should be noted; this is simply a reallocation of support costs and does not reflect an increase in the total support services budget.

#### Operating Revenue

- Other Income has reduced due to a number of rent reviews being in dispute and the uncertainty of settlement levels since the compilation of the 2009-2019 Northland Community Plan.

## Targets for the year ended 30 June 2012

### Activity 1.1 Community Representation

#### 1.1.1 Provide democratic local decision making and action on behalf of the community.

##### Performance Measures 2011-2012

- a. All Council decisions made in an effective and accountable manner.
- b. Notify and conduct Council and Committee meetings.
- c. Respond to all official information requests.
- d. Adopt and make public a Local Governance Statement, Triennial Agreement, Council Code of Conduct and Register of Committee and Staff Delegations.
- e. Ensure Māori have the opportunity to participate in Council decision making.
- f. Facilitate a sustainable development approach to all Council practices and policies.

##### Performance Targets 2011-2012

- Zero Council decisions overturned as a result of judicial review annually.
- Produce an annual schedule of meeting dates and publicly notify meetings one month prior. All meetings conducted in accordance with the requirements of the Local Government Act (LGA) 2002 and Standing Orders.
- All information requests are replied to in accordance with the Local Government Official Information and Meetings Act 1987 (20 working days) and all Ombudsman investigations uphold our information decisions.
- All documents produced in accordance with the requirements of the LGA 2002 following the 2010 election.
- CEO attend a minimum of two Iwi Chief Executives Forum meetings annually. Initiatives reported in CEO and Chairman's report annually.
- Provide annual reports on sustainable Council practices and policy initiatives by 30 June 2012.

#### 1.1.2 Involve the community in the Council's long term planning.

##### Performance Measures 2011-2012

- a. Consult on and communicate the Council's strategic direction and long term plans.
- b. Collaborate with Northland communities and organisations in regard to achieving regional community outcomes.
- c. Collaborate with the three district councils to advocate on behalf of all Northlanders.

##### Performance Targets 2011-2012

- Adopt an Annual Plan by 30 June 2011 and the Northland Long Term Plan by 30 June 2012.
- Update community outcomes in accordance with any legislative changes.
- Attend a minimum of two Mayoral Forum meetings annually.

council groups of activities

## democracy and corporate services continued

### Activity 1.2 Commercial Investments

#### 1.2.1 Manage and maximise the return on commercial property with consideration to the requirements of the Council and the public.

##### Performance Measures 2011-2012

- a. Maintain or increase the level of return from investment properties.
- b. Manage the Council's commercial property portfolio in accordance with the Treasury Management Policy.
- c. Maintain cost effective management of the commercial property portfolio.
- d. Maintain the forestry holding to ensure maximum net forestry returns on a sustainable basis.
- e. Develop strategic commercial investment objectives, policies and direction as part of the Regional Growth Programme.

##### Performance Targets 2011-2012

- Achieve an annual return of at least 4.9% on the total value of investment properties.
- Manage the Council's commercial property portfolio in accordance with the Treasury Management Policy.
- Commercial Property administration costs are retained at <7.5% of total commercial rental income per annum.
- Performance against the Forest Management Plan reported annually to the Audit and Finance Committee.
- Report and review on achievement of objectives annually.

council groups of activities

## regional information and engagement

### Main Objectives for 2011-2012

#### **Activity 2.1 Environmental Education**

Promote and empower individual and collective responsibility for the environment to encourage sustainable lifestyle choices, activities and communities by:

- Continuing to collaborate and provide resources to the community on sustainable environmental practices and issues;
- Continuing to provide specialist education services to primary and secondary schools, tertiary institutions and community education providers; and
- Continuing to recognise good environmental practice in business, farming and industry.

#### **Activity 2.2 Communications**

Ensure that the community is kept informed about the Northland Regional Council and its activities and functions; and

Increase public awareness, responsibility, support and involvement in creating a sustainable environment by:

- Continuing to ensure that the regional community is well informed about Council issues and activities through a co-ordinated Communications Strategy;
- Continuing to ensure that the community has 24/7 access to up-to-date information on Council activities and real-time environmental data; and
- Continuing to establish and maintain processes, foster the development of capacity and provide relevant information to Māori in order for Māori to contribute to the decision making processes of Council.

#### **Activity 2.3 Economic and Environmental Information**

Develop a comprehensive inventory of Northland's natural and economic resources to support long term regional strategic planning and decision making by:

- Continuing to plan for the provision of a comprehensive inventory of Northland's natural and economic resources.

### Variations from the Northland Community Plan 2009-2019

There are no significant variations within this group of activities.



council groups of activities

## regional information and engagement

### Prospective Statement of Costs and Funding

for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
Grants and Subsidies	—	67,992	(67,992)
<b>TOTAL OPERATING REVENUE</b>	<b>—</b>	<b>67,992</b>	<b>(67,992)</b>
<b>EXPENDITURE</b>			
Personnel Costs	675,341	719,199	43,858
Depreciation.	—	6,997	6,997
Other Operating Expenses	507,609	575,228	67,619
Support Costs internally allocated to Activity	469,771	461,499	(8,272)
<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,652,721</b>	<b>1,762,923</b>	<b>110,202</b>
Less Non-Cash Items	—	6,997	6,997
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>1,652,721</b>	<b>1,687,934</b>	<b>35,213</b>
<i>Funded by</i>			
Targeted Council Service Rate	733,802	997,069	(263,266)
Investment Income	625,292	210,912	414,380
Transfer from/(to) Cash Reserves	293,627	479,953	(186,325)
<b>TOTAL OPERATIONAL FUNDING</b>	<b>1,652,721</b>	<b>1,687,934</b>	<b>(35,213)</b>
<b>CAPITAL EXPENDITURE</b>	<b>—</b>	<b>10,500</b>	<b>10,500</b>
<i>Funded by</i>			
Targeted Council Service Rate	—	6,997	(6,997)
Transfer from Cash Reserves	—	3,503	(3,503)
<b>TOTAL CAPITAL FUNDING</b>	<b>—</b>	<b>10,500</b>	<b>(10,500)</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
Environmental Education	336,451	382,621	(46,170)
Communications	1,160,652	1,380,302	(219,650)
Economic and Environmental Information	155,618	—	155,618
<b>TOTAL REGIONAL INFORMATION AND ENGAGEMENT</b>	<b>1,652,721</b>	<b>1,762,923</b>	<b>(110,202)</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Personnel Costs have increased due to an increase in communication staff resources.
- Other Operating Expenditure has increased predominantly due to the inclusion of two Enviroschools facilitators (contract staff). Grant funding is received from National Enviroschools Foundation to fund these positions.
- Allocation of overheads has increased due to the increase in full time equivalents. It should be noted; this is simply a reallocation of support costs and does not reflect an increase in the total support services budget.

#### Operating Revenue

- Other Revenue - represents funding received to fund Enviroschool facilitators.

## Targets for the year ended 30 June 2012

### Activity 2.1 Environmental Education

#### 2.1.1 Collaborate and provide resources to the community on sustainable environmental practices and issues.

##### Performance Measures 2011-2012

- a. Facilitate workshops and seminars on sustainable environmental practice.
- b. Regularly exhibit Council activities and programmes at major regional events.

##### Performance Targets 2011-2012

- Provide details of activities undertaken in the relevant monthly report to Council and in the Northland Regional Council Annual Report.
- Produce an annual events calendar and report monthly on activities undertaken in the relevant CEO report to Council and in the Northland Regional Council Annual Report.

#### 2.1.2 Provide specialist education services to primary and secondary schools, tertiary institutions and community education providers.

##### Performance Measures 2011-2012

- a. Provide environmental education and other professional Northland Regional Council programmes including visits, speakers and resources.
- b. Provide professional development support for Northland teachers.
- c. Organise a Regional Youth Summit.

##### Performance Targets 2011-2012

- Achieve at least an 80% user satisfaction rating in an annual survey.
- Run at least one professional development workshop per annum.
- Summit is run and outcomes reported in the relevant CEO's monthly report to Council and in the Northland Regional Council Annual Report.

#### 2.1.3 Recognise good environmental practice in business, farming and industry.

##### Performance Measures 2011-2012

- a. Provide cornerstone sponsorship and involvement with the Northland Ballance Farm Environment Awards.
- b. Encourage entries and provide sponsorship for the Top of the North Dairy Industry Awards.
- c. Encourage entries and provide sponsorship for the Northland Business Awards.
- d. Provide Environmental Curriculum Awards to Northland schools.

##### Performance Targets 2011-2012

- Sponsor awards and present Water Quality Award by 30 June each year.
- Sponsor awards and present Northland Regional Council award by 30 June each year.
- Sponsor awards and present Northland Regional Council award by 30 December each year.
- Curriculum awards judged and presented by 30 December each year.

council groups of activities

## regional information and engagement continued

### Activity 2.2 Communications

#### 2.2.1 Ensure that the regional community is well informed about Council issues and activities through a co-ordinated Communications Strategy.

##### Performance Measures 2011-2012

- a. Produce and circulate relevant media releases on Council activities, issues and events.
- b. Produce and distribute a newsletter to all Northland residents.
- c. Produce and distribute relevant publications on Council activities and programmes.
- d. Survey community awareness to ensure that the Council is effectively communicating information on Council activities and programmes.

##### Performance Targets 2011-2012

- 90% of press releases and event information notified to the media within three working days.
- Newsletter produced and distributed at least three times per annum.
- Produce and distribute at least five new publications per annum.
- Achieve at least 80% community awareness of Northland Regional Council and its services in an annual survey.

#### 2.2.2 Ensure that the community has 24/7 access to up-to-date information on Council activities and real-time environmental data.

##### Performance Measures 2011-2012

- a. Increase use of the Council's online services.
- b. Provide up to date on-line information on the state of Northland's environment.
- c. Provide real-time environmental data on the Council's website.
- d. Provide up-to-date public information on the official civil defence emergency management website during a regional event.
- e. Post press releases, event information and public consultation on the Council's website.

##### Performance Targets 2011-2012

- Increase the number of people using the Northland Regional Council website's online services by 10% per annum.
- Update annually on the Northland Regional Council website.
- At least 90% of new data posted on the Council website within 24 hours.
- Update Civil Defence information on the Council's website at least every 30 minutes during an emergency.
- At least 90% of new information posted on the Council's website within 24 hours.

#### 2.2.3 Establish and maintain processes, foster the development of capacity and provide relevant information to Māori in order for Māori to contribute to the decision making processes of Council.

##### Performance Measures 2011-2012

- a. Produce and distribute a Pānui (newsletter) to all Māori on the Council's database.
- b. Provide opportunities and assistance to Māori to contribute to the Council's decision making process.
- c. Council staff and councillors are informed and aware of Māori culture, perspectives and the Treaty of Waitangi.

##### Performance Targets 2011-2012

- Newsletter produced and distributed at least three times per year.
- At least one iwi monitoring plan or one iwi environmental management plan will be funded each year.
- All new staff to attend training within one year of joining the Council.

## Activity 2.3 Economic and Environmental Information

### 2.3.1 Provide a comprehensive inventory of Northland's natural and economic resources.

#### Performance Measures 2011-2012

- a. Develop and implement a strategy for acquiring natural and economic resource information.
- b. Make natural and economic resource inventory information available to Council staff and key stakeholders to improve decision making.
- c. Appropriate natural resource and economic information electronically available to the public and stakeholders.

#### Performance Targets 2011-2012

- Implementation strategy monitored annually in the Northland Regional Council Annual Report.
- Priority information available by 30 June each year.
- Public have access to basic natural and economic resource information by 30 June 2012 and review annually.

council groups of activities

## regional economic development

### Main Objectives for 2011-2012

#### Activity 3.1 Regional Growth Programme

Provide inclusive leadership and an integrated planning framework leading to a set of detailed actions to improve the present and future well-being of Northlanders by:

- Continuing to lead in partnership with key stakeholders, the development of a Regional Community Growth Programme for Northland.

#### Activity 3.2 Economic Development

Proactively lead the economic development of Northland by:

- Continuing to support economic development initiatives that align with the Regional Community Growth Programme and/or benefit Northland; and
- Negotiating business plans, including performance measures and targets with Enterprise Northland and Destination Northland Limited.

### Variations from the Northland Community Plan 2009-2019

#### Northland Community Growth Programme

Following the local authority elections in October 2010, the new Council has undertaken considerable investigation and discussion as to the most effective way to unlock Northland's future economic potential, and to foster community wellbeing in a way that is meaningful and acceptable to Northlanders, both now, and for future generations. The new Council considered it prudent to re-examine the different options available to it for developing a regional community growth programme. Of particular concern was to ensure any approach taken would be successful in the long term and would have the support and buy-in from local communities, industry and business sectors and other sectors of local government.

The Council is proposing to work selectively with communities and interest groups who are in a willing and able position to make a significant positive contribution to the region. It will involve engaging with sectors or communities that demonstrate an interest in and capacity likely to result in benefits to economic, environmental, social and cultural well-being. In addition, the Council is investigating how it can support infrastructure and economic development opportunities that would bring significant economic gains to the region. The Council is not looking to develop these on its own, but to work in partnership with infrastructure and economic development leaders and other willing parties.

As part of the post election processes required in local government, the new council has established a new committee that will also act as the leadership group for the Community Growth Programme. The Regional Policy and Development Committee has representation from Northland's three District Councils and may form working groups with wider representation if required. Key functions of the Regional Policy and Development Committee include:

- Continue to develop the Community Growth Programme to a point where specific recommendations and a draft action plan can be recommended to the full Council;
- Assist in the promotion of and collaboration in infrastructural development projects of significance to the region; and
- Provide and promote advice/ideas to central and local government on development initiatives and issues in Northland.

The Community Growth Programme will focus on identifying a series of opportunities and selected projects likely to stimulate and /or produce an improvement in community wellbeing and economic development. The Council will seek ways to effectively engage and support community and sector groups who are looking at growth and development opportunities that are meaningful to them. We will also need to develop an approach for identifying infrastructure developments which are regionally significant and could be supported (including financially) by the Council. This is being considered in conjunction with the Council's proposed redirection of investment income and the resulting creation of a Regional Investment Fund.

No changes are required to the existing Council budget set aside to fund work on the Community Growth Programme.

**There are no significant variations within this group of activities.**



council groups of activities

## regional economic development

### Prospective Statement of Costs and Funding for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
Targeted Rates	1,065,475	620,019	445,456
<b>TOTAL OPERATING REVENUE</b>	<b>1,065,475</b>	<b>620,019</b>	<b>445,456</b>
<b>EXPENDITURE</b>			
Personnel Costs	296,041	189,192	(106,848)
Depreciation.	—	3,646	3,646
Finance Costs	595,444	850,906	255,462
Other Operating Expenses	1,867,808	1,225,131	(642,677)
Support Costs internally allocated to Activity	23,372	10,301	(13,070)
<b>TOTAL OPERATING EXPENDITURE</b>	<b>2,782,665</b>	<b>2,279,176</b>	<b>(503,489)</b>
Less Non-Cash Items	—	854,552	854,552
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>1,717,190</b>	<b>804,605</b>	<b>(912,584)</b>
<i>Funded by</i>			
Targeted Council Service Rate	52,838	461,900	(409,062)
Regional Infrastructure Rate	598,787	593,602	5,185
Northland Regional Recreational Facilities Rate	1,147,911	1,218,065	(70,154)
Investment Income	3,665	220,000	(216,335)
Transfer from/(to) Cash Reserves	(86,011)	(1,688,962)	1,602,951
<b>TOTAL OPERATIONAL FUNDING</b>	<b>1,717,190</b>	<b>804,605</b>	<b>912,584</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
Economic Development	2,372,713	1,967,269	(405,444)
Regional Growth Programme	409,952	311,907	(98,045)
<b>TOTAL REGIONAL ECONOMIC DEVELOPMENT</b>	<b>2,782,665</b>	<b>2,279,176</b>	<b>(503,489)</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Economic Development operating expenditure costs have decreased due to the reduced costs associated with holding the Marsden Point Rail Link properties.

#### Operating Revenue

- Targeted Rates is less than budget and targeted Council Services Rate is greater than budget by a similar amount. This is due to Council choosing to rate for the Regional Growth Programme as part of the targeted Council Services Rate rather than establishing a separate targeted rate.
- Northland Regional Recreational Facilities Rate is increased due to a higher number of separately used or inhabited parts and rating units in the Northland region since the compilation of the 2009-2019 Northland Community Plan.
- Investment Income is greater due to the recognition of Marsden Point Rail Link Joint Venture interest.

council groups of activities

## regional economic development continued

Targets for the year ended 30 June 2012

### Activity 3.1 Regional Growth Programme

#### 3.1.1 Lead in partnership with key stakeholders, the development of a Regional Community Growth Programme for Northland.

##### Performance Measures 2011-2012

- a. Develop a Growth Programme discussion document and conduct appropriate consultation to finalise agreed Terms of Reference for the Growth Programme.
- b. Develop an agreed schedule of detailed actions required to implement the Growth Programme.
- c. Monitor and report on implementation of the Growth Programme action plan.
- d. Monitor growth management drivers and trends in population, demographics and development.

##### Performance Targets 2011-2012

- Progress reported to the Council via the CEO's monthly report.
- Action Plan developed and progress reported to the Council via the CEO's monthly report.
- Progress reports provided quarterly to the Audit and Finance Committee and annually in the Northland Regional Council Annual Report.
- Develop a growth management reporting framework and publish monitoring reports annually.

### Activity 3.2 Economic Development

#### 3.2.1 Support economic development initiatives that align with the Regional Growth Programme and/or benefit Northland.

##### Performance Measures 2011-2012

- a. Negotiate an Annual Statement of Intent and rolling three year business plan with the Northland Regional Council Community Trust.
- b. Support the promotion of Northland as a place to invest, work, and visit as a tourist destination.
- c. Provide community funding for regional initiatives undertaken by the Council or in joint venture or partnership with other authorities and organisations on a case-by-case basis.
- d. Develop a project funding strategy and risk assessment of any infrastructure priority that the Council decides to commit significant funding to.

##### Performance Targets 2011-2012

- A Statement of Intent that meets the requirements of the Local Government Act 2002 is received by 30 June each year.
- Approve an annual business plan and triennial funding agreement by 30 June each year.
- Receipt of quarterly performance reports from the Trust detailing actual results compared to the objectives contained in the Statement of Intent and Business Plan.
- Negotiation of an Annual Business Plan and Terms of Agreement with Destination Northland Ltd.
- Receipt of quarterly performance reports detailing actual results compared to the objectives contained in the Annual Business Plan.
- Conduct due diligence and the appropriate community consultation on significant projects as required in accordance with the requirements of the Local Government Act 2002.
- Report annually on any regional initiatives undertaken.
- Conduct appropriate due diligence and community consultation in accordance with the requirements of the Local Government Act 2002.
- Report annually on any significant regional infrastructure projects undertaken.

council groups of activities

## resource management planning

### Main Objectives for 2011-2012

#### Activity 4.1 Resource Management Planning

Provide clear policy guidance and rules for the sustainable management of Northland's natural and physical resources by:

- Continuing to develop and publish strategic planning documents to manage Northland's natural and physical resources;
- Continuing to work on the full review of the Regional Policy Statement;
- Continuing to provide planning advice and assistance; and
- Continuing to review and respond to legislative changes, proposed National Environmental Standards, and proposed National Policy Statements.

### Variations from the Northland Community Plan 2009-2019

#### Regional Policy Statement

The Regional Policy Statement (RPS) for Northland is a key planning document driven by the Resource Management Act 1991. One of the main purposes of the RPS is to provide for the integrated management of Northland's natural and physical resources (land, water, air, soil, minerals, energy, all plants and animals, and all structures) from Kaiwaka in the south, to Cape Reinga in the north, and out to the 12 nautical mile (22.2 km) limit. The RPS also guides the development of other plans prepared by the Regional Council, as well as district plans prepared by the Whāngārei, Kaipara and Far North District Councils. It is therefore a regionally important piece of work that the Council encourages you, the community, to become involved in.

The new draft RPS is being developed by the Regional Policy and Development Committee (which includes the three district councils representatives alongside regional councillors) and will be approved by the Regional Council. The draft will focus on regionally significant resource management issues in Northland, the outcomes we should aim for, and the policies and resource management tools we can use to meet the aims.

During the 2009-2010 financial year, the Council reviewed the current RPS, assessed relevant monitoring information (including community outcome monitoring, and specific economic and environmental information), held workshops and sought public feedback on the new RPS Discussion Document 2010. All that work and your feedback has shaped the writing of a new draft RPS, which is scheduled for release for public comment in July 2010.

During the past year, the Council completed stages one and two of the four stage process of preparing the new RPS. It also commenced Stage 3.

- Stage 1 involved a review of the existing RPS. This stage was completed in December 2010.
- Stage 2 was the production of a discussion document. The discussion document asked the public and stakeholders to tell the Council how it can and should balance the competing values and interests between the use, development and protection of our natural and physical resources to meet Northland's needs now and in the future. A summary of the discussion document feedback was presented to the Council in March 2011.
- Work began on Stage 3 in February 2011, which is the drafting of the new RPS.
- A copy of the discussion document, summaries of the feedback and report cards are available on the Council's website [www.nrc.govt.nz/newrps](http://www.nrc.govt.nz/newrps)
- The Council also contracted Te Rarawa (supported by the Iwi Technicians' Forum and the resource management experts from Te Uri O Hau and Te Roroa) to consult with tāngata whenua of Tai Tokerau to identify their regionally significant resource management issues. This contract will continue in the 2011-2012 financial year to provide regional hui on the new draft RPS.

In July 2011 the Council expects to be consulting with tāngata whenua, stakeholders and the public on the new draft RPS. After this round of consultation the Committee and staff will modify the plan where appropriate to form the proposed new RPS. The proposed new RPS then follows the legal RMA process of consultation, including submissions and hearings before a final RPS is adopted by the Council. This last part of the process is expected to start in late 2011/early 2012 and carry on until any appeals are resolved. The Council has spent considerable time and effort in the early stages of the development of the new RPS, so we hope resolution and the finalisation of most, if not all, of the new RPS will occur in 2013-2014.

More information about the RPS project can also be found on our website [www.nrc.govt.nz/newrps](http://www.nrc.govt.nz/newrps). You can register to receive updates from our website direct to your email inbox. If you register you will be sent an email with links to the updated information every time we add information to this section of our website.

There are no significant variations within this group of activities.

council groups of activities

## resource management planning

### Prospective Statement of Costs and Funding for the period ending 30 June 2012

	LTCPP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>EXPENDITURE</b>			
Personnel Costs	647,779	633,359	(14,420)
Depreciation	9,031	8,998	(33)
Other Operating Expenses	178,520	410,817	232,296
Support Costs internally allocated to Activity	438,453	343,652	(94,801)
<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,273,783</b>	<b>1,396,826</b>	<b>123,043</b>
Less Non-Cash Items	9,031	8,998	(33)
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>1,264,752</b>	<b>1,387,828</b>	<b>123,075</b>
<i>Funded by</i>			
Targeted Council Service Rate	561,570	789,743	(228,173)
Investment Income	478,490	184,456	294,034
Transfer from/(to) Cash Reserves	224,692	413,629	(188,937)
<b>TOTAL OPERATIONAL FUNDING</b>	<b>1,264,752</b>	<b>1,387,828</b>	<b>(123,075)</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
Resource Management Planning	1,273,783	1,396,826	123,043
<b>TOTAL RESOURCE MANAGEMENT PLANNING</b>	<b>1,273,783</b>	<b>1,396,826</b>	<b>123,043</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Operating expenses have increased due to two additional consultation phases being included into the process of developing the Regional Policy Statement (RPS).
- The extra phases aim to increase public awareness of the RPS, enhance the opportunities for public engagement, and assist Council to focus on significant issues.
- It is anticipated that the additional costs associated with the new consultation phases will reduce the cost of the subsequent appeal process that occurs in the latter stages of the RPS development.
- In addition the LTP production costs have been transferred into the Resource Management Planning activity from the Support Services activity.

#### Operating Revenue

- No significant variances.

## Targets for the year ended 30 June 2012

### Activity 4.1 Resource Management Planning

#### 4.1.1 Develop and publish strategic planning documents to manage Northland's natural and physical resources.

##### Performance Measures 2011-2012

- a. Maintain an operative Regional Policy Statement (RPS), Regional Coastal Plan, Regional Water and Soil Plan and Regional Air Quality Plan, including development of implementation strategies.
- b. Prepare a feasibility report on a combined regional and district resource management planning document for Northland ("One Plan").
- c. Undertake a full review of the RPS, including consideration of the potential implications of climate change. This may be undertaken as part of the development of a "One Plan" (refer to (b) above).
- d. Review the efficiency and effectiveness of each of the regional plans. This may be undertaken as part of the development of a "One Plan" (refer to (b) above).
- e. Complete changes to regional plans when required by legislation or Council resolution.
- f. Process private plan changes in accordance with the relevant statutory requirements.
- g. Provide a contingency fund for expert assessment of applications for outdoor trials or use of genetically modified organisms in Northland as notified by ERMA.

##### Performance Targets 2011-2012

- Report annually via the CEO's report to the Council on the implementation status of all operative plans and strategies.
- Provide quarterly progress reports via the CEO's report to the Council.
- Provide quarterly progress reports via the CEO's report to the Council.
- Provide quarterly progress reports via the CEO's report to the Council.
- Decisions on plan changes made within two years of the change being publicly notified.
- Commence processing of all private plan requests within one working day of receiving the request. All timeframes specified in Schedule 1 of the Resource Management Act 1991 met and reported in the CEO's report to the Council.
- Set aside a fund of \$10,000 annually for expert assessment of notified applications made under the HSNO legislation.
- Report any use of funds annually.

council groups of activities

## resource management planning continued

### 4.1.2 Provide planning advice and assistance.

#### Performance Measures 2011-2012

- a. Provide advice on written requests regarding the contents of the Council's regional planning documents.
- b. Provide advice and, where appropriate, prepare and appear in support of submissions on district planning matters to ensure consistency and integration with regional policies and plans.
- c. Provide input and, where appropriate, prepare and appear in support of submissions on subdivision and land use resource consent applications regarding regional policies and rules.

#### Performance Targets 2011-2012

- All written requests recorded on the Council's mailroom database, responded to within 10 working days and monitored via monthly action number status reports.
- All written requests responded to within 10 working days. Where a submission is considered appropriate it is lodged within the statutory timeframes advised by the respective district council and responses recorded on the Council submission files.
- Comments, if any, on non-notified resource consents made within 10 working days and monitored via the department's consent response database. For notified consent applications, where a submission is considered appropriate it is lodged within 20 working days of being served notice of the resource consent application and reported in the CEO's monthly report to the Council and submissions recorded on the Council's submission files.

### 4.1.3 Review and respond to legislative changes, proposed National Environmental Standards, and proposed National Policy Statements.

#### Performance Measures 2011-2012

- a. Prepare submissions or comments on any proposed legislative changes, NES, and/or NPS, where they impact on the Council's responsibilities and resources.

#### Performance Targets 2011-2012

- Submissions/comments prepared and lodged within timeframes specified by requesting agency and reported in the CEO's report to the Council and recorded on the Council's submission files.



council groups of activities

## transport

### Main Objectives for 2011-2012

#### **Activity 5.1     Regional Transport Management**

Collaborate with other agencies to develop a strategic approach to regional transport and road safety through a Northland road improvement programme by:

- Continuing to develop strategic approaches in regional transport and road safety.

#### **Activity 5.2     Passenger Transport Administration**

Provide a cost effective passenger transport service that is affordable, integrated, safe, responsive, sustainable and meets the needs of local communities including groups who are transport disadvantaged by:

- Continuing to administer a cost effective passenger transport service.

### Variations from the Northland Community Plan 2009-2019

There are no significant variations within this group of activities.

council groups of activities

**transport****Prospective Statement of Costs and Funding**  
for the period ending 30 June 2012

	LTCGP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
Grants and Subsidies	1,016,829	1,206,966	(190,137)
User Charges	811,201	668,086	143,115
Targeted Rates	416,575	410,476	6,098
<b>TOTAL OPERATING REVENUE</b>	<b>2,244,605</b>	<b>2,285,528</b>	<b>(40,924)</b>
<b>EXPENDITURE</b>			
Personnel Costs	255,235	308,846	53,611
Other Operating Expenses	2,358,435	2,303,691	(54,744)
Support Costs internally allocated to Activity	168,276	202,493	34,216
<b>TOTAL OPERATING EXPENDITURE</b>	<b>2,781,946</b>	<b>2,815,030</b>	<b>33,084</b>
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>537,342</b>	<b>529,502</b>	<b>(7,840)</b>
<i>Funded by</i>			
Targeted Council Service Rate	238,578	301,710	(63,132)
Investment Income	203,298	70,253	133,045
Transfer from/(to) Cash Reserves	95,466	157,539	(62,073)
<b>TOTAL OPERATIONAL FUNDING</b>	<b>537,342</b>	<b>529,502</b>	<b>7,840</b>
<b>CAPITAL EXPENDITURE</b>	<b>—</b>	<b>90,000</b>	<b>90,000</b>
<i>Funded by</i>			
Transfer from Cash Reserves	—	90,000	(90,000)
<b>TOTAL CAPITAL FUNDING</b>	<b>—</b>	<b>90,000</b>	<b>(90,000)</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
Regional Transport Management	294,345	522,745	228,400
Passenger Transport Administration	2,487,601	2,292,285	(195,316)
<b>TOTAL TRANSPORT</b>	<b>2,781,946</b>	<b>2,815,030</b>	<b>33,084</b>

**Key Financial Variations from the Northland Community Plan 2009-2019****Operating Expenditure**

- Operating Expenditure reduced to align with reduction in forecasted bus fare revenue. See explanation below.

**Operating Revenue**

- Grants and Subsidies have increased due to a review of the Land Transport Programme and new road safety related projects coming online since the compilation of the 2009-2019 Northland Community Plan.
- User Charges (bus fare revenue) are less than budget. To offset the forecasted reduced revenue, uneconomic bus routes were reviewed and in some instances discontinued to provide offsetting contract savings.

## Targets for the year ended 30 June 2012

### Activity 5.1 Regional Transport Management

#### 5.1.1 Develop strategic approaches in regional transport and road safety.

##### Performance Measures 2011-2012

- a. Develop a Regional Procurement Strategy in conjunction with Northland's district councils.
- b. Review the Regional Land Transport Strategy (RLTS) for Northland including the Regional Passenger Transport Plan.
- c. Complete actions set out in the Regional Land Transport Strategy for Northland.
- d. Review of the Regional Road Safety Plan for Northland in association with the RoadSafe Northland Forum.
- e. Reduce the number of road deaths and hospitalisations as a result of motor vehicle accidents in Northland.
- f. Review the Regional Transport Plan, which sets out regional development (forestry) roading priorities in Northland.
- g. Maintain the 2009-2012 Regional Land Transport Programme within the approved New Zealand Transport Agency subsidy levels.

##### Performance Targets 2011-2012

- Procurement Strategies followed and reported to the Regional Transport Committee annually.
- Provide a three-year progress report on implementation of the RLTS by 30 October 2012.
- Progress on actions reported to the Regional Transport Committee annually by 30 October 2010 and 2011.
- Progress on Regional Road Safety Plan actions reported to the Regional Transport Committee annually.
- No more than 440 road deaths and hospitalisations per annum.
- Complete annual review by 30 September each year and report to the Regional Transport Committee.
- Annual review to ensure that approved subsidy levels are not exceeded.

### Activity 5.2 Passenger Transport Administration

#### 5.2.1 Administer a cost effective passenger transport service.

##### Performance Measures 2011-2012

- a. Administer the long term contract for the subsidised bus services for the Whāngārei urban area.
- b. On request, undertake the feasibility of operating subsidised bus services within the Northland Region.
- c. Effectively administer the Whāngārei Total Mobility Scheme to meet the needs of its customers.
- d. On request investigate the viability of extending the scheme to urban areas outside of Whāngārei where taxi services may operate.
- e. Maintain an electronic register of commercial passenger transport services operating in Northland.

##### Performance Targets 2011-2012

- At least 75% of customers rate the overall bus service provided in Whāngārei as either very good or excellent.
- Report findings within three months of initial request in the CEO's report to Council.
- At least 75% of customers rate the overall service provided by the total mobility scheme as either very good or excellent.
- At least 35,000 total mobility trips provided per annum.
- Report findings within three months of initial request in the CEO's report to Council.
- Update the register on a monthly basis. New service variations and abandonment of services reported on a monthly basis in the CEO's report to Council.

council groups of activities

## **consents**

### **Main Objectives for 2011-2012**

#### **Activity 6.1 Consents Applications**

Facilitate individual and community well-being by processing resource consent applications in a way that results in sustainable resource management as determined by Regional Plans and the Resource Management Act by:

- Continuing to process 98% of resource consent applications within statutory timeframes with high levels of customer satisfaction.

#### **Activity 6.2 Consents Advice and Information**

Ensure that the public is informed and enabled to participate in the processing of resource consent applications by:

- Continuing to provide consents advice and information in a timely manner.

### **Variations from the Northland Community Plan 2009-2019**

There are no significant variations within this group of activities.

council groups of activities

## consents

### Prospective Statement of Costs and Funding for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
User Charges	719,547	700,000	19,547
<b>TOTAL OPERATING REVENUE</b>	<b>719,547</b>	<b>700,000</b>	<b>19,547</b>
<b>EXPENDITURE</b>			
Personnel Costs	1,150,835	978,195	(172,640)
Depreciation	10,625	16,991	6,366
Other Operating Expenses	462,297	451,358	(10,939)
Support Costs internally allocated to Activity	769,396	638,682	(130,714)
<b>TOTAL OPERATING EXPENDITURE</b>	<b>2,393,153</b>	<b>2,085,226</b>	<b>(307,926)</b>
Less Non-Cash Items	10,625	16,991	6,366
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>1,662,981</b>	<b>1,368,235</b>	<b>(294,746)</b>
<i>Funded by</i>			
Targeted Council Service Rate	743,075	791,851	(48,776)
Investment Income	625,963	177,763	448,200
Transfer from/(to) Cash Reserves	293,943	398,621	(104,678)
<b>TOTAL OPERATIONAL FUNDING</b>	<b>1,662,981</b>	<b>1,368,235</b>	<b>294,746</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
Consent Applications	1,368,891	1,172,014	(196,876)
Consents Advice and Information	1,024,262	913,212	(111,050)
<b>TOTAL CONSENTS</b>	<b>2,393,153</b>	<b>2,085,226</b>	<b>(307,926)</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Personnel Costs reduced due to a reduction in budgeted staff numbers within the Consents Activity since the compilation of the 2009-2019 Northland Community Plan.
- Allocation of Overheads is decreased due to the decrease in full time equivalents. It should be noted, this is simply a reallocation of support costs and does not reflect an increase/decrease in the total support services budget.

#### Operating Revenue

- No significant variances.

council groups of activities

## consents continued

Targets for the year ended 30 June 2012

### Activity 6.1 Consents Applications

#### 6.1.1 Process resource consent applications.

##### Performance Measures 2011-2012

- a. Process all consent applications efficiently.
- b. Applications are processed in a way that results in high levels of consent applicant satisfaction.
- c. Consent decisions are robust and accurately reflect the requirements of the Resource Management Act and Regional Plans.

##### Performance Targets 2011-2012

- At least 98% of all applications are processed within statutory timeframes annually as indicated by the Council's consents database.
- No more than five justified complaints received annually against the consents process.
- Achieve at least 80% customer satisfaction rating in annual surveys of the Consent staff's helpfulness in guiding customers through the consent application process.
- No more than three successful appeals against the Council Hearings Committee decisions on development proposals\* and no more than three successful objections against Council delegated authorities decisions annually.

\* **Note:** Only applies where an application remains unchanged from that heard by the Council's Hearings Committee.

### Activity 6.2 Consents Advice and Information

#### 6.2.1 Provide consents advice and information.

##### Performance Measures 2011-2012

- a. Provide information and advice to intending consent applicants about resource consent processes and requirements, in an accurate and timely way.
- b. Advise Iwi Groups on the Council's register of relevant new resource consent proposals.
- c. Complete the Ministry for the Environment (MfE) and Regional Councils' surveys on resource consents.
- d. Record decisions on resource consent applications in the Council's consents database.
- e. Advise consent holders of upcoming expiry of consents.

##### Performance Targets 2011-2012

- Respond to all enquiries within 15 working days in line with the Council's policy.
- No more than five justified complaints received annually against the accuracy of the advice given.
- Copies of consents circulated within seven days of receipt of the application.
- Reports completed no later than 30 September 2010.
- Monthly reports on all decisions on applications for resource consents are provided to the Council, and to the public on the Council's website.
- A total of 98% of consent holders whose consents are renewable are advised at least eight months before the expiry date.



council groups of activities

## environmental monitoring

### Main Objectives for 2011-2012

#### Activity 7.1 State of the Environment Monitoring

Promote sustainable resource management by identifying significant environmental issues and trends in the Region, providing scientifically sound information to facilitate informed decision-making and monitoring effectiveness of the Council's policy documents by:

- Continuing to monitor and identify significant environmental issues and trends in the Region;
- Continuing to provide scientific environmental information to the public and the Council to facilitate informed decision making; and
- Continuing to promote improved environmental practices within the Northland Region.

#### Activity 7.2 Compliance Monitoring

Promote the sustainable management of resources and minimising the adverse effects of people's use of the environment by ensuring compliance with resource consents, regional plans and statutory environmental standards by:

- Continuing to monitor and enforce compliance with resource consent conditions, regional rules and relevant statutory requirements.

#### Activity 7.3 Environmental Incidents Response

Minimise adverse effects on the environment by responding to environmental incidents and non-compliance with the Resource Management Act by:

- Continuing to provide a 24-hour, seven day environmental incident reporting system.

#### Activity 7.4 Hazardous Substances and Contaminated Sites

Reduce the quantities of hazardous substances entering Northland's environment and minimising any adverse effects by:

- Continuing to facilitate the safe handling and lawful storage of hazardous substances and management of waste hazardous substances.

council groups of activities

## **environmental monitoring** continued

### **Variations from the Northland Community Plan 2009-2019**

#### **Proposed amendments and review of the Dangerous Dams Policy (including earthquake-prone and flood-prone dams)**

The Council's Policy for Dangerous Dams, relating to large dams, was adopted in 2006 at its September meeting.

The Building Act 2004 (the Act) requires the Council to review its policy on Dangerous Dams within five years of the policy being adopted. The policy only applies to medium or high impact dams that retain three or more metres depth, and hold more than 20,000 cubic metres volume, of water or fluid.

Amendments to the Act in 2008 introduced two additional categories of dam; earthquake-prone and flood-prone. Section 161 of the Act now also requires the Council to develop a policy on these categories of dam in conjunction with the Dangerous Dam Policy. These new requirements and the issues outlined below are reflected in the Proposed amendments to the Council's Dangerous Dams Policy.

In identifying dams of concern, the policy proposes to investigate dams:

- That have not complied with the requirement to supply a complying annual compliance certificate; or
- Where complaints have been received; or
- Where information received under the Building (Dam Safety) Regulations 2008 highlight areas of concern; or
- Where through other related work (such as undertaking compliance work), the Council becomes concerned about a dam.

Where a dam has been identified to be dangerous, earthquake-prone or flood-prone, further investigations will be undertaken by the Council in conjunction with the dam owner to establish whether the dam meets the dangerous, earthquake-prone or flood-prone criteria.

If a dam is deemed to be dangerous, earthquake-prone or flood-prone the Council (with the dam owner) will take action to reduce or remove the danger. The range of actions proposed varies depending on the risk and potential impact should the dam fail. The Act provides for the costs of any authorised work needed to be carried out by the Council to be recoverable from the dam owner.

At each stage of the process, the proposed policy allows dam owners to dispute the Council's assessment of the dam and provide information to the Council that may influence the assessment.

The full Proposed Reviewed Policy is available on the Council's website [www.nrc.govt.nz](http://www.nrc.govt.nz) or by calling 0800 002 004 to request a copy.

In reviewing and adopting the Dangerous Dams' Policy and developing a policy on earthquake-prone and flood-prone dams, the Council is required to follow the special consultative procedure set out in section 83 of the Local Government Act 2002. The Council is conducting the review process in conjunction with the Council's Annual Plan process.

**There are no significant variations within this group of activities.**

council groups of activities

## environmental monitoring

### Prospective Statement of Costs and Funding for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
User Charges	1,598,323	1,550,237	48,086
<b>TOTAL OPERATING REVENUE</b>	<b>1,598,323</b>	<b>1,550,237</b>	<b>48,086</b>
<b>EXPENDITURE</b>			
Personnel Costs	2,310,033	2,199,913	(110,120)
Depreciation	140,050	262,397	122,347
Other Operating Expenses	1,252,262	1,321,704	69,442
Support Costs internally allocated to Activity	1,643,263	1,460,727	(182,536)
<b>TOTAL OPERATING EXPENDITURE</b>	<b>5,345,608</b>	<b>5,244,741</b>	<b>(100,867)</b>
Less Non-Cash Items	140,050	262,397	122,347
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>3,607,235</b>	<b>3,432,107</b>	<b>(175,128)</b>
<i>Funded by</i>			
Targeted Council Service Rate	1,623,940	2,072,686	(448,746)
Investment Income	1,322,450	406,724	915,727
Transfer from/(to) Cash Reserves	660,845	952,697	(291,853)
<b>TOTAL OPERATIONAL FUNDING</b>	<b>3,607,235</b>	<b>3,432,107</b>	<b>175,128</b>
<b>CAPITAL EXPENDITURE</b>	<b>185,461</b>	<b>130,533</b>	<b>(54,928)</b>
<i>Funded by</i>			
Targeted Council Service Rate	39,842	40,650	(808)
Transfer from Cash Reserves	145,619	89,883	55,736
<b>TOTAL CAPITAL FUNDING</b>	<b>185,461</b>	<b>130,533</b>	<b>54,928</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
State of the Environment Monitoring	2,088,500	2,176,224	87,724
Resource Consent Compliance	1,961,144	1,698,593	(262,552)
Environmental Incidents Response	811,668	863,403	51,735
Hazardous Substances and Contaminated Sites	484,296	506,521	22,224
<b>TOTAL ENVIRONMENTAL MONITORING</b>	<b>5,345,608</b>	<b>5,244,741</b>	<b>(100,867)</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Depreciation has been increased to represent the actual charge being incurred on Monitoring plant and equipment.
- Personnel Costs have reduced due to two operational management staff being reassigned to a different Council activity and one full time equivalent being transferred to the Land and rivers activity.
- Allocation of Support Overhead Costs has reduced in line with the reduced staffing numbers within the Monitoring activity.

#### Operating Revenue

- Allocation of targeted Council Services Rate has increased to offset the reduction in forecasted investment income.

council groups of activities

## environmental monitoring continued

Targets for the year ended 30 June 2012

### Activity 7.1 State of the Environment Monitoring

#### 7.1.1 Monitor and identify significant environmental issues and trends in the region.

##### Performance Measures 2011-2012

- a. Operate a region-wide quality network for the measurement, recording and reporting of groundwater, river and lake water quality trends and soil quality trends.
- b. Report on summer coastal and freshwater bathing water quality and water quality for the collection of shellfish at various sites.
- c. Monitor ambient air quality in line with the priorities of the National Environmental Standard for Air and the Regional Air Quality Plan.
- d. Operate a Region wide hydrometric network for the measurement, recording and reporting of rainfall, river flows, lake, groundwater and tide levels.
- e. Establish water management zones on a prioritised basis for allocation of freshwater resources.
- f. Identify 'at risk' aquifers and carry out investigations to better understand this resource.
- g. Monitor water and sediment quality in Northland Harbours on a prioritised basis.
- h. Undertake a prioritised estuary health monitoring programme.
- i. Monitor the effectiveness of Council policy documents.

##### Performance Targets 2011-2012

- Annual percentage compliance of rivers with relevant guidelines for five key parameters.
- Annual median percentage compliance of 20 representative bathing sites to the Ministry of Environment Guidelines.
- Annual percentage of compliance with the National Environmental Standards.
- No more than a seven day missing record per site annually for all automatic measuring stations.
- Relevant information will be available on the Hydrology Group Archive within three months of production.
- Report progress via the relevant environmental monitoring report to the Council.
- Report results each year in the Annual Monitoring Report and every five years in the State of the Environment Report.
- Annual % compliance for priority harbour waters with appropriate guideline values.
- Two yearly percentage compliance for priority harbour sediment with appropriate action levels.
- Annual percentage of compliance with suitable estuary health indices for three sites up to 2009 and five sites from 2010.
- Report on actual monitoring results compared to policy objectives every five years in the State of the Environment Report.

#### 7.1.2 Provide scientific environmental information to the public and the Council to facilitate informed decision making.

##### Performance Measures 2011-2012

- a. Produce and publish an annual monitoring report.
- b. Provide hydrometric information and advice in an accurate and timely way.

##### Performance Targets 2011-2012

- Post on the Council's website by 31 October each year for the previous period 1 July to 30 June.
- All advice provided in accordance with ISO accredited Council policies and procedures and no justifiable complaints received each year.

**7.1.3 Promote improved environmental practices within the Northland region.****Performance Measures 2011-2012**

- a. Undertake site visits to selected industries to promote cleaner production practices.
- b. Promote and support community based estuarine restoration projects on a prioritised basis.

**Performance Targets 2011-2012**

- Complete at least 25 site visits per year and report to Council in the Environmental Monitoring Report.
- Commence during 2010 and complete implementation during 2011. Report results each year in the Annual Monitoring Report and every five years in the State of the Environment Report.

**Activity 7.2 Compliance Monitoring****7.2.1 Monitor and enforce compliance with resource consent conditions, regional rules and relevant statutory requirements.****Performance Measures 2011-2012**

- a. Documentation and implementation of monitoring programmes for water, land and air consents. This includes monitoring of:
  - Emission testing and/or appropriate off-site monitoring of major industrial discharges to air;
  - Effluent and receiving water quality testing of sewage, industrial and landfill discharges;
  - Land clearance, earthworks, and river works that are the subject of resource consents;
  - Bore construction; and
  - Farm dairy effluent treatment and disposal systems.
- b. Inspection of significant coastal structures and works, marine farms and the carrying out of coastal surveys where there is sand mining activity.
- c. Inspection of boat moorings to ensure they are properly authorised in accordance with the requirements of the Regional Coastal Plan and the Navigation Safety Bylaw 2001 and that their positions are accurately recorded.

**Performance Targets 2011-2012**

- 100% of monitoring programmes meet the standards of the Council's independently audited and accredited ISO quality management systems.
- 100% of compliance assessments are recorded on the Council's monitoring database and results reported to appropriate parties monthly.
- 100% of all significant non-compliances are followed up and enforcement action taken where necessary.
- Monitoring activity reported monthly in the Council environmental monitoring report and annually in the Council Annual Report.
- 100% of monitoring programmes meet the standards of the Council's independently audited and accredited ISO quality management systems.
- 100% of compliance assessments conducted at least once every five years and results reported monthly in the Council's environmental monitoring report.
- 100% of all significant non-compliances are followed-up and enforcement action taken where necessary.
- 100% of moorings inspected once every three years. Results reported monthly in the Council's environmental monitoring report and annually in the Council's Annual Report.

*continued overleaf*

council groups of activities

## environmental monitoring continued

### 7.2.1 Monitor and enforce compliance with resource consent conditions, regional rules and relevant statutory requirements.

#### Performance Measures 2011-2012

- d. Collection of water use records to determine compliance with resource consents including the consistent and accurate metering of consented takes.
  
- e. Measurement of stream flows, groundwater and lake levels associated with significant water abstractions to ensure compliance with resource consent, including during prolonged dry periods.

#### Performance Targets 2011-2012

- 100% of monitoring programmes meet the standards of the Council's independently audited and accredited ISO quality management systems.
- Compliance assessments conducted at least once per annum. All significant non compliances are followed up with enforcement action taken where necessary. Results reported monthly in the Council's Environmental Monitoring Report and annually in the Council's Annual Report.
- 100% of monitoring programmes meet the standards of the Council's independently audited and accredited ISO quality management systems.
- Conduct at least one flow measurement during the dry period for relevant consents and report on compliance in the Council's monthly Environmental Monitoring Report.
- 100% of all significant non-compliances are followed up and enforcement action taken where necessary.

### Activity 7.3 Environmental Incidents Response

#### 7.3.1 Provide a 24 hour, seven day environmental incident reporting system.

#### Performance Measures 2011-2012

- a. Respond to calls received on the environmental hotline.
- b. Take appropriate enforcement action in cases of significant noncompliance with statutory requirements.
- c. Communicate incidents that negatively impact on public health as appropriate.

#### Performance Targets 2011-2012

- 100% of significant incidents responded to by Northland Regional Council and assessed annually for compliance with Regional Rules or Consent.
- 100% of non-complying incidents resulting in significant adverse environmental effects have formal enforcement action taken in relation to the incident (when offender is known).
- 100% of incidents responded to by Northland Regional Council resulting in public health risks, are notified within 24 hours to Northland District Health Board.



## Activity 7.4 Hazardous Substances and Contaminated Sites

### 7.4.1 Facilitate the safe handling and lawful storage of hazardous substances and management of waste hazardous substances.

#### Performance Measures 2011-2012

- a. Operate facilities throughout Northland for the short term storage of waste hazardous substances awaiting transport.
- b. Provide a transport and disposal service for appropriate hazardous substances.
- c. Provide a hazardous substances monitoring service to the Department of Labour, as required.
- d. Provide an on-call 24 hour, seven day a week service for responding to incidents involving hazardous substances.
- e. Maintain a database of potentially contaminated sites, related site assessments and remediation.

#### Performance Targets 2011-2012

- Facilities open for 100% of working hours.
- 100% of hazardous substances are collected, transported and disposed of within 18 months of collection.
- At least 80 hours a month spent undertaking workplace inspections.
- 100% response rate to all calls involving hazardous substances.
- Relevant data provided to the relevant district councils for inclusion in the LIM and PIM systems by 31 December each year.

council groups of activities

## land and rivers

### Main Objectives for 2011-2012

#### Activity 8.1 Hazard Management

Identify and provide information on natural hazards, and prepare plans and implement measures to reduce the level of risk to life and property from these natural hazards by:

- Continuing to reduce risk from natural hazards.

#### Activity 8.2 River Management

Reduce flood risk by ensuring flood risk reduction works are maintained, the incidence of accelerated streambank erosion is reduced and land uses on flood-susceptible land are sustainable by:

- Continuing to manage rivers to reduce flood hazard risk.

#### Activity 8.3 Land and Biodiversity

Ensure Northland's land resources are managed in a sustainable way for the benefit of current and future generations by:

- Continuing to promote the sustainable management of land including soil, water and ecosystems in the Northland region.

### Variations from the Northland Community Plan 2009-2019

#### Targeted Awanui River Flood Management Rate

In 2005 the Council introduced a programme of restoration works, as identified in the Awanui River Flood Management Plan, to improve and restore the Awanui River Flood Management Scheme. Since 2005, works have been undertaken on an annual basis to complete the restoration of the scheme. The restoration works have included improvements to floodgates, removal of accumulated sediments from channels and rivers, removal of trees obstructing flood flow and repairs to stop banks. Whilst the restoration works are largely complete, there is a need to continue undertaking maintenance of the flood scheme to ensure that the benefits gained from the restoration works are continued to be realised.

In addition to the restoration works, the Council has undertaken extensive survey and condition assessment of the scheme assets. This work has been compiled into a draft Asset Management Plan (AMP), which identifies the future maintenance requirements, and costs, associated with maintaining the scheme. Future maintenance requirements associated with the scheme include the continued maintenance of floodgates, stopbanks and the removal of accumulated sediments from channels and rivers.

Consequently, the Council, working with the Awanui River Flood Management Liaison Committee, has proposed a revision to the targeted rate. The proposed revision is based on the annual cost of the scheme asset management and maintenance, including additional slip repair work in the urban Kaitiāia stop bank areas, and an adjustment of the apportionment of the existing targeted rate.

The changes to the targeted rate include a reduction of the targeted rate from \$603,251 (including GST) in 2010-2011 to \$486,288 (including GST) proposed in 2011-2012, based on a reduction in the rural rate contribution whilst maintaining the urban contribution at the 2010-2011 rate level. *The revised proposed rate for the individual rating classes are included in the Funding Impact Statement on pages 36 to 43 of this plan.*

The Awanui River Management Liaison Committee resolved in February 2010 to upgrade the Whangatane Spillway. Initial river modelling and a conceptual bridge design has been completed and will be presented to affected landowners in March 2011. Detailed modelling and impact reports will then be completed with additional public consultation expected to be completed by the end of 2011. Further details will be included in the Council's Long Term Plan 2012-2022 and finished in March/April 2013.

#### Proposed New River Management Rates

As part of the ongoing work associated with the Priority Rivers Programme, the Council is seeking public comment in this year's Annual Plan on the proposed introduction of two new river management rates.

*Further information on the proposed new Whāngārei Urban Rivers Management Rate can be found on pages 29 to 30 of this plan.*

*Further information on the proposed new Kaeo-Whangaroa Rivers Management Rate can be found on pages 31 to 32 of this plan.*

There are no significant variations within this group of activities.

council groups of activities

## land and rivers

### Prospective Statement of Costs and Funding

for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
Grants and Subsidies	89,825	85,000	4,825
Targeted Rates	782,234	1,334,695	(552,461)
<b>TOTAL OPERATING REVENUE</b>	<b>872,059</b>	<b>1,419,695</b>	<b>(547,637)</b>
<b>EXPENDITURE</b>			
Personnel Costs	986,465	1,101,213	114,748
Depreciation	45,640	53,073	7,433
Other Operating Expenses	2,260,979	2,440,883	179,904
Support Costs internally allocated to Activity	630,479	664,888	34,409
<b>TOTAL OPERATING EXPENDITURE</b>	<b>3,923,563</b>	<b>4,300,557</b>	<b>376,994</b>
Less Non-Cash Items	45,640	93,575	47,935
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>3,005,864</b>	<b>2,787,287</b>	<b>(218,577)</b>
<i>Funded by</i>			
Targeted Land Management Rate	2,355,618	2,668,645	(313,027)
Investment Income	421,271	123,297	297,975
Transfer from/(to) Cash Reserves	228,975	(4,655)	233,630
<b>TOTAL OPERATIONAL FUNDING</b>	<b>3,005,864</b>	<b>2,787,287</b>	<b>218,577</b>
<b>CAPITAL EXPENDITURE</b>	<b>42,270</b>	<b>1,199,443</b>	<b>1,157,173</b>
<i>Funded By</i>			
Targeted Land Management Rate.	31,152	29,376	1,776
Transfer from Cash Reserves	11,118	1,170,067	(1,158,948)
<b>TOTAL CAPITAL FUNDING</b>	<b>42,270</b>	<b>1,199,443</b>	<b>(1,157,173)</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
Hazard Management	1,196,593	1,025,470	(171,123)
River Management	1,203,129	1,565,642	362,514
Land and Biodiversity	1,523,841	1,709,445	185,604
<b>TOTAL LAND AND RIVERS</b>	<b>3,923,563</b>	<b>4,300,557</b>	<b>376,994</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Other Operating Expenditure has increased predominantly due to the introduction of Whāngārei River works.
- Hazard Management (River Prioritisation) Expenditure is less than budget due to works being decreased to repay borrowing from reserves that was used to accelerate works in previous years.
- Land and Biodiversity Personnel Expenditure has increased due to a review of the percentage of time worked in the Land and Biodiversity activity by Land and River staff and the transfer of one full time equivalent into Land and Biodiversity from the Monitoring activity.

#### Operating Revenue

- Targeted Land Management Rate has increased to offset the reduction in forecasted investment income.
- Targeted river management rates have increased predominantly due to the introduction of the proposed Whāngārei Urban Rivers Management Rate (\$593,000 excluding GST).

council groups of activities

## land and rivers continued

Targets for the year ended 30 June 2012

### Activity 8.1 Hazard Management

#### 8.1.1 Reduce risk from natural hazards.

##### Performance Measures 2011-2012

- a. Prioritise actions arising from flood risk reduction plans and implement accordingly.
- b. Develop coastal hazard risk reduction plans for priority coastal communities.
- c. Undertake beach profiling, representative of summer and winter conditions at priority sites, and as required following erosion or accretion at secondary sites.
- d. Promote natural hazard risk reduction.

##### Performance Targets 2011-2012

- Actions prioritised and implementation commenced by 30 June 2011. Progress reported six monthly to the Environmental Management Committee.
- Coastal hazard risk reduction plans commenced for priority coastal communities by November 2010 and continued in 2011. Progress reported six monthly to the Environmental Management Committee.
- Priority beach profile sites monitored twice yearly and reported within two months to the Council in the CEO's report.
- Promote awareness of natural hazard risks at least annually through the appropriate media, including measures to avoid, manage or mitigate such risks.
- Provide appropriate advice within 20 days of receiving requests for advice, and report annually on the number and type of responses given to the Council in the CEO's report.

### Activity 8.2 River Management

#### 8.2.1 Manage rivers to reduce flood hazard risk.

##### Performance Measures 2011-2012

- a. Manage the Awanui River Flood system in line with the Awanui River Management Plan.
- b. Manage the Kaihū River scheme in accordance with the Interim Kaihū River Management Plan.
- c. Carry out works in the Kaeo River and Whangaroa Streams according to the Interim Flood Management Plan for the Kaeo River and Whangaroa Rivers and Streams from Taupo Bay to Te Ngaire.

##### Performance Targets 2011-2012

- Report management outcomes to each meeting of the Awanui River Flood Management Plan Liaison Committee and on a six-monthly basis to the Environmental Management Committee.
- Report management outcomes to each meeting of the Kaihū River Management Liaison Committee and on a six-monthly basis to the Environmental Management Committee.
- Report management outcomes to each meeting of the Kaeo River – Whangaroa Catchment Management Liaison Committee and on a six-monthly basis to the Environmental Management Committee.

### Activity 8.3 Land and Biodiversity

#### 8.3.1 Promote the sustainable management of land including soil, water and ecosystems in the Northland region.

##### Performance Measures 2011-2012

- a. Collaborate with representatives of primary sector groups and land owners to promote sustainable land and water management practices.
- b. Promote and support community based CoastCare groups through the provision of information and resources for dune restoration activities.
- c. Promote indigenous biodiversity in Northland and the restoration and enhancement of priority ecosystems/natural resources.
- d. Support indigenous biodiversity protection and enhancement on private land and by community groups through the Environment Fund.
- e. Collaborate with, and align the Council's policy approach with Environment Waikato, Environment Bay of Plenty and the Auckland Regional Council on the management of mangroves.
- f. Review the need for a region-wide authorisation process to facilitate the removal of 'young' mangroves from clearly designated areas.

##### Performance Targets 2011-2012

- Minimum of three meetings held annually with primary sector groups. Outcomes reported to the Council via the CEO's report.
- Provide appropriate advice within 20 days of receiving requests for advice. Report annually on the number and type of responses given via the CEO's report to the Council.
- Visit each CoastCare site at least annually and report outcomes to the Council via the CEO's report.
- Promote CoastCare messages through press releases every two months and report outcomes to the Council via the CEO's report.
- Produce a relevant media release every six months.
- Contribute a minimum of \$500,000 annually through the Environment Fund. Report annually to the Environmental Management Committee on outcomes achieved and funding provided.
- Organise at least two special meetings annually of the combined councils which consider mangroves.
- Report progress annually to the Environmental Management Committee.

council groups of activities

## **biosecurity**

### **Main Objectives for 2011-2012**

#### **Activity 9.1 Biosecurity**

Reduce the adverse impacts of pest organisms, pest plants and animal pests on the environment, the economy and human health by:

- Continuing to reduce the adverse impacts of pests on the environment, economy and human health.

### **Variations from the Northland Community Plan 2009-2019**

#### **Proposed road-side weed control programme**

Council proposes to contribute \$115,000 (including GST) to a joint pest plant control programme on roadsides in partnership with NZTA, Northland district councils, power line companies and possibly other sponsors as well. *More information on this proposal can be found on page 12 of this plan.*

There are no significant variations within this group of activities.



council groups of activities

## biosecurity

### Prospective Statement of Costs and Funding for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
User Charges	390,117	251,000	139,117
Other Revenue	10,568	2,000	8,568
<b>TOTAL OPERATING REVENUE</b>	<b>400,685</b>	<b>253,000</b>	<b>147,685</b>
<b>EXPENDITURE</b>			
Personnel Costs	622,000	580,133	(41,867)
Depreciation	30,455	48,826	18,371
Other Operating Expenses	1,351,476	1,266,458	(85,018)
Support Costs internally allocated to Activity	460,423	402,346	(58,077)
<b>TOTAL OPERATING EXPENDITURE</b>	<b>2,464,354</b>	<b>2,297,763</b>	<b>(166,590)</b>
Less Non-Cash Items	30,455	48,826	18,371
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>2,033,214</b>	<b>1,995,937</b>	<b>(37,277)</b>
<i>Funded by</i>			
Targeted Land Management Rate	1,581,365	1,764,999	(183,633)
Investment Income	303,871	70,761	233,111
Transfer from/(to) Cash Reserves	147,978	160,177	(12,199)
<b>TOTAL OPERATIONAL FUNDING</b>	<b>2,033,214</b>	<b>1,995,937</b>	<b>37,277</b>
<b>CAPITAL EXPENDITURE</b>	<b>5,284</b>	<b>1,500</b>	<b>(3,784)</b>
<i>Funded by</i>			
Targeted Land Management Rate	5,284	1,500	3,784
<b>TOTAL CAPITAL FUNDING</b>	<b>5,284</b>	<b>1,500</b>	<b>3,784</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
Biosecurity	2,464,354	2,297,763	(166,590)
<b>TOTAL BIOSECURITY</b>	<b>2,464,354</b>	<b>2,297,763</b>	<b>(166,590)</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Operating Expenditure is less than forecast, in part due to a change in the way field materials are sold (see explanation below) and also due to a review of the Regional Pest Management Strategy which has led to a reduction in the requirement of field equipment.

#### Operating Revenue

- User Charges are reduced due to a change in the way field materials are sold. There is an offsetting reduction in field material expenditure.

council groups of activities

## biosecurity continued

Targets for the year ended 30 June 2012

### Activity 9.1 Biosecurity

#### 9.1.1 Reduce the adverse impacts of pests on the environment, economy and human health.

##### Performance Measures 2011-2012

- a. Review all pest management strategies in accordance with the provisions of the Biosecurity Act.
- b. Prepare new Pest Management Strategies as required and in accordance with the provisions of the Biosecurity Act.
- c. Prepare annual operational plans for each regional pest and report on outcomes.
- d. Develop, implement and enforce animal, plant and insect pest management strategies for land, freshwater and marine pests.
- e. Conduct annual monitoring on Tropical Grass Webworm and report Webworm larva presence to property owners as appropriate.
- f. Actively pursue opportunities for partnerships with the community, crown and other pest agencies via community pest plans (CPCA) and other agreements.
- g. Achieve low to moderate density of possums in specified areas.
- h. Provide a pest identification service.

##### Performance Targets 2011-2012

- Carry out a five year formal review of all pest management strategies by 1 July 2010.
- All new strategies considered by the Environmental Management Committee.
- Plans prepared by August each year and reported to the Environmental Management Committee.
- Develop one marine management strategy to enhance the Region's marine capability and response to marine pest invasions by 2010.
- Implement by 30 June 2012.
- 100% of all African Feathergrass sites under management by 31 December 2010 and 90% eradicated by 31 December 2012.
- Monitor at least seven sites per annum.
- Notify property owner if Webworm larva is present in more than 50m<sup>2</sup> of pasture monitored.
- Establish at least one new partnership with a pest agency and five new community pest plans (CPCA) annually and report to the Environmental Management Committee.
- Achieve at least 15% maintenance level on residual possum densities.
- No more than 15% possum density overall.
- Provide a response to all enquiries within five working days and report annually to the Environmental Management Committee.

council groups of activities

## **emergency management**

### **Main Objectives for 2011-2012**

#### **Activity 10.1 Emergency Management**

Create resilient communities in Northland by enhancing their capability to manage emergencies and the capability to recover from disasters by:

- Continuing to increase the community's capability to respond to, and recover from, Civil Defence Emergencies.

### **Variations from the Northland Community Plan 2009-2019**

There are no significant variations within this group of activities.

council groups of activities

**emergency management****Prospective Statement of Costs and Funding**

for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
Grants and Subsidies	10,568	—	10,568
<b>TOTAL OPERATING REVENUE</b>	<b>10,568</b>	<b>—</b>	<b>10,568</b>
<b>EXPENDITURE</b>			
Personnel Costs	115,128	123,258	8,130
Depreciation	—	2,988	2,988
Other Operating Expenses	45,151	50,183	5,032
Support Costs internally allocated to Activity	65,441	65,928	488
<b>TOTAL OPERATING EXPENDITURE</b>	<b>225,720</b>	<b>242,357</b>	<b>16,637</b>
Less Non-Cash Items	—	2,988	2,988
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>215,152</b>	<b>239,369</b>	<b>24,217</b>
<i>Funded by</i>			
Targeted Land Management Rate	165,420	202,624	(37,204)
Investment Income	33,841	11,332	22,509
Transfer from/(to) Cash Reserves	15,891	25,413	(9,522)
<b>TOTAL OPERATIONAL FUNDING</b>	<b>215,152</b>	<b>239,369</b>	<b>(24,217)</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
Emergency Management	225,720	242,357	16,637
<b>TOTAL EMERGENCY MANAGEMENT</b>	<b>225,720</b>	<b>242,357</b>	<b>16,637</b>

**Key Financial Variations from the Northland Community Plan 2009-2019****Operating Expenditure**

- No significant variances.

**Operating Revenue**

- Grants and Subsidies income is reduced due the discontinuation of the Civil Defence subsidy received by the Civil Defence Emergency Management Group.

## Targets for the year ended 30 June 2012

### Activity 10.1 Emergency Management

#### 10.1.1 Increase the community's capability to respond to, and recover from, Civil Defence emergencies.

##### Performance Measures 2011-2012

- a. Develop, implement and review the Northland CDEM Group Plan.
- b. Establish Northland Civil Defence Emergency Group (CDEMG) Emergency Management Office to provide logistical and administrative support.
- c. Develop Community Response Plans in accordance with the CDEM Group Plan.
- d. Develop and implement training and exercise programmes for all agencies across the CDEM sector in Northland.
- e. Co-ordinate support and continue development of the Welfare Advisory Group, Lifelines Utility Group and the Rural Support Trust.
- f. Respond to Civil Defence emergencies in accordance with the approved CDEMG Emergency Operations Centre Activation Plan.

##### Performance Targets 2011-2012

- Implement and monitor during 2010-2011.
- Co-ordinating Executive Group to meet at least six times a year and the Civil Defence Emergency Management Group to meet quarterly.
- 20 plans (50%) completed by 2011.
- Provide a minimum of three co-ordinated incident management courses per year.
- Quarterly outcomes reported through the Co-ordinating Executive Group Chair to the Civil Defence Emergency Management Group.
- Within one month of each activation, hold a formal debrief and report the outcome to the CDEMG meeting within three months.

council groups of activities

## maritime operations

### Main Objectives for 2011-2012

#### **Activity 11.1 Oil Pollution Response**

Minimise the risk and adverse effects of marine oil spills on the Northland environment by:

- Continuing to maintain and implement the Marine Oil Spill Contingency Plan.
- Continuing to respond to marine oil spills in the Northland Region.

#### **Activity 11.2 Harbour Safety and Navigation**

Provide services that promote safe navigation and use of Northland harbours and coastline by:

- Continuing to promote safe navigation on all Northland harbours and coastline.

### Variations from the Northland Community Plan 2009-2019

**Amendments are proposed to the Navigation Safety Bylaw 2007, section 3.16 Moorings.**

*Further information on the proposed amendments can be found on pages 115 to 118 of this plan.*

There are no significant variations within this group of activities.



council groups of activities

## maritime operations

### Prospective Statement of Costs and Funding for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
Grants and Subsidies	115,482	78,918	36,564
User Charges	539,475	760,296	(220,821)
Other Revenue	25,362	25,055	307
<b>TOTAL OPERATING REVENUE</b>	<b>680,319</b>	<b>864,269</b>	<b>(183,950)</b>
<b>EXPENDITURE</b>			
Personnel Costs	705,102	653,688	(51,414)
Depreciation	116,582	116,672	90
Other Operating Expenses	345,435	402,930	57,495
Support Costs internally allocated to Activity	378,154	325,522	(52,632)
<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,545,273</b>	<b>1,498,812</b>	<b>(46,461)</b>
Less Non-Cash Items	116,582	116,672	90
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>748,372</b>	<b>517,871</b>	<b>(230,501)</b>
<i>Funded by</i>			
Targeted Council Service Rate	317,769	303,263	14,506
Investment Income	245,018	46,467	198,550
Transfer from/(to) Cash Reserves	185,585	168,141	17,444
<b>TOTAL OPERATIONAL FUNDING</b>	<b>748,372</b>	<b>517,871</b>	<b>230,501</b>
<b>CAPITAL EXPENDITURE</b>	<b>124,502</b>	<b>182,995</b>	<b>58,493</b>
<i>Funded by</i>			
Targeted Council Service Rate	116,582	116,672	(90)
Transfer from Cash Reserves	7,920	66,323	(58,402)
<b>TOTAL CAPITAL FUNDING</b>	<b>124,502</b>	<b>182,995</b>	<b>(58,493)</b>
<b>TOTAL OPERATING EXPENDITURE BY ACTIVITY</b>			
Harbour Safety and Navigation	1,387,583	1,386,878	(705)
Oil Pollution	157,690	111,934	(45,756)
<b>TOTAL MARITIME OPERATIONS</b>	<b>1,545,273</b>	<b>1,498,812</b>	<b>(46,461)</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Personnel Expenditure increased due to the addition of a maritime skipper required to assist with increased pilotage demands.

#### Operating Revenue

- User Charges have increased predominantly due to increased pilotage as a result of increased number of visiting ships and increase in bylaw fee income.

council groups of activities

## maritime operations continued

Targets for the year ended 30 June 2012

### Activity 11.1 Oil Pollution Response

#### 11.1.1 Maintain and implement the Marine Oil Spill Contingency Plan.

##### Performance Measures 2011-2012

- a. Maintain an up-to-date Marine Oil Spill Contingency Plan.
- b. Ensure appropriate equipment is available to respond to oil spills in accordance with the Plan.
- c. Conduct oil spill response exercises.

##### Performance Targets 2011-2012

- Plan updated every six months.
- Provide quarterly equipment maintenance reports to Maritime New Zealand.
- Exercises undertaken as detailed in the Plan.

#### 11.1.2 Respond to marine oil spills in the Northland region.

##### Performance Measures 2011-2012

- a. Maintain a team of trained oil spill responders.
- b. Provide equipment to support an oil spill response.
- c. Develop and maintain current memoranda of understanding with response partners.
- d. Monitor oil transfer sites for compliance with oil spill prevention and response capability requirements.
- e. Record all marine oil spill response actions.

##### Performance Targets 2011-2012

- Maritime NZ Training is carried out on an ongoing four yearly cycle and a 24/7 roster is maintained.
- File a Maritime NZ return for equipment maintenance on a quarterly basis.
- Jointly assessed between partners on an annual basis and reported annually.
- Monitor and report compliance on an annual basis.
- Report monthly in the CEO's report to Council.

### Activity 11.2 Harbour Safety and Navigation

#### 11.2.1 Promote safe navigation on all Northland harbours and coastline.

##### Performance Measures 2011-2012

- a. Update the risk assessment and safety management systems for the Whāngārei and Bay of Islands harbours.
- b. Assess whether the present harbour safety management systems are adequate.
- c. Develop harbour safety management plans for harbours not covered by formal safety management systems.
- d. Maintain a network of harbour wardens and patrols to promote compliance with the Navigation Safety Bylaw 2007.
- e. Provide safety advice and pilotage for vessels entering into the Bay of Islands.
- f. Provide and maintain aids to navigation as required for safe navigation on Northland harbours.
- g. Provide a 24/7 maritime navigation and safety incident reporting and response system.

##### Performance Targets 2011-2012

- Annually reviewed and reported monthly in the CEO's report to Council.
- Code application assessment annually reviewed and amendments recorded in the safety management system.
- Three harbour safety management plans per annum by 30 June each year and reported monthly in the CEO's report to Council.
- Incidents and investigations are reported monthly in the CEO's report to Council.
- Advice provided and pilotage numbers reported monthly in the CEO's report to Council.
- Six year rolling maintenance programme is undertaken and activity reported monthly in the CEO's report to Council.
- Incidents and investigations reported monthly in the CEO's report to Council.

council groups of activities

## **support services**

**Support Services are core corporate services provided centrally to support the efficient and effective operations of the Council.**

Support Services are charged internally across Council activities by way of an internal overhead charge allocated on the basis of appropriate cost drivers.

Support Services include:

- Financial accounting, reporting and investment, rating revenue systems;
- Information services;
- Human Resources and Health and Safety;
- Records management and administration; and
- Other support activities.

Support Services do not necessarily provide a direct contribution toward the achievement of Regional Community Outcomes. However, Support Services ensure the Council has the best information available for its decision making, the best people to carry out the work needed to be done and that the Council operates in a safe, legally correct and professional manner.

council groups of activities

## support services

### Prospective Statement of Costs and Funding

for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>EXPENDITURE</b>			
Personnel Costs	1,880,215	1,585,402	(294,813)
Depreciation	767,341	660,187	(107,154)
Finance Costs	1,057	1,000	(57)
Other Operating Expenses	2,606,421	2,634,369	27,948
Less Support Costs internally recovered	(5,255,034)	(4,880,958)	374,076
<b>TOTAL EXPENDITURE</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>
<b>Allocated to Functional Activities:</b>			
Democracy and Corporate Services	208,008	304,919	96,911
Regional Information and Engagement	469,771	461,499	(8,272)
Regional Economic Development	23,372	10,301	(13,070)
Resource Management Planning	438,453	343,652	(94,801)
Transport	168,276	202,493	34,216
Consents	769,396	638,682	(130,714)
Environmental Monitoring	1,643,262	1,460,727	(182,535)
Land and Rivers	630,479	664,888	34,409
Biosecurity	460,422	402,346	(58,076)
Emergency Management	65,441	65,928	488
Maritime Operations	378,154	325,522	(52,632)
<b>TOTAL NORTHLAND REGIONAL COUNCIL.</b>	<b>5,255,034</b>	<b>4,880,958</b>	<b>(374,076)</b>
<b>CAPITAL EXPENDITURE</b>	<b>1,189,213</b>	<b>2,946,382</b>	<b>1,757,169</b>
<i>Funded by</i>			
Transfer from Cash Reserves	1,189,213	2,946,382	(1,757,169)
<b>TOTAL CAPITAL FUNDING</b>	<b>1,189,213</b>	<b>2,946,382</b>	<b>(1,757,169)</b>

### Key Financial Variations from the Northland Community Plan 2009-2019

#### Operating Expenditure

- Personnel Costs have reduced as staff have been reorganised and transferred to other activities since the compilation of the Northland Community Plan.

#### Operating Revenue

- No significant variances.

# forecast financial statements – significant forecasting assumptions

**The Financial Statements should be read in conjunction with the Accounting Policies and Notes.**

Schedule 10 of the Local Government Act 2002 requires that the Council identifies the significant forecasting assumptions and risks underlying the financial information set out in the 10 year Community Plan. *The significant forecasting assumptions can be found in volume two of the Community Plan on pages 9 to 17.* Where there is a high level of uncertainty the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

Each year Council reviews its position and has the opportunity to revise the intentions signalled in the 2009 Long Term Plan. An Annual Plan was then prepared for the 2010-2011 financial year and this Annual Plan is prepared for the 2011-2012 financial year. A Long Term Plan will then be prepared for the ten year period commencing with the 2012-2013 financial year. The preparation of annual plans provides an opportunity for ratepayers and residents to review the planned activities and projected financial results and position of the Council.

The significant forecasting assumptions used in developing the financial forecasts in this 2011-2012 Annual Plan are detailed in the tables overleaf and in Volume Two of the 2009 Community Plan.

The purpose of these planning assumptions is to provide an update on the most significant assumptions included in the Community Plan. Throughout this Annual Plan, explanations and reconciliations between the prospective financial statements included in the Community Plan and the revised prospective statements included in this Plan are provided.

The 2011-2012 Annual Plan will be ratified through a special consultative procedure, in accordance with the Local Government Act 2002.

The financial forecasted information disclosed is future focused for the purposes of the Financial Reporting Standard FRS 42: Prospective Financial Statements and accordingly there are a number of budget assumptions, that at the time of preparing the forecasted information, Council reasonably expects to occur. The Council has complied with FRS 42 in the preparation of these prospective financial statements. These assumptions are necessary as the budget is future focused and relies on certain events and assumptions taking place. Assumptions are required to ensure there is a consistent and justifiable basis for the preparation of the financial forecasts.

The information presented in prospective financial statements, is by definition, uncertain and its preparation requires the exercise of judgement. Events and circumstances may not occur as expected or may not have been predicted. In addition, Council may subsequently take actions which differ from the intended courses of action on which the prospective financial statements were based. Actual financial results may be materially different to the forecasted financial information presented in this Annual Plan.

Council has assumed that the actual results for the 2010-2011 financial year will be in accordance with the prospective financial statements set out in the 2010-2011 Annual Plan. With the passage of time, if the actual 2010-2011 full year financial results are expected to be materially different to forecasted results, the financial forecasts will be updated to reflect this prior to the final adoption of the Annual Plan in June 2011.

The information presented in this document represents the course of action Council proposes to take. Council has a reasonable and supportable basis for the determination of assumptions underlying these prospective financial statements. The realisation of assumptions may have a direct impact on resulting rates and funding requirements. The information in these financial statements may not be appropriate for purposes other than those described.

The prospective financial statements were authorised for issue on 15 March 2011 by Northland Regional Council. The Council is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures. The Annual Plan is prospective and as such contains no actual operating results.

## forecast financial statements – significant forecasting assumptions continued

### General Assumptions

Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk
		Likelihood	Financial Impact	
<b>Levels of Service</b> Demand for Council services and customer expectations regarding levels of service will not significantly change and therefore there will be no significant effect on asset requirements operating expenditure.	There are significant changes in customer expectations regarding demand for services or levels of service.	Low	Low	The Council has well defined service levels for its planned activities.
<b>Regional Population Growth</b>	The growth in the ratepayer base is higher or low than projected.	Low	Low	Council uses the most up to date rating information provided by the Far North, Kaipara and Whāngārei District Councils in early 2011. Minor fluctuations in the ratepayer base will not have a material impact on rates.



## Financial Assumptions

Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk
		Likelihood	Financial Impact	
<b>Inflation</b> The Council has adjusted 2011-2012 base financial projections to reflect the estimated impact of inflation.	That actual inflation will be significantly different from the assumed inflation.	Low	Low	Inflation is unlikely to be materially different to budget estimates over the coming year. Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5 to 3% range.
<b>Carbon Neutrality</b> Council has no obligation or liability under the NZ ETS, as its Forestry Management Plan prescribes the replanting or re-vegetation of all harvested areas. Council is likely to be a recipient of further carbon credits. The credits are provided as compensation for loss in land value and as such considered to be capital in nature. In accordance with the Revenue and Finance Policy this money would be set aside for further reinvestment. Due to the uncertainty surrounding the legislation and the receipt of further credits and their value, Council considered it was not financially prudent to estimate monetary values and include these within the 2011-2012 financial forecast. Based on the pre 1990 forest land allocation of NZUs, Council received 6693 New Zealand Units (NZUs) in the 2010-2011 financial year. These units have an estimated capital value of \$128,000. A further 10,767 NZUS are expected to be received in the 2012-2013 financial year, however the transfer of such units is subject to carbon protocols continuing and a review of the NZ Emission Trading Scheme.	Low	High	Low	The monetary value of carbon credits (New Zealand Units (NZUs)) Council receives is not expected to be material. Carbon credits are capital in nature and will not impact on operating results.

## forecast financial statements – significant forecasting assumptions continued

### Revenue Assumptions

Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk
		Likelihood	Financial Impact	
<b>Rate Revenue</b> Council is proposing to increase average rates by 14.5% (excluding targeted river management rates). The increase in proposed rates is to cover general cost increases, but is predominantly caused by the proposed increase in rating income to offset the redirection of Investment income to a regional investment reserve.	That the projected rate increases are insufficient to cover price changes resulting from inflation.	Low	Low	Council will actively monitor actual results against budget.
<b>Expected Returns on Investments</b> Council has forecast the following returns for significant investments: <ul style="list-style-type: none"> <li>• Estimated Cash Call Rate: 4%</li> <li>• Estimated Term Deposit Rate: 5.5%</li> <li>• Estimated Internal Interest Rate: 7%</li> </ul>	That prevailing interest rates will differ significantly from those estimated.	Medium	Low	A reduction in interest revenue may result in Council not being able to fund its planned levels of service across all its activities. Planned levels of service may be reduced accordingly.

# statement of significant accounting policies

The Financial Statements should be read in conjunction with the Accounting Policies and Notes.

## Statement of Compliance

The prospective financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

## Summary of Significant Accounting Policies

The prospective financial statements are prepared in accordance with the Local Government Act 2002. These prospective financial statements are presented in New Zealand dollars rounded to the nearest dollar, unless stated otherwise.

## Reporting Entity

The Northland Regional Council is a local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Council's group comprises the Council and its subsidiary entities, namely:

1. Northland Port Corporation (NZ) Ltd (53.61% owned) and its subsidiaries.
2. Northland Regional Council Community Trust (100% owned) and its subsidiaries.

All Northland Regional Council subsidiaries are incorporated and domiciled in New Zealand.

The primary objective of Northland Regional Council is to provide goods or services for the community or social benefit, rather than making a financial return. Accordingly, Northland Regional Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The prospective financial statements are prepared for the year ending 30 June 2011.

## Judgements and Estimates

The preparation of prospective financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Where material, information in the major assumptions is provided in the relevant account policy or will be provided in the relevant note to the prospective financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

## Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

## Basis of Preparation

### Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain property plant and equipment, investment property, forestry assets and available-for-sale financial assets and financial instruments (including derivative instruments).

### Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of Northland Regional Council is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance, except when deferred in equity as qualifying cash flow hedges.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance sheet date.

## Revenue

Revenue and expenditure are measured at the fair value of the consideration received or paid.

### Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised and brought to account when the rates are payable.

### Other Revenue

User fees and charges are recognised and brought to account when invoices are issued for services provided and contracts completed. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services provided.

Government grants and subsidies are recognised as revenue when the primary conditions of entitlement have been met.

## statement of significant accounting policies continued

Sale of goods is recognised when a product is sold to a customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the NRC are recognised as revenue when control over the asset is obtained.

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividend income is recorded at the cash amount received, being net of taxation imputation credits.

Rental income from investment property is recognised in the Statement of Financial Performance on a straight-line basis over the term of the lease. Lease incentives are recognised as part of the total rental income.

Funds are collected for other organisations, including central government. Any funds held at balance date are included in current liabilities. Amounts collected on behalf of third parties are not recognised as revenue, except for the commissions or fees earned.

### **Construction Contracts**

Contract revenue and contract costs are recognised as revenue and expenses, respectively, by reference to the stage of completion of the contract as balance date. The stage of completion is measured by reference to the contract costs incurred, up to the balance date, as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the statement of financial performance.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress stated at the aggregate of contract costs incurred, to date, plus recognised profits less recognised losses and progress billings. If there are contracts in which progress billings exceed the aggregate costs incurred, plus profits less losses, the net amounts are presented under other liabilities.

### **Expenditure**

Expenditure is recognised when goods and services have been received.

### **Borrowing Costs**

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent that these arise on the acquisition, construction or production of qualifying assets. In that case, borrowing costs will be capitalised as part of the cost of the asset.

### **Grant Expenditure**

Non-discretionary grants are those grants that are awarded when the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where NRC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the NRC's decision.

### **Income Tax**

The income tax expense charged to the consolidated Statement of Comprehensive Income includes both current and deferred tax and is calculated after allowing for non-assessable income and non-deductible expenses.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

There are two entities within the group that are exempt from income tax, being Destination Northland Limited and Enterprises Northland Trust. These entities both form part of the Northland Regional Council Community Trust group.

## **Leases**

### ***Operating Leases***

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

### ***Finance Leases***

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the NRC recognises finance leases as assets and liabilities on the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset.

The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

## **Cash and Cash Equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

## **Debtors and Other Receivables**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

## **Derivative Financial Instruments and Hedging Accounting**

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

The Council and Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- Hedges of highly probable forecast transactions (cash flow hedge).

The Council and Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council and group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedge accounted derivative is classified as a noncurrent asset if the remaining maturity of the hedged item is more than 12 months, and as a current asset if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

### ***Fair Value Hedge***

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the surplus or deficit. Fair value hedge accounting is only applied for hedging fixed interest risk on borrowings.

If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the surplus or deficit over the period to maturity.

## statement of significant accounting policies continued

### *Cash Flow Hedge*

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in other comprehensive income are reclassified into the surplus or deficit in the same period or periods during which the asset acquired, or liability assumed, affects the surplus or deficit. However, if the Council or the group, expects that all, or a portion of a loss, recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified in the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised in other comprehensive income will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument has been recognised in other comprehensive income from the period when the hedge was effective will remain separately recognised in other comprehensive income until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognised in other comprehensive income from the period when the hedge was effective will be from other comprehensive income to the surplus or deficit.

The Council's subsidiary, Northland Port Corporation (NZ) Limited, uses derivative financial instruments to hedge exposure to foreign exchange and interest rate risks arising from financing activities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The accounting policies detailed above are applied.

### **Financial Assets**

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

The NRC classifies its financial assets into the following four categories:

- Financial Assets at Fair Value through Surplus or Deficit;
- Loans and Receivables;
- Held-to-Maturity Investments; and
- Financial at Fair Value through Other Comprehensive Income.

The classification depends on the purpose for which the investments were acquired.

#### ***Financial Assets at Fair Value through Surplus or Deficit***

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit taking.

Derivatives are also categorised as held for trading unless they are designated as hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values. Gains or losses on remeasurement are recognised the surplus or deficit.

Financial assets in this category include investment in quoted shares and interest rate swaps not qualifying as hedges by Northland Port Corporation (NZ) Limited, and investment in quoted shares by way of a managed fund which was designated at fair value through profit or loss at inception by the Northland Regional Council Community Trust.

#### ***Loans and Receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in noncurrent assets.



Council's loans and receivables comprise cash and cash equivalents, debtors and other receivables, and term depositions.

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Loans and receivables issued with duration of less than 12 months are recognised at their nominal value. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Prepayments comprise significant items of expenditure having a benefit to more than one accounting period and are written off over the period to which they relate.

#### ***Held-to-Maturity Investments***

Held-to-Maturity Investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in noncurrent assets.

Council does not hold any Held-to-Maturity Investments.

After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

#### ***Financial Assets at Fair Value through Other Comprehensive Income***

Financial assets at Fair Value through Other Comprehensive Income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

This category includes:

- Investments in quoted shares that have been designated in Treasury Management policy as being available for sale;
- Investments that are intended to be held long-term but which may be realised before maturity; and
- Shareholdings that are held for strategic purposes.

The Council's investments in its subsidiary and associate entities are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates), whereas this category is to be measured at fair value.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in equity is recognised other comprehensive income is reclassified from equity to the surplus or deficit.

Included in this category are the Council's investments in Local Authority stocks. Fair value for these investments is provided by ETOS and is determined by reference to published price quotations in an active market.

#### ***Impairment of Financial Assets***

At each balance date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit.

#### ***Loans and Other Receivables, and Held-to-Maturity Investments***

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rates. For debtors and other receivables, the carrying amount is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). Impairment in term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instrument's carrying amount.

#### ***Financial Assets at Fair Value through Other Comprehensive Income***

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

In a subsequent period the fair value of the debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

# statement of significant accounting policies continued

## Inventories

Inventories (such as stores and materials) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower cost, adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost at net realisable value. The cost of purchased inventory is determined using the FIFO method. Amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property/property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributed to the development land are to be capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

Marsden to Oakleigh Rail corridor Designation is made up of the costs directly attributable to securing the rail corridor designation. This inventory asset is held for distribution. The future economic benefit or service potential of this asset is not directly related to Council's ability to generate future cash inflows. The value of this inventory is at cost and when applicable, will be adjusted for any loss of service potential. Council will transfer the rail corridor to ONTRACK once ONTRACK has entered into an unconditional contract for the construction of the entire Marsden Point Rail Link.

## Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

## Property, Plant and Equipment

Property, plant and equipment consist of:

**Operational Assets** – These include land, buildings, amenities, plant and equipment, navigational aids, vehicles and vessels and dredging equipment.

**Infrastructure Assets** – Infrastructure assets are the assets that comprise the Awanui River flood management system, including stop-banks and floodgates.

**Restricted Assets** – There are no restrictions on the assets of the Northland Regional Council or the Northland Regional Council Community Trust. There are no restrictions on the assets of the Northland Port Corporation (NZ) Ltd.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

## Revaluation

The Northland Regional Council and the Northland Regional Council Community Trust revalue the land and buildings' asset class annually, on the basis described below. All other asset classes are carried at depreciated historical costs.

Northland Port Corporation (NZ) Limited revalues certain classes of asset. Revaluations of property, plant and equipment are accounted for on a class of asset basis. Those asset classes that are revalued are valued annually, on the basis described below. All other asset classes are carried at depreciated historical cost.

The results of revaluing are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

## Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

## Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

**Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Financial Performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

**Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and owner occupied buildings, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Owner occupied buildings are revalued annually and no depreciation is charged on these assets. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	5-100 years	1-20%
Amenities	5-100 years	1-20%
Forest	10 years	10%
Plant and Equipment	2-20 years	5-50%
Navigational Aids	10 years	10%
Vehicles	4-5 years	20-25%
Vessels and Dredging Equipment	10-25 years	4-10%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end

**Operational Land and Buildings**

The freehold port land (excluding land held for resale) owned by Northland Port Corporation (NZ) Limited is revalued annually at fair value, as determined by market-based evidence, by an independent valuer.

Amenities owned by Northland Port Corporation (NZ) Limited are not revalued but recorded at a cost which, in the opinion of the directors, approximates fair value.

Land and buildings held by the Northland Regional Council and the Northland Regional Council Community Trust are revalued annually at fair value, as determined by market-based evidence, by an independent valuer.

**Intangible Assets****Software Acquisition and Development**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the NRC, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software are recognised as an expense, when incurred.

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use, and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives' associated amortisation rates have been estimated as follows:

Computer software	4-5 years	20-25%
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**Capital Projects in Progress**

Capital expenditure projects not completed by balance date are recorded at cost.

**Impairment of Property, Plant and Equipment and Intangible Assets**

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested, annually, for impairment. Assets that have a finite life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash generating uses is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Financial Performance, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the surplus or deficit.

## statement of significant accounting policies continued

### Biological Assets

Forestry assets are independently revalued, annually, by Chandler Fraser Keating Ltd at fair value less estimated point-of-sale costs. Fair value is the amount for which the forest asset would be expected to exchange between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties have each acted knowledgeably and without compulsion. Fair value is derived using a combination of the expectation value (or income) approach and the cost-based approach. Under the expectation value approach, the net present value is calculated by discounting to the present day the projected net cash flow of the forest in perpetuity. The calculated net present value is then linked to sales evidence through the application of a discount rate derived from the analysis of actual transactions. The cost-based approach is also employed in the valuation because the tree crop is a young, second rotation forest (80% by value are less than 10 years of age) and this approach better reflects how the market would likely view the tree crop value.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point-of-sale costs, and from a change in fair value less estimated point-of-sale costs, are recognised in the surplus or deficit.

The costs to maintain the biological assets are included as an expense in surplus or deficit.

### Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value, as determined annually by Telfer Young (Northland) Ltd who are independent valuers, and who have recent experience in the location and category of the investment property being valued and hold a recognised and relevant professional qualification. Fair value is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment property reflects, among other things, rental income from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental income from future leases in the light of current conditions.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

### Employee Entitlements

#### *Short-term Employee Entitlements*

Employee benefits that are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Council recognises that a liability and an expense are recognised for bonuses where contractually obliged, or where there is a past practice that has created a constructive obligation.

#### *Long-term Employee Entitlements*

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cashflows.

These estimated amounts are discounted to their present value using the 10-year Government bond rate.

### Provisions

A provision for future expenditure of uncertain amount or timing is recognised when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where material, provisions are recorded at the best estimate of the expenditure required to settle the obligation. Provisions to be settled beyond 12 months are recorded at their present value.

## Equity

Equity is the community's interest in the Northland Regional Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- accumulated funds,
- special reserves,
- asset revaluation reserves, and
- Fair value through other comprehensive income reserve.

Special reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the NRC.

Restricted reserves include the Land Management Rate Reserve, Recreational Facilities Rate Reserve, Awanui River Management Rate Reserve, Kaihū River Management Rate Reserve and the Kaeo River Management Rate Reserve, Environment Fund reserve. These reserves are restricted by law and reflect targeted rates that must be applied to the specific activities for which the rates were collected. Other reserves are established by the Council and may be altered at the discretion of the Council.

## Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

## Northland Port Corporation (NZ) Limited

The Northland Regional Council owns 22,142,907 25¢ shares, being 53.61% of the issued capital of the Northland Port Corporation (NZ) Limited. The shares are recorded at \$7,827,563, being the deemed cost of 21.7 million shares of \$5,436,650.25 under the Northland Harbour Board Port Plan 1988, plus the cost of a parcel of shares acquired in May 2005, less the 652,294 shares sold in February 2009 as part of the share buy back process. The company has several subsidiaries, associate companies and joint venture interests which are detailed in the Notes to the Accounts in the Council's Annual Report.

## Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Long Term Council Community Plan or Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

## Cost Allocation

Northland Regional Council has derived the cost of service for each significant activity of the Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Inter-departmental direct costs are charged to the applicable department at the time the cost is incurred. Indirect costs are charged to operating activities using a weighted average percentage, based on the gross labour costs, number of staff, gross expenditure, revenues and working capital deployed.

## Financial Risk Management Objectives and Policies

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. The NRC has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

The Group's principal financial instruments comprise the investment portfolio, finance leases and cash and short-term deposits. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations. The main risk arising from the Group's financial instruments are cashflow interest rate risk, liquidity risk, foreign currency risk and credit risk.

Details of the significant accounting policies and methods adopted, include the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset. Financial liabilities are disclosed in the notes to the financial statements.

## Financial Instrument Risk

The Northland Regional Council has policies to manage the risk associated with financial instruments. They are both risk averse and seek to minimise exposure from their treasury activities. The Northland Regional Council has established Borrowing and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.



# statement of significant accounting policies continued

## Market Risk

### *Fair Value Interest Rate Risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Northland Regional Council's exposure to fair value interest rate risk is limited to interest-bearing investments within the portfolio.

### *Cash Flow Interest Rate Risk*

Cashflow interest rate risk is the risk that the cashflows from a financial instrument will fluctuate because of changes in market interest rates. Investments at variable interest rates exposure the Northland Regional Council to cashflow interest rate risk.

The policies of the Northland Regional Council require a spread of investment maturity dates to limit exposure to short-term interest rate movements.

### *Currency Risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

### *Credit Risk*

Credit risk is the risk that a third party will default on its obligation to the Northland Regional Council Community Trust causing the Trust to incur a loss.

Northland Regional Council investments are invested in accordance with the Treasury Management Policy which has a low risk profile. Investments are made with creditworthy institutions as determined by their Standard and Poors credit rating. Investment of surplus cash is limited to Local Authority and Government Stock and approved corporate bonds and deposits with New Zealand registered banks.

Accordingly, Northland Regional Council has no significant concentrations of credit risk.

### *Liquidity Risk*

Liquidity risk is the risk that the Northland Regional Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through the investment portfolio. The vast majority of the investment portfolio is very liquid and able to be sold on the same day.

## Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets, detailing renewal and maintenance programmes to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out under Funding and Financial Policies in the Council's LTCCP.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

## Financial Reporting Standard 42: Prospective Financial Statements (FRS 42) Disclosures

The Council has complied with FRS 42 in the preparation of these prospective financial statements.

The Council publishes both parent entity and group financial statements for historical reporting purposes but does not publish group prospective financial statements. In accordance with FRS 42 the Council is required to disclose the reasons for not presenting group prospective financial statements. The Council has not prepared group financial statements because:

- The primary focus of the Community Plan is on the activities of the Council (parent) and the consequent impact on rates.
- The financial impact of transactions with group entities is reflected within the Community Plan/Annual Plan for funding purposes.

# forecast financial statements

## Prospective Statement of Comprehensive Income for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
Grants and Subsidies	1,232,703	1,438,876	206,173
User Charges	4,085,083	3,956,038	(129,045)
<b>Revenue from Activities</b>	<b>5,317,786</b>	<b>5,394,914</b>	<b>77,128</b>
Targeted Council Service Rate	4,984,812	6,866,873	1,882,061
Targeted Land Management Rates	4,138,839	4,667,144	528,305
Regional Infrastructure Rate	598,787	593,602	(5,185)
Northland Regional Recreational Facilities Rate	1,147,910	1,218,065	70,155
Targeted Rates	2,264,284	2,365,191	100,907
<b>Total Rating Revenue</b>	<b>13,134,632</b>	<b>15,710,875</b>	<b>2,576,243</b>
Rental Income	3,288,634	3,195,309	(93,325)
Interest Income	2,774,482	1,791,943	(982,539)
Dividend Income	1,367,712	1,328,574	(39,138)
Sundry Income	33,817	23,055	(10,762)
<b>Other Revenue</b>	<b>7,464,645</b>	<b>6,338,881</b>	<b>(1,125,764)</b>
Other Gains	102,060	102,060	–
<b>TOTAL REVENUE</b>	<b>26,019,124</b>	<b>27,546,730</b>	<b>1,527,606</b>
<b>EXPENDITURE</b>			
Personnel Costs	10,151,913	9,894,144	257,768
Depreciation	1,125,292	1,200,308	(75,016)
Finance Costs	1,057	1,000	57
Other Expenditure on Activities	14,125,034	13,957,291	167,743
<b>TOTAL OPERATING EXPENDITURE</b>	<b>25,403,295</b>	<b>25,052,743</b>	<b>350,552</b>
<b>NET SURPLUS/(DEFICIT) FROM OPERATIONS</b>	<b>615,828</b>	<b>2,493,988</b>	<b>1,878,160</b>
Other Comprehensive Income	–	–	–
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>615,828</b>	<b>2,493,988</b>	<b>1,878,160</b>
Transfer from/(to) reserves - Land Management	–	(100,000)	(100,000)
Transfer from/(to) reserves - Whangaroa River Works	–	(170,018)	(170,018)
Transfer from/(to) reserves - Recreational Facilities	(498,926)	(548,751)	(49,825)
Transfer from/(to) reserves - Infrastructure	–	(269,885)	(269,885)
Transfer from/(to) reserves - Regional Investment Fund	–	(1,375,455)	(1,375,455)
Transfer from/(to) reserves - Forestry Equalisation	50,000	50,000	–
Transfer from/(to) reserves - Hātea River Maintenance	(46,053)	(52,731)	(6,678)
<b>Transfer from/(to) Reserves</b>	<b>(494,979)</b>	<b>(2,466,840)</b>	<b>(1,971,861)</b>
<b>TOTAL COMPREHENSIVE INCOME AFTER TRANSFERS FROM/(TO) RESERVES</b>	<b>120,849</b>	<b>27,148</b>	<b>(93,701)</b>



## forecast financial statements continued

### Reconciliation of Total Comprehensive Income to Activity Cost and Funding Statements for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
Targeted Council Service Rate	4,984,812	6,866,873	1,882,061
Targeted Land Management Rates	4,138,839	4,667,144	528,305
Regional Infrastructure Rates	598,787	593,602	(5,185)
Northland Recreational Facilities Rates	1,147,910	1,218,065	70,155
Investment Income	4,737,638	4,011,924	(725,714)
Activity Revenue	10,904,520	10,978,469	73,949
<b>Total Revenue plus Rates as per Activity Cost and Funding Statements</b>	<b>26,512,506</b>	<b>28,336,077</b>	<b>1,823,571</b>
Add Forestry Revaluations	102,060	102,060	–
Less Internal Interest Income	595,444	891,407	(295,963)
<b>TOTAL REVENUE as per Statement of Comprehensive Income</b>	<b>26,019,124</b>	<b>27,546,730</b>	<b>1,527,606</b>
<b>EXPENDITURE</b>			
Personnel Costs	10,151,913	9,894,144	257,769
Depreciation and Amortisation	1,125,292	1,200,308	(75,016)
Internal Finance Costs	595,444	891,407	(295,963)
Finance Costs	1,057	1,000	57
Other Expenditure on Activities	14,125,034	13,957,291	167,743
<b>Total Expenditure as per Activity Cost and Funding Statements</b>	<b>25,998,739</b>	<b>25,944,150</b>	<b>54,589</b>
Less Internal Finance Costs	595,444	891,407	(295,963)
<b>TOTAL EXPENDITURE as per Statement of Comprehensive Income</b>	<b>25,403,295</b>	<b>25,052,743</b>	<b>350,553</b>
<b>NET SURPLUS/(DEFICIT) FROM OPERATIONS AS PER STATEMENT OF COMPREHENSIVE INCOME</b>	<b>615,828</b>	<b>2,493,988</b>	<b>1,878,160</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Gain/(Loss) on Property, Plant and Equipment Revaluation	–	–	–
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>615,828</b>	<b>2,493,988</b>	<b>1,878,160</b>

## Prospective Statement of Financial Position

as at 30 June 2012

	Annual Report 2009-2010 \$	Movements 2010-2011 \$	Forecast 2010-2011 \$	LTCCP Forecast 2011-2012 \$	Draft Annual Plan 2010-2011 \$
<b>EQUITY</b>					
Accumulated Funds	115,438,937	(949,994)	114,488,943	109,902,677	114,516,091
Asset Revaluation Reserve	976,790	—	976,790	704,966	976,790
Special Reserves	3,428,224	353,147	3,781,371	7,304,494	6,248,211
<b>TOTAL EQUITY</b>	<b>119,843,951</b>	<b>(596,847)</b>	<b>119,247,104</b>	<b>117,912,137</b>	<b>121,741,092</b>
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	4,310,520	(1,252,948)	3,057,572	663,352	1,469,815
Trade and Other Receivables	5,283,228	116,231	5,399,459	3,591,220	6,182,380
Inventories	1,445,049	28,900	1,473,949	200,746	1,473,949
Non-Current Assets Held for Sale	577,000	—	577,000	7,400,000	577,000
Other Investments (current portion)	1,872,927	—	1,872,927	—	1,872,927
Other Financial Assets	—	—	—	13,183,219	—
<b>TOTAL CURRENT ASSETS</b>	<b>13,569,456</b>	<b>(1,188,549)</b>	<b>12,380,907</b>	<b>25,038,538</b>	<b>11,576,071</b>
<b>NON-CURRENT ASSETS</b>					
Other Receivables	2,692,918	—	2,692,918	—	2,692,918
Investment Property	48,310,499	—	48,310,499	46,318,237	48,310,499
Investments in Subsidiaries and Associates	19,967,086	—	19,967,086	20,197,672	19,967,086
Other Investments	20,983,371	—	20,983,371	6,456,594	20,983,371
Property, Plant and Equipment	18,191,899	866,059	19,057,958	18,184,149	21,362,310
Intangible Assets	246,969	12,530	259,499	5,215,855	1,366,192
Biological Assets	1,120,240	92,960	1,213,200	1,560,065	1,315,260
Capital Projects in Progress	570,094	(570,094)	—	—	—
<b>TOTAL NON-CURRENT ASSETS</b>	<b>112,083,076</b>	<b>401,455</b>	<b>112,484,531</b>	<b>97,932,571</b>	<b>115,997,636</b>
<b>TOTAL ASSETS</b>	<b>125,652,532</b>	<b>(787,094)</b>	<b>124,865,438</b>	<b>122,971,109</b>	<b>127,573,707</b>
<b>CURRENT LIABILITIES</b>					
Trade and Other Payables	4,312,168	(235,132)	4,077,036	3,850,729	4,260,503
Employee Benefit Liabilities (Current)	1,373,493	41,205	1,414,698	1,097,114	1,445,512
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,685,661</b>	<b>(193,927)</b>	<b>5,491,734</b>	<b>4,947,843</b>	<b>5,706,015</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee Benefit Liabilities (Term)	122,913	3,687	126,600	111,129	126,600
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>122,913</b>	<b>3,687</b>	<b>126,600</b>	<b>111,129</b>	<b>126,600</b>
<b>TOTAL LIABILITIES</b>	<b>5,808,574</b>	<b>(190,240)</b>	<b>5,618,334</b>	<b>5,058,972</b>	<b>5,832,615</b>
<b>TOTAL NET ASSETS</b>	<b>119,843,958</b>	<b>(596,854)</b>	<b>119,247,104</b>	<b>117,912,137</b>	<b>121,741,092</b>

## forecast financial statements continued

### Prospective Statement of Changes in Equity for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$
Accumulated Funds at Beginning of Year	109,200,266	114,488,943
Total Comprehensive Income for Year	615,828	2,493,988
Movements in General Reserves for Year	86,583	(2,466,840)
Accumulated Funds at the End of Year	109,902,677	114,516,091
Asset Revaluation Reserve at Beginning of Year	704,966	976,790
Revaluation Gains/(Losses) for Year	—	—
Asset Revaluation Reserve at End of Year	704,966	976,790
Special Reserves at the Beginning of Year	7,391,077	3,781,371
Movements in Special Reserves for Year	(86,583)	2,466,840
Special Reserves at the End of Year	7,304,494	6,248,211
EQUITY AT THE END OF YEAR	117,912,137	121,741,092

## Prospective Statement of Cashflows

for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	7,326,793	7,174,402
Receipts from Grant and Subsidies	1,232,703	1,438,876
Receipts from Dividends	1,367,712	1,328,574
Receipts from Interest	2,774,482	1,791,943
Receipts from Rates	13,134,632	14,927,955
Payments to Suppliers and Staff	(24,163,119)	(23,637,154)
Interest Payments	(1,057)	(1,000)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1,672,146</b>	<b>3,023,596</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipt from Sale of Stocks and Bonds	—	—
Purchase of Property, Plant and Equipment	(1,546,731)	(4,611,353)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,546,731)</b>	<b>(4,611,353)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>125,415</b>	<b>(1,587,757)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>537,937</b>	<b>3,057,572</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>663,352</b>	<b>1,469,815</b>

## forecast financial statements continued

### Prospective Statement of Costs and Funding by Groups of Activities for the period ending 30 June 2012

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
<b>REVENUE</b>			
Grants and Subsidies	1,232,703	1,438,876	(206,173)
User Charges	4,085,083	3,956,038	129,045
Targeted Rates	2,264,284	2,365,191	(100,907)
Other Revenue	3,322,450	3,218,364	104,086
<b>TOTAL OPERATING REVENUE</b>	<b>10,904,520</b>	<b>10,978,469</b>	<b>(73,949)</b>
<b>EXPENDITURE</b>			
Democracy and Corporate Services	1,609,953	2,020,738	410,785
Regional Information and Engagement	1,652,721	1,762,923	110,202
Regional Economic Development	2,782,665	2,279,176	(503,489)
Resource Management Planning	1,273,783	1,396,826	123,043
Transport	2,781,946	2,815,030	33,084
Consents	2,393,153	2,085,226	(307,926)
Environmental Monitoring	5,345,608	5,244,741	(100,867)
Land and Rivers	3,923,563	4,300,557	376,994
Biosecurity	2,464,354	2,297,763	(166,590)
Emergency Management	225,720	242,357	16,637
Maritime Operations	1,545,273	1,498,812	(46,461)
Support Services	5,255,034	4,880,958	(374,076)
Less Support Costs internally recovered	(5,255,034)	(4,880,958)	374,076
<b>TOTAL OPERATING EXPENDITURE</b>	<b>25,998,739</b>	<b>25,944,150</b>	<b>(54,589)</b>
Less Non-Cash Items	1,125,292	2,091,715	966,423
<b>NET CASH COST/(SURPLUS) OF ACTIVITY</b>	<b>13,968,926</b>	<b>12,873,965</b>	<b>(1,094,961)</b>
<i>Funded by</i>			
Targeted Council Service Rate	4,828,388	6,683,022	(1,854,633)
Targeted Land Management Rate	4,102,403	4,636,268	(533,865)
Regional Infrastructure Rate	598,787	593,602	5,185
Northland Regional Recreational Facilities Rate	1,147,910	1,218,065	(70,155)
Investment Income	4,737,638	1,745,062	2,992,576
Transfer from/(to) Cash Reserves	(1,446,200)	(2,002,054)	555,854
<b>TOTAL OPERATIONAL FUNDING</b>	<b>13,968,926</b>	<b>12,873,965</b>	<b>1,094,961</b>

continued opposite

**Prospective Statement of Costs and Funding  
by Groups of Activities continued**  
for the period ending 30 June 2012

**CAPITAL EXPENDITURE**

	LTCCP Forecast 2011-2012 \$	Draft Annual Plan Forecast 2011-2012 \$	Variance \$
Regional Information and Engagement	—	10,500	10,500
Transport	—	90,000	90,000
Environmental Monitoring	185,461	130,533	(54,928)
Land and Rivers	42,270	1,199,443	1,157,173
Biosecurity	5,284	1,500	(3,784)
Maritime Operations	124,502	182,995	58,493
Support Services	1,189,213	2,996,382	1,807,169
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,546,731</b>	<b>4,611,353</b>	<b>3,064,622</b>

*Funded by*

Targeted Council Service Rate	156,424	183,852	(27,428)
Targeted Land Management Rate	36,436	30,876	5,560
Transfer from Cash Reserves	1,353,871	4,396,625	(3,042,754)
<b>TOTAL CAPITAL FUNDING</b>	<b>1,546,731</b>	<b>4,611,353</b>	<b>(3,064,622)</b>

## forecast financial statements continued

### Prospective Statement of Capital Expenditure for the period ending 30 June 2012

	Year 3 LTCCP Forecast 2011-2012 \$	New Annual Plan Forecast 2011-2012 \$	Carried Forward from Annual Plan * 2010-2011 \$	Draft Annual Plan 2011-2012 \$
<b>Democracy and Corporate Services</b>				
Buildings and Property	—	—	—	—
<b>Regional Information and Engagement</b>				
Plant and Equipment	—	10,500	—	10,500
<b>Transport</b>				
Plant and Equipment	—	—	90,000	90,000
<b>Environmental Monitoring</b>				
Plant and Equipment	185,461	107,083	23,450	130,533
<b>Land and Rivers</b>				
Plant and Equipment	42,270	1,199,443	—	1,199,443
<b>Maritime</b>				
Plant and Equipment	124,502	182,995	—	182,995
<b>Biosecurity</b>				
Plant and Equipment	5,283	1,500	—	1,500
<b>Support Services</b>				
Information Systems	819,348	684,621	1,961,761	2,646,382
Plant and Equipment	52,837	100,000	—	100,000
Vehicles	317,028	250,000	—	250,000
<b>Total Support Services</b>	<b>1,189,213</b>	<b>1,034,621</b>	<b>1,961,761</b>	<b>2,996,382</b>
<b>TOTAL NORTHLAND REGIONAL COUNCIL</b>	<b>1,546,731</b>	<b>2,536,142</b>	<b>2,075,211</b>	<b>4,611,353</b>

The Council funds its capital expenditure consistent with the Revenue and Financing Policy. Sources of financing include, funding from rates for the purposes of recovering depreciation, funding from accumulated cash surpluses arising from recovery of depreciation, borrowing, targeted rates and general funds. Targeted rates and borrowing will be applied to the funding of capital works relating to the river management schemes. There is no other proposed borrowing to fund capital expenditure for the 2011-2012 financial year.

\* Anticipated as at February 2011.



# amendments to the navigation safety bylaw 2007

## Introduction

A Statement of Proposal and the special consultative procedure is required pursuant to sections 83, 86 and 156 of the Local Government Act 2002 in order that any clauses of the **Navigation Safety Bylaw 2007**, adopted on 19 September 2007, may be amended and the Bylaw re-adopted.

Section 156 of the Act requires that a bylaw or an amendment to an existing bylaw be made pursuant to the special consultative procedure set out in section 83. That section requires both a Statement of Proposal, and a summary of the information to be prepared, with the summary to be circulated widely and publicly notified. The full Statement of Proposal must be available for public inspection at all offices of the Council during the submission period.

Section 86 requires that a draft of the full bylaw to be amended be included in the Statement of Proposal, setting out the reasons for the proposal and whether a bylaw is an appropriate mechanism pursuant to section 155.

## Reason for the proposal

The amendment to the existing Navigation Bylaw 2007 is required:

1. To enable Council to grant or renew mooring licenses for moorings whether they have a resource consent granted (or deemed granted) under the Resource Management Act 1991 (RMA) or not;
2. To enable control and management of navigation and safety matters not specifically provided for in the current bylaw.

## Granting and Renewal of Mooring Licenses

It is proposed to remove the link between clause 3.16 (Moorings) of the Navigation Safety Bylaw 2007 (the Bylaw) and the requirement to gain a resource consent for a mooring (as provided in Plan Change 1 (Moorings and Marinas) of the Regional Coastal Plan for Northland). This will be done by removing reference to the Regional Coastal Plan from the Bylaw, allowing each to act independently and removing a circular situation – the chicken and egg situation - described below.

Existing moorings located within high priority mooring areas are now no longer classified as a permitted activity and require a resource consent. Council has allowed the existing moorings to remain without a resource consent because the Council has made a decision (since the adoption of the Bylaw in 2007) to not develop Mooring Management Plans under the Regional Coastal Plan and will now need to put in place new rules to cover moorings within these areas. Currently the Regional Coastal Plan requires a mooring to be licensed under the Bylaw before a resource consent can be granted, and the Bylaw requires the mooring to first have a resource consent before a licence can be granted under the Bylaw. The proposed amendment to the Bylaw will allow mooring licenses (under the Bylaw) to be granted to moorings that do not hold resource consents (under the RMA).

## Navigation Safety Matters

It is proposed to include clause 3.16.10 to enable the Council to cancel the mooring licence, remove the mooring and dispose of it and to recover actual and reasonable costs incurred from the mooring owner for moorings that do not have current inspection certificates.

It is proposed to include clause 3.16.11 to enable the Harbourmaster to remove any vessel that has broken free from or drags its mooring, at the owner's risk and for the Council to recover from the owner of the vessel or mooring, all costs associated with such recovery, removal and subsequent storage.

It is proposed to amend clause 3.16.13 to enable cost recovery for action taken to be recovered from the mooring owner, or from the sale of the mooring in the event the mooring owner fails to notify the Council of their change of contact details within 60 calendar days of a change in the contact details.

## amendments to the navigation safety bylaw 2007 continued

The NORTHLAND REGIONAL COUNCIL under and in exercise of the powers conferred upon it by sections 650A-H, 650J-K and 684B of the Local Government Act 1974 as inserted by section 6(1) and 7 of the Local Government Amendment Act (No. 2) 1999 and Schedule 18 of the Local Government Act 2002 and all other Acts, amendment Acts and powers vested in it, **hereby makes and passes** the following bylaw amendment to Clause 3.16 – Moorings of the Navigation Safety Bylaw 2007:

### 3.16 Moorings

~~Subject to the provisions of the Regional Coastal Plan for Northland:~~

- 3.16.1 No person may place (or have in place) a mooring in any waters, unless a **mooring** licence **has been**, issued by ~~in accordance with subclauses 3.16.3, 3.16.4 and 3.16.5 of this bylaw, has been obtained from~~ the Council.
- 3.16.2 The Harbourmaster may remove, or cause to be removed, any mooring, which is either unauthorised under the Resource Management Act 1991 or ~~is if the mooring is a permitted activity by a rule in the Regional Coastal Plan,~~ unlicensed pursuant to the provisions of this bylaw, and detain the vessel using the mooring, until such fees and charges, including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the Council has the right to sell the mooring and/or vessel to recover the debt.
- 3.16.3 ~~Subject to subclause 3.16.6,~~ The Council may, ~~on an application made pursuant to this bylaw,~~ either issue or decline to issue a mooring licence for a mooring ~~including an application to transfer a mooring licence~~ to which subclause 3.16.4 ~~9~~ applies.
- 3.16.4 ~~Every application for a mooring licence made pursuant to subclause 3.16.3 shall be in writing (on the prescribed form). The application must contain sufficient information to enable the Council to determine whether a mooring licence should be granted. Such information should include, but is not limited to:~~
- ~~(a) the precise location of the mooring;~~
  - ~~(b) the size and type of any vessel which may be attached to the mooring;~~
  - ~~(c) the design and specifications of the mooring.~~
- 3.16.45 ~~When granting a mooring licence,~~ The Council may, at its discretion, impose terms and conditions on the licence. The conditions of any mooring licence issued by the Council may include, but are not limited to:
- (a) the ~~precise~~ location of the mooring;
  - (b) the size and type of any vessel which may be attached to the mooring;
  - (c) the design and specifications of the mooring;
  - (d) a requirement for maintenance and inspections of the mooring, this will not exceed a period of three years.
  - (e) the type of buoy or float with which the owner of a mooring must mark the location of the mooring when it is not being used by a vessel. The mooring buoy must be a bright colour, preferably orange, pink or yellow, and if hollow must be filled with polystyrene beads or foam. The mooring number must be engraved on top in lettering not less than 30mm high;
  - (f) a requirement that the owner of the mooring shall be liable in any event for the position, insufficiency or insecurity of any licensed mooring;
  - ~~(g) the fee for any application for a mooring licence applied for in accordance with subclauses 3.16.3 and 3.16.4 of this bylaw. Such a fee will be prescribed pursuant to the Section 150 of the Local Government Act as set out in the Council's Charging Policy as amended from time to time;~~
  - ~~(h) the annual licence fee is to be paid in terms of bylaw clause 5.4 herein pursuant to the Council's Navigation, Water Transport and Maritime Safety Bylaw Charges and its Charging Policy as amended from time to time.~~
- 3.16.6 The Council shall not grant, or renew, any licence for a mooring unless the Council is satisfied that:
- ~~(a) there is adequate space and suitable water depth for the proposed mooring; and~~
  - ~~(b) the mooring is of adequate design and specification to accommodate the proposed vessel to be moored;~~
  - ~~(c) the mooring is authorised by all relevant resource consents required under the Regional Coastal Plan for Northland and/or Plan Change to the Regional Coastal Plan, or the mooring is a permitted activity described in the Regional Coastal Plan for Northland.~~

- 3.16.57 Every mooring licence issued by the Council shall apply only to the licensee. The licence is to be held by the licensee subject to the following additional terms and conditions:
- (a) ~~Except as provided for in subclause 3.16.6, t~~The licence shall be issued annually upon full payment of an annual mooring fee charged pursuant to the Council's Navigation, Water Transport and Maritime Safety Bylaw Charges and its Charging Policy as amended from time to time.
  - (b) The licence shall apply from 1 July to the following 30 June each year.
  - (c) ~~This licence must be read in conjunction with the standards and terms of any permitted activity rule in the Regional Coastal Plan concerning moorings, or the terms and conditions of any coastal permit for the mooring issued to the licensee pursuant to the Resource Management Act 1991.~~
- 3.16.8- (c) ~~Except as provided for in subclause 3.16.6, p~~Payment of the annual mooring licence fee and acceptance thereof by the Council shall constitute a renewal of the licence. ~~and the above terms and conditions shall apply to such renewal. The licence for the renewed period shall be issued following receipt of the licence fee.~~
- 3.16.6 The Council may at any time after giving due written notice, cancel a mooring licence where the licensee fails to comply with the terms and conditions of the mooring licence or any other clause under this section of the bylaw. There will be no refund if a mooring licence is cancelled. Where a mooring licence has been cancelled, the Harbourmaster may request the mooring owner remove the mooring to which that licence refers. The mooring owner shall remove the mooring within the timeframe specified by the Harbourmaster. Where the mooring owner fails to remove the mooring in the specified timeframe, the Harbourmaster may direct that the mooring and any vessel occupying the mooring be removed and the Council may recover the costs from the licensee or from the sale of the mooring and/or vessel.
- 3.16.97 Should any annual mooring licence fee(s) or other charges due to the Council under the provision of this bylaw remain unpaid for a period of 60 days, then the Harbourmaster may remove, or cause to be removed, the mooring and detain the vessel using the mooring, until such fee(s) and charge(s), including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the Council ~~has the right to sell~~ may sell or dispose of the mooring and/or vessel ~~the mooring and/or vessel~~ to recover the debt.
- 3.16.498 The licensee shall not transfer or part with the licence without first completing and submitting a transfer of the mooring ~~ownership~~ licence form with the Northland Regional Council for registration of the transfer of ownership as provided by this bylaw. ~~and the Resource Management Act 1991.~~ All mooring licence fees, including the transfer fee, must be paid and the mooring must have a current inspection certificate before the transfer of the mooring licence will be registered.
- 3.16.449 The mooring owner shall keep and maintain the mooring in a proper state of condition and repair. All components of the mooring must be inspected visually at least once every three years. The inspection must be performed by a Council approved mooring contractor or a Council approved construction diver. A mooring can be lifted, dragged ashore and maintained by the mooring owner, provided arrangements are made to have a Council representative inspect the mooring prior to its replacing. All costs in having the mooring inspected shall be paid for by the mooring owner.
- 3.16.10 Failure to comply with Clause 3.16.9 six months after the expiry of the current inspection certificate will mean that the mooring is unfit for purpose or use. As a result, the Council may cancel the mooring licence and the Harbourmaster may direct that the mooring be removed from the water and disposed of. Any vessel occupying the mooring may be detained until all fees and charges, including the cost of removing the mooring and storage of the vessel have been fully paid and discharged. If after 60 days following removal of the mooring the fees and charges remain unpaid, the Council may sell the vessel to recover the debt.
- 3.16.11 Where a vessel breaks free from or drags its mooring, or is endangering another vessel or causing or resulting in a navigational safety issue, or is sinking or has become unseaworthy, the Harbourmaster may remove that vessel at the owner's risk. All costs associated with such recovery, removal and subsequent storage are recoverable from the owner of the vessel or from the mooring owner. Where the vessel owner can not be found (after Council has made reasonable enquiries), the costs incurred by the Council for recovery, removal and subsequent storage of vessel may be recovered from the sale of the vessel, fittings and any equipment onboard.

## amendments to the navigation safety bylaw 2007 continued

- 3.16.12 Every person commits an offence against this bylaw who moors a vessel to any mooring without the written approval of the licensed mooring owner. Should the vessel remain on the mooring for a period longer than ~~7 days~~ **a specific date stipulated by the Harbourmaster**, then the Harbourmaster may direct that the vessel be removed ~~from the mooring~~ and detained until such fees and charges including the cost of removing and storing the vessel have been fully paid and discharged. If such debts are not paid and discharged within a further 60 days, the Council has the right to sell the vessel to recover the debt.
- 3.16.13 If the mooring owner or their whereabouts is unknown, owing to their failure to notify the Council of their change of ~~address~~ **contact details within 60 days, in a reasonable time**, the Council may after a period of not less than 60 days sell the mooring ~~and/or vessel~~ **in situ (if it has a current mooring inspection certificate)**. If the mooring does not have a current inspection certificate, the Harbourmaster may direct that the vessel be removed from the mooring and be detained until such fees and charges including the cost of removing and storing the vessel have been fully paid and discharged. If such debts are not paid and discharged within a further 60 days, the Council has the right to sell the vessel to recover the debt or dispose of the vessel as it sees fit.
- 3.16.14 Every person commits an offence against this bylaw who secures or allows to be secured any vessel to any moored vessel in a manner that is liable to:
- (a) restrict navigation; or
  - (b) cause loss of life or injury to any person; or
  - (c) cause damage to any vessel or any property.
- 3.16.15 No owner of a licensed mooring may leave a mooring vacant for a period longer than six months without the prior written permission of the Harbourmaster.
- 3.16.16 Where the owner of a mooring has left the mooring vacant or unattended for a period of longer than six months without the prior written permission of the Harbourmaster, the Council may cancel the licence and the Harbourmaster may direct that the mooring be removed.
- 3.16.17 **The Harbourmaster has the right to inspect or require inspections of any mooring and on receipt of an unfavourable report can require the owner to upgrade or repair the mooring as considered appropriate.**
- 3.16.18 The Harbourmaster may from time to time ~~approve~~ **authorise, in writing**, a person(s) to lift and inspect moorings ~~on behalf of the Council~~. The person(s) **shall be known as Council approved mooring contractors. Council approved mooring contractors are required** ~~are~~ to undergo an assessment by a Council officer every six months ~~and to ensure certain standards must be~~ **are met including, but not limited to, the quality of workmanship (including welds and splices), which deal with the safe operation and work practices, the workmanship of the authorised person(s) and the quality of materials used to construct and maintain moorings, and the safe operation of the vessel and associated safe work practices.**
- 3.16.19 The Council is not liable in any event for the position, insufficiency of, or insecurity of any designated mooring area.
- 3.16.20 The Council ~~is not responsible for any damage or loss that may arise to any vessel or other property caused by~~ **shall exercise reasonable care, but shall have no liability for any damage caused by any action taken in accordance with the bylaw. In addition, the Council is not responsible for any damage or loss that may arise to any vessel or other property caused by:**
- (a) any breaking away or defect of a mooring or any part of it; or
  - (b) the act of any person in causing damage to a mooring or any part of it, where the damage is caused by any vessel moored to such mooring; or
  - (c) the perils of the seas, or by navigation of any vessel, or any other cause.
- 3.16.21 **The Council may from time to time set mooring guidelines governing the weight, size and length of mooring components for vessels of a certain type, size and weight.**

These bylaws will be sealed, publicly notified pursuant to the Local Government Act 2002 and will be confirmed at a meeting of the Council on 21 June 2011. Following confirmation, the bylaws will come into force on 1 July 2011. These bylaws will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by Section 158 of the Local Government Act 2002.

*Submissions on the proposed changes to this Bylaw are invited by 3.00pm, 6 May 2011 using the submission form on page 21 of this plan.*

# amendments to the navigation, water transport and maritime safety bylaw charges 2010

## Introduction

A Statement of Proposal and the special consultative procedure is required pursuant to Sections 83, 86 and 156 of the Local Government Act 2002 in order that any clauses of the **Navigation, Water Transport and Maritime Safety Bylaw Charges 2010**, adopted in June 2010, may be amended and the Bylaw Charges re-adopted.

Section 156 of the Act requires that a bylaw or an amendment to an existing bylaw be made pursuant to the special consultative procedure set out in Section 83. That section requires both a Statement of Proposal, and a summary of the information to be prepared, with the summary to be circulated widely and publicly notified. The full Statement of Proposal must be available for public inspection at all offices of the Council during the submission period.

Section 86 requires that a draft of the full bylaw to be amended be included in the Statement of Proposal, setting out the reasons for the proposal and whether a bylaw is an appropriate mechanism pursuant to Section 155.

## Reasons for the proposal

Section 2: amending the definitions of 'maritime facility' and 'mooring'.

Section 3(1): amending the fee category to cover every mooring, jetty, jetty berth, boatshed, boat ramp, minor structure, group of piles with 74 berths or less owned by one organisation. This was previously set at 24 berths or less and has been amended as there are no groups of piles with less than 24 berths owned by the same organisation.

Section 3(1) – (11): Navigation Safety Bylaw fees have increased between 10-20%. In most cases this means these fees will increase by about \$10. This is to more accurately reflect the time required to proactively manage problems and issues associated with moorings and due to the costs relating to the providing, improving and maintaining of navigation aids.

Removal of fees set out in clause 3(12)(a) – (d) of the 2010 bylaw. The fees have been removed as these functions are not undertaken by council.

Section 7(a): to encourage more superyachts to visit the Bay of Islands, the fee tier structure for pilotage fees inwards/outwards to wharf, Ōpua and to anchor in the Bay of Islands is amended to increase the number of smaller ships that will fall in the lower fee category. The minimum fee now applies to ships greater than 500 up to GRT 3000, whereas previously this was up to GRT1000.

Section 9: this section was amended to remove process covered in Navigation Safety Bylaw 2007.

This bylaw amendment is made pursuant to the bylaw provisions of the Local Government Act for setting fees and charges as mandated by Section 684B(h)(i)-(iii) of the Local Government Act 1974 (Part 39A Navigation), saved in Schedule 18 of the Local Government Act 2002. It is the most cost effective way of recovering the costs arising from the regulation of recreational maritime activities and commercial shipping as appropriate.

The Bylaw is as follows:

## Navigation, Water Transport and Maritime Safety Bylaw Charges 2011

These bylaws shall be known as the Northland Regional Council **Navigation, Water Transport and Maritime Safety Bylaw Charges 2011**:

1. These bylaws shall apply throughout the region of the Council.
2. In these bylaws, unless the context otherwise requires:
  - "**Maritime facility**" means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marina berth, pontoon or, whether private, commercial or a recreational public facility, that is located within the coastal marine area of the Northland.
  - "**Mooring**" means any swing or pile mooring whether private, commercial or recreational mooring that is located within the coastal marine area of the Northland.
  - "**Owner**" includes:
    - (a) in relation to a vessel, the agent of the owner and also a charterer; or
    - (b) in relation to any dock, wharf, quay, slipway or other maritime facility, means the owner, manager, occupier or lessee of the dock, wharf, quay, slipway or other maritime facility.

## navigation, water transport and maritime safety

### bylaw charges 2010 continued

#### 3. Navigation Safety Bylaw Fees

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

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

	GST Exclusive
(b) (1) For every mooring, jetty, jetty berth, boatshed, boat ramp, minor structure, and any group of piles with 74 berths or less owned by one organisation.	\$60.00
(2) For every berth holder not otherwise included herein a fee for the recovery of the cost of the navigation safety equipment in the upper Hātea river, per berth.	\$60.00
(3) (a) For every berth in a marina containing more than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth.	\$50.00
(b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth.	\$56.00
(4) Boatsheds, per additional berth.	\$60.00
(5) Community and boating club structures, jetties and private accommodation in the coastal marine area.	\$60.00
(6) Marine farms.	\$60.00
(7) High use structures and jetties, marine-related, not more than 300 m <sup>2</sup> in plan area within the coastal marine area.	\$330.00
(8) High use commercial slipways with a maximum capacity of less than 50 tonnes.	\$330.00
(9) High use structures and jetties, marine-related and more than 300m <sup>2</sup> but less than 1,000m <sup>2</sup> in plan area within the coastal marine area.	\$1,430.00
(10) High use structures and jetties, marine-related and more than 1,000m <sup>2</sup> in plan area within the coastal marine area.	\$2,530.00
(11) High use commercial slipways with a maximum capacity of more than 50 tonnes.	\$2,530.00
(12) Pursuant to the provisions of Navigation Safety Bylaw clause 3(1)(6), should any mooring licence fees or other charges due to the Council under the provision of this bylaw remain unpaid for a period of 60 days, then the Harbourmaster may remove, or clause to be removed, the mooring and detain the vessel using the mooring, until such fees and charges, including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the Council has the right to sell the mooring and/or vessel to recover the debt.	

#### 4. Hot Work Permits

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

#### 5. Safe Operating Licences

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

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

#### 6. Jet Ski Registration Fees

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



- |  | GST Exclusive |
|--|---------------|
| <b>7. (a) Pilotage</b>   |               |
| <b>(i) Inwards/outwards to wharf, Ōpua – per visit</b>   |               |
| Where GRT is greater than 500 but less than 3000   | \$1,500.00    |
| Where GRT is greater than 3000 but less than 18000   | \$2,900.00    |
| <b>(ii) Ships to anchor in Bay of Islands – per visit</b>  |               |
| Where GRT is greater than 500 but less than 3000   | \$1,500.00    |
| Where GRT is greater than 3000 but less than 18000   | \$2,900.00    |
| Where GRT is greater than 18000 but less than 40000  | \$3,400.00    |
| Where GRT is greater than 40000 but less than 100000   | \$3,800.00    |
| Where GRT is greater than 100000   | \$4,200.00    |
| <b>(b) Shipping – Navigation and Safety Services Fee</b>   |               |
| Per Ship visiting the Bay of Islands regardless of which pilotage organisation or company actually services the vessel   |               |
| Where GRT is less than 3000  | \$1.00/GRT    |
| Where GRT is greater than 3000 but less than 18000   | \$2,900.00    |
| Where GRT is greater than 18000 but less than 40000  | \$3,200.00    |
| Where GRT is greater than 40000 but less than 100000   | \$3,500.00    |
| Where GRT is greater than 100000   | \$4,000.00    |
| <b>(c) Shipping – Navigation and Safety Services Fee</b>   |               |
| Per Ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage  |               |
| Up to 3000 GRT   | \$1.00/GRT    |
| Per ship visiting the Bay of Islands when the vessel's GRT is more than 100 and less than 500  |               |
| From 100 to 500 GRT  | \$1.00/GRT    |
| <b>(d) Shipping – Navigation and Safety Services Fee</b>   |               |
| Per ship visiting Whangaroa Harbour except when the ship is also visiting the Bay of Islands during the same voyage  | \$1,000.00    |
| <b>8. Harbourmaster's Navigation Safety Services Fee</b>   |               |
| <b>(a)</b> North Port Ltd.   | \$110,000.00  |
| <b>(b)</b> For water transport operators not serviced by a port company, at actual time and cost.  |               |
| <b>(c)</b> Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the Council will recover any balance on an actual cost basis.   |               |
| <b>9. Applications for Reserved Area for Special Event</b> (clause 3.10 of the Navigation Safety Bylaw 2007)   |               |
| <b>(a)</b> Special Event Processing Fee  | \$140.00      |
| The Council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee.  |               |
| <b>10.</b> All navigation and other fees specified herein are exclusive of Goods and Services Tax.   |               |
| <b>11.</b> These bylaw fees shall apply for the period 1 July 2011 to 30 June 2012 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by Section 158 of the Local Government Act 2002. |               |

These bylaws will be sealed, publicly notified pursuant to the Local Government Act 2002 and will be confirmed at a meeting of the Council on 21 June 2011. Following confirmation, the bylaws will come into force on 1 July 2011.

*Submissions on the proposed changes to this Bylaw are invited by 3.00pm, 6 May 2011 using the submission form on page 21 of this plan.*



# charging policy summary

The Charging Policy is reviewed on an annual basis. Fees and charges that require formal adoption under Section 150 of the Local Government Act 2002 may be set during either a Long Term Council Community Plan or Annual Plan process. The proposed fee amendments are set out below and will come into effect on 1 July 2011 and will continue until superseded.

The full Charging Policy is available in the 2009-2019 Community Plan. A Charging Policy Summary, that includes the principal policy section and the new or changed fees will be included in the draft and adopted Annual Plan.

Following approval and adoption of the Draft Annual Plan, the new edition of the Charging Policy will be published on the Council's website as an update to the Charging Policy included in the LTCCP.

## Resource and User Fees

Pursuant to:

- The Biosecurity Act 1993;
- The Building Act 2004;
- The Local Government Act 2002;
- The Local Government Official Information and Meetings Act 1987;
- The Resource Management Act 1991; and
- The Aquaculture Reform (Repeals and Transitional Provisions) Act 2004

### 1. Introduction

The Resource Management Act 1991 and the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 authorise the Northland Regional Council to fix resource consent charges relating to the Council's functions and responsibilities under the Act. Charges may be set as specific amounts, as a scale of charges or as formulae. The Council has chosen to use a combination of these approaches. Section 36(1)(c) of the Resource Management Act, provides for the charging of fees to recover costs associated with:

- the **administration** of resource consents;
- the **supervision** of resource consents; and
- **monitoring** – the gathering of information necessary to effectively monitor both the state of the environment and the resource consents that have effect in the region.

Additionally, costs are recoverable under the Building Act 2004 under its building consents, enforcement and safety provisions in regard to dams, the bylaw charging provisions of the Local Government Act 2002, and the Council's Navigation Safety Bylaws. Costs may also be recovered under the authority of the Biosecurity Act 1993, the Local Government Act 2002, and under the Local Government Official Information and Meetings Act 1987.

The Council's Charging Policy defines fees and charges for the following classes:

- (i) The Building Act 2004.
- (ii) The Biosecurity Act 1993:
  - Cost recovery schedule for Northland Regional Pest Management Strategy for Nassella Tussock.
- (iii) The Local Government Act 2002:
  - Inspections, investigations and/or environmental incidents.
  - Management charges for laboratory and miscellaneous services.
  - Navigation and safety activities.
  - Inspections of dairy farms operating under the permitted activity rules for discharges to land.
- (iv) The Local Government Official Information and Meetings Act 1987:
  - Information charges.
- (v) The Property Law Act 2007
  - Navigation Water Transport and Maritime Safety Bylaw Charges.
- (vii) The Resource Management Act 1991:
  - Application fees for resource consents and certificates of compliance.
  - Application fees for preparing or changing a policy statement or plan.
  - Resource consent annual administration and monitoring charges.
  - Additional supervision charges for investigation of potential non-compliances and non-compliance with consent conditions.

- Charges set by regional rules.
- Applications for offsite farms and reviews of deemed coastal permits for marine farms pursuant to the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.

The Council reviews its schedule of charges each year to provide for the recovery of the costs associated with the inspection and mitigation of adverse environmental impacts arising from the agricultural and industrial sectors.

The Council's Revenue and Financing Policy sets out the funding and recovery targets for each Council Activity. The funding targets and criteria set out in the Revenue and Financing Policy have been considered by Council in setting fees and charges as set out in the Charging Policy. The Northland Regional Pest Management Strategies provide a schedule of cost recovery for certain works.

The Resource Management Act **consent classes** include permits to take water, permits to discharge contaminants to air, land or water; land use consents, coastal permits, and building consents in the coastal marine area. The major types of consent classes and criteria for charging purposes are as follows:

**Discharges to Water (including):**

- major industries
- major effluent discharges
- refuse landfills
- timber treatment plants

**Other Water Permits**

**Discharges to Air**

**Coastal (including):**

- moorings, jetties and structures
- marinas
- slipways and maintenance facilities
- major coastal activities

**Land Use Consents**

**Environmental Incidents**

Management charges for labour, laboratory services, supply of information and the Council plant and equipment are detailed in Appendix 16 (as provided for by 150(6) of the Local Government Act 2002).

## 2. General Policies and Principles

### 2.1 General Principles

The principles which apply to the charges set out in the Charging Policy document are based on the requirements of Section 36 of the Resource Management Act 1991; Section 77 of the Biosecurity Act 1993, Sections 53 and 243 of the Building Act 2004, Section 13 of the Local Government Official Information and Meetings Act 1987, Section 227(2) of the Property Law Act 2007 and the Local Government Act 2002 – as set out below:

- **Democratic Process**  
The Council's role as a local authority is recognised. Thus, the costs associated with the political process are not charged directly to resource consent users.
- **Cost Recovery**  
The scale of annual charges is in some cases based on the full costs of the Council's supervision role plus a share of the costs of its state of the environment monitoring role.  
Actual and reasonable costs will be recovered from resource users and consent holders where the use of a resource directly occasions costs to the Council. A contribution from the general rate meets a share of the cost where the community benefits from environmental monitoring.
- **Consistency**  
Charges will not vary greatly within classes and within the context of the scale of the activity, except where environmental incidents and non-compliance with consent conditions incur additional supervision costs.
- **Equity**  
Costs will be recovered on an equitable basis, with charging criteria applied consistently across the region. Classes of users will share the costs attributable to that class.
- **Simplicity**  
The system of establishing charges will be kept as simple and as economically efficient as possible.

## charging policy summary continued

- **Resource Use**

The charges will reflect preferred resource use practices which as a consequence will require less work to be undertaken by the Council.

### 2.2 Time Period

The policies, formulae and charges set out in this document apply each year from 1 July to the following 30 June, or until replaced by new charges adopted during the Annual Plan special consultative procedure as prescribed by the Local Government Act 2002.

### 2.3 Performance

With regard to all application fees and amounts specified in this document, the Council need not perform the action to which the charge relates until the charge has been paid in full [Resource Management Act, Section 36(7)].

### 2.4 Remission of Charges

The Council may remit any charge referred to in this document, in part or full, on a case-by-case basis, and at its absolute discretion. [Resource Management Act, Section 36(5).]

### 2.5 Goods and Services Tax

The charges and formulae outlined in this document are exclusive of GST, except where noted otherwise.

### 2.6 Debtors

All debtors' accounts will be administered in accordance with this policy and outstanding debts will be pursued until recovered. Account offset will be considered on merit in situations where the Council is indebted to the same person.

### 2.7 Regulations

The Council will apply Crown charges, which may be set from time to time by Order in the Council (Regulations). [Resource Management Act, Section 36(1)(g).]

### 2.8 General Policies for Charges

The general policies for charges are set out in the Annual Plan, which is adopted following the Special Consultative Procedure prescribed in the Local Government Act 2002. In the case of fees for annual charges and consents applications, the policies are as follows:

- (i) The annual charges shall apply from 1 July to the following 30 June each year, or until amended by the Council.
- (ii) Account offset will be considered on merit in situations where the Council is indebted to the same person.
- (iii) Where compliance monitoring charges are expected to equal or exceed \$1,000 (excluding GST), the consent holder will generally be invoiced the actual costs of monitoring during the progress of the work, once costs have exceeded a prescribed sum (refer Section 4.2.5).
- (iv) Where any resource consent for a new activity is approved during the year and will be liable for future annual charges, the actual costs of monitoring activities will be charged to the applicant subject to Clause (vi). Consents for activities in the Coastal Marine Area are also subject to the Navigation Water Transport and Maritime Safety Bylaw Charges.
- (v) A minimum fee of \$80.00 will apply to all significant recoverable charges (except for the Navigation Safety Bylaw fees) other than for new consents granted after 1 March each year when the minimum fee will be waived for the remainder of that financial year.
- (vi) In any case where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not ongoing, then the associated annual charge will be based on the actual costs of monitoring activities to the date of expiry or surrender, subject to Clause (v) and also administrative/monitoring costs incurred as a result of the expiry/surrender of the consent.
- (vii) Where a resource consent expires during the course of the year but the activity or use continues and requires a replacement consent, then the annual charges will continue to be applied.
- (viii) Where non-compliance with resource consent conditions is encountered, or unprogrammed additional monitoring is necessary, the costs will be recovered in addition to the set annual fee.
- (ix) Bonafide community organisations that own community structures in the coastal marine area, which are available for unimpeded public use free of charge; or consent holders undertaking activities for the principal purposes of enhancing the natural environment, may apply to the Council to waive the annual charges, and the Council may remit all or part of the user fees, pursuant to Section 36 of the Resource Management Act.
- (x) Upon application and the approval of the Chief Executive Officer, all or part of the Council's user charges for structures in the coastal marine area or activities undertaken for the purposes of protecting or enhancing the natural environment, may be remitted where cases of genuine hardship are proved.

## Proposed Amended Fees and Charges

The review of the 2010-2011 Charging Policy has resulted in proposed changes to the following areas:

**All Sections:** Increase in hourly staff charges across all areas.

**Section 2:** Minimum fee for recoverable charges, 2.8(v).

**Section 3:** Application fees and Appendix One: Resource Consent Applications, Fixed Initial Deposits and Consents Staff Hourly Processing Rates.

**Section 4.2.4:** Large Scale Activities.

**Section 4.5:** Permitted Activity Dairy Shed Effluent Systems - Fees.

**Section 4.6:** Permitted Activity Monitoring/Inspections - Fees.

**Section 4.7:** Fees for Emergency works and Environmental Incidents.

**Section 5.2:** Regional Pest Management Strategy (RPMS) for Nassella Tussock.

**Section 6.1:** Fees for Maritime Related Incidents – (new wording to ensure Council is able to recover Maritime Incidents that are not environmental). Environmental Incidents covered under section 4.7).

**Section 11:** Navigation, Water Transport and Maritime Safety Bylaw Charges 2009.

**Appendices:** All Fee Appendices (Appendix 1 to Appendix 16).

## Amended Fees and Charges

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

The Council is proposing to increase its hourly staff charge-out rates by approximately four percent. As proposed, administration charges will increase to \$64 per hour (excluding GST). The hourly rates for more senior staff will fall in the \$75-\$110 range (excluding GST) and managers will be \$150 per hour (excluding GST).

All fee appendices (1-16) were amended with increases of around 4% in most areas. Navigation Safety Bylaw fees Section 11(3) have increased between 10-20% (in most cases from \$50 to \$60) due to the increased time required to proactively manage moorings and the costs associated with the provision of aids to navigation.

### 1. Introduction

### 2. General Policies and Principles

The Council has reviewed the following section within General Policies for Charges.

- 2.8(v)** A minimum fee of \$80.00 will apply to all significant recoverable charges (except for the Navigation Safety Bylaw fees) other than for new consents granted after 1 March each year when the minimum fee will be waived for the remainder of that financial year.

*The fee minimum has increased \$5.00.*

### 3. Application Fees

*Section 3.3: It is proposed to increase the fixed initial deposits for resource consent applications to continue to apply to the generally agreed Council methodology of setting the application fee at a level of the lower 20 percentile of consent processing fees.*

### 4. Resource Consent Holder Charges and Other Resource User Charges

The Council has reviewed the following sections within Resource Consent Holder Charges and Other Resource User Charges:

#### 4.2.4 Large Scale Activities

Consents that do not fall into the classes listed in Section 4.2.3 will be for larger scale activities or activities with high potential adverse effects (estimated compliance monitoring costs of \$1,000 and over per year inclusive of GST). In most cases these consents will generally be subject to comprehensive monitoring programmes, regular inspections and involve routine sampling and testing or audit monitoring functions or contribute towards the costs of the Councils State of the Environment Monitoring as is the case for many of the larger water take consents. Large scale activities may require more monitoring inspections. As the sampling and testing requirements for these consents will vary, so too will the costs incurred by the Council to carry out those monitoring programmes.

## charging policy summary continued

Annual charging for the monitoring of these consents is calculated using the following formulae and/or the actual and reasonable historical costs:

**Labour (staff time) + Sampling and Testing Costs + Monitoring Equipment Costs + Administration Fee  
+ SOE Monitoring Charge/Resource User Charge = Annual Charge**

Labour (standard charge rates includes mileage)

	<b>GST Exclusive per hour</b>
Monitoring Technician/Administrator	\$64.00
Monitoring Officer Scale 1	\$75.00
Monitoring Officer Scale 2	\$85.00
Monitoring Officer Scale 3	\$95.00
Senior Monitoring Officer Scale 1	\$100.00
Senior Monitoring Officer Scale 2	\$110.00
Manager	\$150.00

Where there is a need for two or more officers to attend, the costs of all officers will be recovered.

*Section 4.2.4: Hourly labour charges have increased. The increases are largely due to the alignment of charging scales across activities. Previously the labour rates for consents staff differed to other activity areas.*

*The statement advising of the recovery of costs if two or more officers are required to attend is included to provide consistency with practice and advice included in other areas of the Charging Policy.*

### 4.5 Permitted Activity Dairy Shed Effluent Systems – Fees

These charges are made to recover the costs of inspecting farm dairy effluent systems, wintering barns or pad discharges to determine compliance with the permitted activity rules in the Regional Water and Soil Plan. The inspections are conducted in order that the Council adequately carries out its functions and responsibilities pursuant to Sections 30(1)(f), 35(2)(a) and 36 of the Resource Management Act. The fees are set according to Section 150 of the Local Government Act.

The charges are as follows:

	<b>GST Exclusive</b>
(i) Inspection and monitoring fee:	
Grades 1P, 2P, 3P (fixed fee)	\$160.00
Grades 4P, 5X, C (fixed fee)	\$240.00
(ii) Second and subsequent visits and inspections including travel time, (for non-complying or inadequately treated discharges, grades 4P, 5X and C)	\$80.00 per hour

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

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

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

*Section 4.5: This charge is moved from section 6.2 in the 2010-2011 Charging Policy. Charges have been amended to reflect the cost associated with carrying out this activity.*

### 4.6 Permitted Activity Monitoring/Inspections – Fees

These charges are made to recover the costs of inspections of permitted activities to determine compliance with the permitted activity rules in the Regional Plans. The inspections are conducted in order that the Council adequately carries out its functions and responsibilities pursuant to Sections 30, 35 and 36 of the Resource Management Act. The fees are charged pursuant to Section 150(1) of the Local Government Act on a cost recoverable basis (officer time, sampling and equipment costs).

The charges are as follows:

	<b>GST Exclusive per hour</b>
Monitoring Technician/Administrator	\$64.00
Monitoring Officer Scale 1	\$75.00
Monitoring Officer Scale 2	\$85.00
Monitoring Officer Scale 3	\$95.00
Senior Monitoring Officer Scale 1	\$100.00
Senior Monitoring Officer Scale 2	\$110.00
Manager	\$150.00

plus the actual and reasonable cost of any specific water quality testing and equipment required (see Appendix 16).

*Section 4.6: Hourly labour charges have increased.*

**4.7 Fees for Emergency works and Environmental Incidents**

Under Sections 330(2) and 331 of the Resource Management Act, the Council may charge for the costs associated with any works required for the:

- (a) Prevention or mitigation of adverse environmental effects; or
- (b) Remediation of adverse effects on the environment.

The costs charged will be the actual and reasonable costs incurred by Council to do the works.

*Section 4.7: This charge is moved from section 6.1 in the 2010-2011 Charging Policy. The wording has been amended to better reflect the legislative provisions which allow for cost recovery for this activity.*

**5. Biosecurity Act 1993 Charges**

The Council has reviewed the following sections within Biosecurity Act 1993 Charges

**5.2 Regional Pest Management Strategy (RPMS) for Nassella Tussock**

The charges levied are as follows:

	<b>GST Exclusive per hour</b>
Biosecurity Technician/Administrator	\$64.00
Biosecurity Officer Scale 1	\$75.00
Biosecurity Officer Scale 2	\$85.00
Biosecurity Officer Scale 3	\$95.00
Senior Biosecurity Officer Scale 1	\$100.00
Senior Biosecurity Officer Scale 2	\$110.00
Manager	\$150.00

*Section 5.2: Hourly labour charges have increased.*

**6. Local Government Act Charges**

The council has reviewed the following section within Local Government Act Charges:

**6.1 Fees for Maritime Related Incidents**

These charges are made to recover the costs incurred by the Council as a result of staff responding to any incident that causes or may have the potential to cause, adverse environmental effects or effects on navigation and safety. The response action taken by Council staff may include, but will not be limited to, the monitoring, inspection, investigation, clean-up, removal, mitigation and remediation works. Actual costs for consumables, plant and equipment used/hired during a response will also be charged in addition to staff hours as appropriate.

	<b>GST Exclusive per hour</b>
Technician/Administrator	\$64.00
Officer Scale 1	\$75.00
Officer Scale 2	\$85.00
Officer Scale 3	\$95.00
Senior Officer Scale 1	\$100.00
Senior Officer Scale 2	\$110.00
Manager	\$150.00

For incidents occurring outside normal business hours, a minimum call out fee of two hours at the above rates shall apply.

*Section 6.1: This section was amended to ensure Council is legally able to recover the costs of Maritime Incidents that are not deemed to be environmental. Environmental incidents are recoverable under the Resource Management Act 2002, whereas Maritime Incidents are not. Environmental Incidents are covered in section 4.7.*

**7. Charges set by Regional Rules****8. Provision of Information and Technical Advice****9. Fee to consent lessee to transfer a lease and fee to consent lessee to enter into a sublease****10. Standard Charges under the Building Act 2004**

## charging policy summary continued

### 11. Navigation, Water Transport and Maritime Safety Bylaw Charges 2011

These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2011:

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

#### 11(2) In these bylaws, unless the context otherwise requires:

“**Maritime facility**” means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marina berth, pontoon or, whether private, commercial or a recreational public facility, that is located within the coastal marine area of the Northland.

“**Mooring**” means any swing or pile mooring whether private, commercial or recreational mooring that is located within the coastal marine area of the Northland.

“**Owner**” includes:

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

*Section 11(2): The definitions of “maritime facility” and “mooring” have been expanded to better reflect reality.*

#### 11(3) Navigation Safety Bylaw Fees

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

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

	GST Exclusive
(b) (1) For every mooring, jetty, jetty berth, boatshed, boat ramp, minor structure, and any group of piles with 74 berths or less owned by one organisation.	\$60.00
(2) For every berth holder not otherwise included herein a fee for the recovery of the cost of the navigation safety equipment in the upper Hātea river, per berth.	\$60.00
(3) (a) For every berth in a marina containing more than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth.	\$50.00
(b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth.	\$56.00
(4) Boatsheds, per additional berth.	\$60.00
(5) Community and boating club structures, jetties and private accommodation in the coastal marine area.	\$60.00
(6) Marine farms.	\$60.00
(7) High use structures and jetties, marine-related, not more than 300m <sup>2</sup> in plan area within the coastal marine area.	\$330.00
(8) High use commercial slipways with a maximum capacity of less than 50 tonnes.	\$330.00
(9) High use structures and jetties, marine-related and more than 300m <sup>2</sup> but less than 1,000m <sup>2</sup> in plan area within the coastal marine area.	\$1,430.00
(10) High use structures and jetties, marine-related and more than 1,000m <sup>2</sup> in plan area within the coastal marine area.	\$2,530.00
(11) High use commercial slipways with a maximum capacity of more than 50 tonnes.	\$2,530.00
(12) Pursuant to the provisions of Navigation Safety Bylaw clause 3(1)(6), should any mooring licence fees or other charges due to the Council under the provision of this bylaw remain unpaid for a period of 60 days, then the Harbourmaster may remove, or clause to be removed, the mooring and detain the vessel using the mooring, until such fees and charges, including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the Council has the right to sell the mooring and/or vessel to recover the debt.	

*Section 11(3): The charges have been amended to better recover costs. Section 11(3)(1): Amended to 74 berths or less (previously 24) as there are no groups of piles with less than 24, owned by the same organisation.*

*Section 11(3)(12): Charges have been removed as these functions are not carried out by Council.*



<b>11(7) (a) Pilotage</b>	<b>GST Exclusive</b>
<b>(i) Inwards/outwards to wharf, Ōpua – per visit</b>	
Where GRT is greater than 500 but less than 3000	\$1,500.00
Where GRT is greater than 3000 but less than 18000	\$2,900.00
<b>(ii) Ships to anchor in Bay of Islands – per visit</b>	
Where GRT is greater than 500 but less than 3000	\$1,500.00
Where GRT is greater than 3000 but less than 18000	\$2,900.00
Where GRT is greater than 18000 but less than 40000	\$3,400.00
Where GRT is greater than 40000 but less than 100000	\$3,800.00
Where GRT is greater than 100000	\$4,200.00
<i>Section 11(7)(a): The fee tier structure for Pilotage fees inwards/outwards to Wharf, Ōpua and to anchor in the Bay of Islands is to be amended to increase the number of smaller ships that will fall in the lower fee category. The minimum fee now applies to ships greater than 500 up to GRT 3000, whereas previously this was up to GRT 1000. The change is intended to encourage more superyachts to visit the Bay of Islands.</i>	
<b>11(8) Harbourmaster's Navigation Safety Services Fee</b>	
<b>(a)</b> North Port Ltd	\$110,000.00
<b>(b)</b> For water transport operators not serviced by a port company, at actual time and cost.	
<b>(c)</b> Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the Council will recover any balance on an actual cost basis.	
<i>Section 11(8): Charges have been amended so this section is now specific to the charge levied on North Port Ltd by NRC for Harbourmaster services.</i>	
<b>11(9) Applications for Reserved Area for Special Event</b> (clause 3.10 of the Navigation Safety bylaw 2007)	
<b>(a)</b> Special Event Processing Fee	\$140.00
The Council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee.	
<i>Section 11(9): Amended to remove process covered in Navigation Safety Bylaw 2007.</i>	
<b>12.</b> These bylaw fees shall apply for the period 1 July 2011 to 30 June 2012 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by Section 158 of the Local Government Act 2002.	

## charging policy summary continued

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

#### Schedule of Fixed Initial Deposits

Description	Fixed Initial Deposit	
	\$ GST Excl.	\$ GST Incl
<b>Notified and Limited Notified Applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits	2,496.09	2,870.50
• Moorings	1,247.83	1,435.00
<b>New Non-notified Applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents (excluding Bore Drilling Permits), Water Permits, and Discharge Permits (excluding Farm Dairy Effluent)	665.65	765.50
• Moorings	457.39	526.00
• Farm Dairy Effluent Discharge Permits	416.09	478.50
• Bore Drilling Permits	231.30	266.00
plus per additional bore	27.83	32.00
• Existing Moorings within High Priority Marine 4 Mooring management Areas. Application fee (minimum charge)	103.91	119.50
• <b>Fixed Fee</b> for Discharge Permit for burning of specified materials, including vegetation, by way of open burning or incineration device (e.g. backyard burning) (see Note 8)	50.00	57.50
<b>Replacement Non-notified Applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits (excluding Farm Dairy Effluent)	582.61	670.00
• Moorings (includes moorings that have previously had a licence and are seeking to be authorised under the RMA)	374.35	430.50
• Farm Dairy Effluent Discharge Permits	416.09	478.50
<b>Certificate of Compliance</b>	374.35	430.50
<b>Transfer of Consents from the Consent Holder to Another Person</b> (payable by the person requesting the transfer)	46.09	53.00
<b>Transfer existing Water Permit between sites within catchment</b>		
• Notified (including limited notification)	582.61	670.00
• Non-notified	231.30	266.00
<b>S127 Change or Cancellation of Consent Conditions</b>		
• Notified (including limited notification)	873.48	1,004.50
• Non-notified	374.35	430.50
• Minor Administrative Change	83.04	95.50

## Appendix 1: continued

Description	Application Fee (minimum charge)	
	\$ GST Excl.	\$ GST Incl.
<b>S128 Review of consent conditions, and review of deemed coastal permits under S10(4), 20(3) and 21(3) of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004</b> (see Note 7)		
• Notified (including limited notification)	873.48	1,004.50
• Non-Notified	374.35	430.50
<b>Extension of Period until a Consent Lapses</b>	231.30	266.00
<b>Hearing Costs</b> (per hearing day per Committee member) <b>at hourly rates set by the Remuneration Authority*</b> or the <b>actual costs</b> of Independent Commissioners. See also Note 6. * Determination dated 1 July 2006 of consent hearing fees payable and defining the duties covered by the fee or excluded, currently \$68 per hour (Committee Member) and \$85 per hour (Chairman).	(Per RA)	
<b>Requests by applicants and/or submitters for independent Commissioner(s) to hear and decide resource consent applications as provided for by s100A(2) of the RMA:</b> <ul style="list-style-type: none"> <li>In cases where only the applicant requests independent commissioner(s), all the costs for the application to be heard and decided will be charged to the applicant.</li> <li>In cases where one or more submitter requests independent commissioner(s), the Council will charge as follows: <ul style="list-style-type: none"> <li>(a) The applicant will be charged for the amount that the Council estimates it would cost for the application to be heard and decided if the request for independent commissioner(s) had not been made; and</li> <li>(b) The requesting submitters will be charged equal shares of any amount by which the cost of the application being heard and decided in accordance with the request exceeds the amount payable by the applicant outlined in (a) above.</li> </ul> </li> <li>Notwithstanding the above, in cases where the applicant and any submitter(s) request independent commissioner(s) all the costs for the application to be heard and decided will be charged to the applicant.</li> </ul> <b>Note:</b> Approved Resource Consents attract Annual Charges.		

For Building Consent Application Fees – Refer Appendix 2.

**Consents Hourly Processing Rates**

Description	Hourly Rate	
	\$ GST Excl.	\$ GST Incl.
• Secretarial/Admin	64.00	73.60
• Consents Officer Scale 1	75.00	86.25
• Consents Officer Scale 2	85.00	97.75
• Consents Officer Scale 3	95.00	109.25
• Programme Manager Scale 1	100.00	115.00
• Programme Manager Scale 2	110.00	126.50
• Consents Manager	150.00	172.50
• Consultants	Actual Costs	

## charging policy summary continued

### Appendix 1: continued

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

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

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

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

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

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

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

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

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

**Note 8:** This 'fixed fee' only applies where such an application is able to be processed on a non-notified basis and no additional charges will be invoiced for such applications even if the costs exceed the fixed fee. However, in the event that the application is required to be limited notified or publicly notified then the Council will require the applicable Fixed Initial Deposit for Notified & Limited Notified Applications (as outlined in the box above) before notification of the application.

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

Charges fixed under the Building Act 2004 are resolved by the Council and fixed pursuant to the Local Government Act 2002 process until subsequently amended.

### 1. Project and Land Information Memoranda (PIM/LIM)

Estimated Value of Work	Minimum Estimated Charge (MEC) \$ GST Excl.	Minimum Estimated Charge (MEC) \$ GST Incl.
All Applications	1,000.00	1,150.00

**Notes:** 1. MEC is payable upon application for a PIM/LIM.

2. Final actual and reasonable costs are payable upon uplifting the PIM/LIM based on Standard Labour Charges in Section 4 of this appendix.

### 2. Building Consents and Certificates of Approval

Incorporating receipt of a building consent application, the issue of a building consent, including project information memorandum, payment of a Building Research Levy and/or Department of Building and Housing Levy (where applicable) and the issue of a code compliance certificate (where applicable).

Under section 244 of the Building Act 2004, Council has decided to transfer the Building Act functions for consenting dams to the Waikato Regional Council (WRC). Fees will be charged in accordance with the Fees and Charges policy set by WRC. All fees and charges for consent processing will be invoiced directly to the applicant by WRC.

### 3. Requests for Information on Building Consents

Charges will be the actual and reasonable costs based on standard labour charge rates shown in Section 4 of this appendix.

### 4. Technical Processing and the exercising of other functions, powers and duties under the Building Act 2004

For technical processing and other functions under the Building Act full costs over and above the deposit will be recovered in accordance with the additional hourly charges.

Function	Deposit GST Incl.	Hourly charge for exercise of functions or to recover additional costs
Action to be taken in respect of buildings deemed to be dangerous or insanitary.		Standard labour charge rates (overleaf).
Issue of a Notice to Fix.		Minimum charge of \$95.00 and further charges for inspections and other action to confirm compliance based on standard labour charge rates (overleaf).
Lodge Building Warrant of Fitness.	\$100	Standard labour charge rates (overleaf).
Amendment to Compliance Schedule.	\$1000	Standard labour charge rates (overleaf). Actual and reasonable for expert advice.
Building Warrant of Fitness Audit.		Standard labour charge rates (overleaf).
Certificate of Acceptance	Large Dam (above \$100,000 value) \$4,000 Medium Dam (\$20,000 to \$100,000 value) \$2,000 Small Dam (\$0 to \$20,000 value) \$500	Standard labour charge rates (overleaf). Actual and reasonable for expert advice.
Lodge Dam Potential Impact Category.	\$100	Standard labour charge rates (overleaf).
Lodge Dam Safety Assurance Programme.	\$100	Standard labour charge rates (overleaf).
Lodge Annual Dam Safety Compliance Certificate	\$100	Standard labour charge rates (overleaf).
Other Functions.		Standard labour charge rates (overleaf).

## charging policy summary continued

### Appendix 2: continued

#### Standard Labour Charge Rates

	<b>GST Excl. per Hour</b>
• Technician/Administrator	\$64.00
• Officer Scale 1	\$75.00
• Officer Scale 2	\$85.00
• Officer Scale 3	\$95.00
• Senior Officer	\$110.00
• Manager	\$150.00

**Note:** All charges are payable upon invoice, provision of service or upon the exercise of the function, power or duty.

Progressive charging may be used where costs are greater than \$500 (excluding GST).

When building consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to, infringement offence notices, enforcement orders or prosecutions.

An enforcement officer who observes a person committing an infringement offence or has reasonable cause to believe that an infringement offence is being or has been committed is authorised and warranted under section 229 of the Building Act 2004 to issue an infringement notice.

## Appendix 3: Water Takes Fee Scales

### Scale of Annual Charges for Water Takes

Note: Appendix 15 identifies water take consents that have fees set outside these scales.

Fee Level	Description/Criteria	Admin Charge \$ GST Incl.	Compliance Monitoring/ Supervision \$ GST Incl.	Resource User Charge \$ GST Incl.	Total Annual Charge \$ GST Incl.
8	<b>1. Negligible Potential Effect:</b> minor abstraction from water resource low level of allocation and limited future potential demand; no water use returns; Limited benefit from existing SoE monitoring. (Minimum Fee)	92.00	–	23.00	115.00
10	<b>2. Minor Potential Effect:</b> Minor abstraction from water resource with low to moderate level of allocation; Moderate abstraction from water resource with low level of allocation; water use returns; Small benefit from existing SoE monitoring and limited monitoring in the catchment.	92.00	24.00	69.00	185.00
12	<b>3. Moderate Potential Effect:</b> Minor abstraction from water resource with moderate to high level of allocation; Moderate abstraction from a water resource with moderate levels of allocation; Major abstraction from water resource with low level of allocation; water use returns, resource monitoring by Consent Holder; Moderate benefits from existing SoE monitoring, data likely to be used for flow allocation management purposes and/or replacement of consent.	92.00	55.00	138.00	285.00
15	<b>4. Medium Potential Effect:</b> Moderate abstraction from water resource with high level of allocation; Major abstraction from resource with moderate level of allocation; water use returns, resource monitoring by Consent Holder; continuation flow conditions; Existing SoE monitoring has greater benefits to Consent Holder for management, security of supply and/or replacement of consent; Total estimated staff time relating to monitoring, supervision and reporting of compliance 1-2 hours.	92.00	123.00	230.00	445.00
19	<b>5. Medium Potential Effect - Moderate inspection time:</b> Same criteria as Category 4. However total estimated staff time relating to monitoring, supervision and reporting of compliance 2-3 hours.	92.00	189.50	230.00	511.50
22	<b>6. Medium Potential Effect - Significant inspection time:</b> Same criteria as Category 4 but total estimated staff time relating to monitoring, supervision and reporting of compliance 3-4 hours.	92.00	257.50	230.00	579.50
24	<b>7. Medium to High Potential Effect - Significant inspection time:</b> Moderate to major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent compliance > 4 hours; Existing SoE monitoring has considerable benefits to Consent Holder for management, security of supply and/or replacement of consent.	92.00	310.50	402.50	805.00
25	<b>8. High Potential Effect - Significant inspection time:</b> Major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent compliance >4 hours; Existing SoE monitoring has direct benefits to Consent Holder for management, security of supply, replacement of consent, and specific compliance monitoring of consent.	92.00	379.50	805.00	1,276.50



## charging policy summary continued

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

#### Scale of Annual Charges for Consents for Minor to Moderate Discharges to Air, Water, and Land (no or Minor Sampling and/or Testing Planned) and Consents for Land Use Activities including Quarries

The fee levels provided below allow for the appropriate recovery of costs by the Council based on the degree of work required by the Council in monitoring each consent. The appropriate fee level will be determined using the formula outlined in Section 4.2.4 with the estimated cost then rounded to the appropriate fee level.

Fee Level	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.	Fee Code Narration
1	0.00	0.00	Invoiced manually.
2	0.00	0.00	Waived or Remitted Annual Charges
3	0.00	0.00	Charged under another consent.
4	0.00	0.00	Post billed (non-scale).
5	0.00	0.00	Special arrangement.
6	0.00	0.00	Domestic Sewage Discharges (post billing).
7	80.00	92.00	Minimum loaded with additional fees post monitoring.
8	80.00	92.00	Annual Monitoring Charge (and for all the following fees).
9	86.09	99.00	
10	96.96	111.50	
11	113.91	131.00	
12	126.09	145.00	
13	143.04	164.50	
14	172.17	198.00	
15	183.04	210.50	
16	200.00	230.00	
17	216.96	249.50	
18	229.13	263.50	
19	240.00	276.00	
20	256.09	295.50	
21	286.09	329.00	
22	296.96	341.50	
23	315.22	362.50	
24	372.17	428.00	
25	343.04	394.50	
26	400.00	460.00	
27	429.13	493.50	
28	457.83	526.50	
29	486.09	559.00	
30	515.22	592.50	
31	543.04	624.50	
32	572.17	658.00	

## Appendix 4: continued

Fee Level	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.	Fee Code Narration
33	600.87	691.00	
34	629.13	723.50	
35	657.83	756.50	
36	686.09	789.00	Annual Monitoring Charge (and for all the following fees)
37	714.78	822.00	
38	743.91	855.50	
39	772.17	888.00	
40	800.87	921.00	
41	829.13	953.50	
42	857.83	986.50	
43	886.96	1,020.00	
44	915.22	1,052.50	
45	943.91	1,085.50	
46	972.17	1,118.00	
47	1,000.87	1,151.00	
48	1,030.00	1,184.50	
49	1,057.83	1,216.50	
50	1,086.96	1,250.00	
51	1,115.22	1,282.50	

## Appendix 5: Farm Dairy Effluent Charges

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

Sampling and testing required where indicated.

Fee Level	Description/Criteria	Charge \$ GST Excl.	Charge \$ GST Incl.
4	Per inspection – (no sampling or testing)	235.22	270.50
4	Per inspection – (single sample only)	280.00	322.00
4	Per inspection – (two samples)	324.78	373.50
4	Per inspection – (three samples)	370.00	425.50
4	Per inspection – (four samples)	414.78	477.00
4	Per inspection – (five samples)	460.00	529.00
4	Per inspection – (six samples)	505.22	581.00

The charge for follow-up inspections for non-complying discharges will be at \$80.00 per hour plus GST, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required.

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

## charging policy summary continued

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

#### Scale of Annual Charges for Coastal Structures

Fee Level	Description/Criteria	RMA Admin Fee or Mooring Licence Fee \$ GST Incl.	Navigation and Safety Bylaw Fee \$ GST Incl.	Total Fee \$ GST Incl.
101	Individual swing, pile and jetty moorings with or without resource consents.	92.00	69.00	161.00
101	Swing and pile moorings owned by one person or organisation, comprising 10 to 24 moorings (per mooring). <b>Note:</b> No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	80.50	69.00	149.50
3 or 4	Pile moorings and jetty berths owned by one organisation, comprising 25 berths or more, but no more than 75 berths (per berth). <b>Note:</b> No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	51.50	69.00	120.50
1	Marinas comprising more than 75 berths. Navigation fee reverts to \$60.00 if fees are not paid within 60 days (per berth).	–	57.50	57.50
2	Dinghy pulls.	92.00	–	92.00
8	Seawalls and reclamations.	92.00	–	92.00
100	Boat ramps up to 15m x 4.5m.	92.00	69.00	161.00
102	Boat ramps/slipways over 15m and grids.	160.00	69.00	229.00
103	Boatsheds.	270.50	69.00	339.50
104	Boatsheds with Additional Berth.	309.50	69.00	378.50
9	Cables and Pipes.	100.50	–	100.50
13	Private accommodation in the coastal marine area.	164.50	–	164.50
100	Minor structures and jetties not more than 10m <sup>2</sup> in plan area within the coastal marine area (no more than minor environmental effects).	92.00	57.50	149.50
102	Minor structure and jetties: more than 10m <sup>2</sup> and up to 300m <sup>2</sup> in plan area.	157.50	69.00	226.50
102	Community and boating club structures and jetties, and non-commercial public structures.	157.50	69.00	226.50
105	Marine farms and offsite farms.	341.50	69.00	410.50
18	High use structures and jetties not marine related.	263.50	–	263.50
106	(a) High use structures and jetties, marine-related and not more than 300m <sup>2</sup> in plan area within the coastal marine area, and (b) Slipways with a maximum capacity of not more than 50 tonnes	263.50	379.50	643.00

## Appendix 6: continued

Fee Level	Description/Criteria	RMA Admin Fee or Mooring Licence Fee \$ GST Incl.	Navigation and Safety Bylaw Fee \$ GST Incl.	Total Fee \$ GST Incl.
115	High use structures and jetties, marine-related, more than 300m <sup>2</sup> but not more than 1,000 m <sup>2</sup> in plan area within the coastal marine area.	263.50	1,644.50	1,908.00
125	(a) High use structures and jetties, marine-related and not more than 1,000m <sup>2</sup> in plan area within the coastal marine area; and (b) Slipways with a maximum capacity of more than 50 tonnes.	263.50	2,909.50	3,173.00

**Note:** All structures that are subject to a discharge permit may be subject to an additional charge that recovers the costs incurred by the Council for monitoring the discharge. Where the costs of monitoring the structure and discharge exceed the annual charge herein, the Council will recover the balance in accordance with Section 36(3) of the Resource Management Act 1991.

Consent Holders of multiple structures authorised under a single resource consent for contiguous facilities, will be charged one annual fee for the most significant structure authorised by that consent.

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

**Monitoring Inspection Charges for Consents for Coastal Structures during their Construction or Installation Phase**

Inspection Charge GST Excl.  
per Hour

**All coastal structures** (per officer, plus costs of sampling/testing)

Monitoring Officer Scale 1 \$75.00

Monitoring Officer Scale 2 \$85.00

**Note:** Refer to Section 4.2.3 for basis of charges.

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

**Scale of Annual Charges for Land Use Consents for Boating-Related Structures in Waters Upstream of the CMA with minor environmental effects (amended to match fees for similar structures in the coastal marine area, Appendix 6)**

Fee Level	Description/Criteria	RMA \$ GST Excl.	Total Fee \$ GST Incl.
100	<b>Minor structures and jetties:</b> Not more than 10m <sup>2</sup> in plan area.	130.00	149.50
102	<b>Jetties and other structures:</b> more than 10m <sup>2</sup> in plan area.	184.78	212.50

**Note:** 1. Consents for new boat-related structures or to alter boat related structures in waterbodies will be subject to an inspection charge of \$65.00 per hour (plus GST) per officer during their construction phase.

**Note:** 2. Refer to Section 4.2.3 for basis of charges.

## charging policy summary continued

### Appendix 9: Major Industries

#### Estimated Annual Charges for Resource Consents for Major Industries

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
AFFCO Moerewa	7381(1), (2), (4-11)	2,746.09	3,158.00
Ballance Agri-Nutrients Ltd	7247	1,143.91	1,315.50
GBC (Portland Cement Works)	5059 (1-6), (8)	1,143.91	1,315.50
NZMP Ltd (Kauri) (part of Fonterra Co-op Group Ltd)	4373, 4375, 4377, 4836, 7532, 7671, 8159	7,436.09	8,551.50
NZMP Ltd (Maungaturoto) (part of Fonterra Co-op Group Ltd)	4204, 5139, 5140, 5145, 5146, 5147, 7119, 7155	9,723.91	11,182.50
Imerys Tableware NZ Ltd (Matauri Bay Plant)	1345, 2773, 5042, 6751, 6780, 6908, 8050	1,143.91	1,315.50
NZRC (Marsden Point Oil Refinery)	8319	13,727.83	15,787.00

### Appendix 10: Timber Treatment Plants

#### Estimated Annual Charges for Resource Consents for Significant Timber Treatment Plants

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
McEwing Enterprises Ltd (Oturei Timber)	4721	572.17	658.00
North Pine Ltd (Waipū)	7651	1,143.91	1,315.50
Donnellys Crossing Sawmills Ltd	4652	1,143.91	1,315.50
Kaihū Valley Sawmill	4653	1,143.91	1,315.50
Carter Holt Harvey Forests Ltd	7921	857.83	986.50
Croft Pole Distributors Ltd	8528 (incorporates 4758)	1,143.91	1,315.50
Sheppard, B (Matakohe)	7622	1,143.91	1,315.50
Kaitāia Timber Co. Ltd	4655	1,945.22	2,237.00

**Note:** For the basis of charging, refer Section 4.2.4.

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

### Estimated Annual Charges for Resource Consents for Major Effluent Discharges

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
Far North District Council	3839, 2577, 2635, 3775, 7203, 7205	* 1,716.09	1,973.50
Far North District Council	2337, 4007, 7205, 1108, 7399	* 2,287.83	2,631.00
Far North District Council	4111, 2667	* 2,573.91	2,960.00
Far North District Council	2417, 932	* 2,973.91	3,420.00
Far North District Council	1168	7,550.00	8,682.50
Kaipara District Council	1102, 1115, 1116	* 2,173.91	2,500.00
Kaipara District Council	3666	4,576.09	5,262.50
Kaipara District Council	3780	1,143.91	1,315.50
Whāngārei District Council	4509	1,143.91	1,315.50
Whāngārei District Council	7403	1,830.00	2,104.50
Whāngārei District Council	4155	1,143.91	1,315.50
Whāngārei District Council	2576	2,287.83	2,631.00
Whāngārei District Council	7445	1,945.22	2,237.00
Whāngārei District Council	4352	3,432.17	3,947.00
Ministry of Education	Administration Charge, schools charged separately for monitoring costs.	** 3,089.13	3,552.50
Ota Point Effluent Society	2724	2,860.00	3,289.00

\* each Consent    \*\* Combined Charge

**Note:** For the basis of charging, refer Section 4.2.4.

## Appendix 12: Refuse Landfills

### Estimated Annual Charges for Resource Consents for Closed and Operating Refuse Landfills

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
Far North District Council	1824	686.09	789.00
Kaipara District Council	4816	1,143.91	1,315.50
Kaipara District Council	4809, 4814, 7234, 2257, 4433	* 686.09	789.00
Far North District Council	7503	1,373.04	1,579.00
Far North District Council	4789	1,486.96	1,710.00
Kaipara District Council	7562	6,863.91	7,893.50
Far North District Council	2918	1,830.00	2,104.50
Far North District Council	7502	4,576.09	5,262.50

\* each Consent

## charging policy summary continued

### Appendix 13: Large Scale Discharges to Air

#### Estimated Annual Charges for Resource Consents for Large Scale Discharges to Air

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
AFFCO (Moerewa) Ltd	7381(34)	# 2,860.00	3,289.00
Ballance Agri-Nutrients Ltd (Whāngārei Plant)	7068	# 4,576.09	5,262.50
Golden Bay Cement Ltd	5059(7)	# 3,432.17	3,947.00
Juken Nissho Ltd	7062	21,736.09	24,996.50
NZ Refining Co. Ltd	8319(2) prev. 7075	1,945.22	2,237.00
NZMP Ltd (Kauri)	7072	# 5,147.83	5,920.00
NZMP Ltd (Maungaturoto)	7073	# 5,147.83	5,920.00
Richmond (Effluent Ponds)	7088	1,143.91	1,315.50
Croft Timber	8528	4,576.09	5,262.50
TDC Sawmills	8417	4,576.09	5,262.50

# Industries Requiring Stack Testing

**Note:** For the basis of charging, refer Section 4.2.4.

### Appendix 14: Marinas

#### Estimated Annual Charges for Resource Consents for Major Coastal Activities

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
Far North Holdings Ltd, Ōpua Marina	8385	4,576.09	5,262.50
Kerikeri Cruising Club	6260	4,576.09	5,262.50
Riverside Drive Marina Ltd	7926	343.04	394.50
Tutukākā Marina Management Trust	2093, 6267, 7836	* 4,576.09	5,262.50
Whāngārei Marina Management Trust	7958, 8089, 8517	* 4,576.09	5,262.50
Whangaroa Marina Trust	7940	4,576.09	5,262.50

\* each Consent

**Note:** The basis for charging are described in Section 4.2.4. Navigation, Water Transport and Maritime Safety Bylaw charges also apply to Marinas as detailed in Appendix 6.



## Appendix 15: Water Takes of High Potential Effects

### Estimated Annual Charges for Water Take Consents for High Potential Effects

Fee Level	Consent Holder	Consent No(s)	Annual Admin Supervision/ Monitoring Charge \$ GST Incl.	Resource User Charge \$ GST Incl.	Total Annual Charge \$ GST Incl.
70	Whāngārei District Council	2960	* 2,392.00	805.00	3,197.00
74	Fonterra Kauri	437304	* 2,751.00	805.00	3,556.00
52	Far North District Council	4369	* 2,631.00	402.50	3,033.50
53	Maungatapere Water Supply Co	4607	* 359.00	805.00	1,164.00
54	Murphy Prosperity Trust	4715	* 359.00	402.50	761.50
55	North Power	4845	* 897.00	402.50	1,299.50
56	Ngāwhā Geothermal Resource Company Ltd	488312	* 598.00	# 1,207.50	1,805.50
57	Kokich & Anderson	4965	* 717.50	805.00	1,522.50
58	Northern Dairylands Ltd	5004	* 598.00	402.50	1,000.50
59	A B Kevey & L J Christie	5014	* 418.50	402.50	821.00
59	McBeth Farms Ltd	5021	* 418.50	402.50	821.00
59	Brown Trust Partnership	5022	* 418.50	402.50	821.00
59	Leeuwenburg J A & G M Leeuwenburg	5027	* 418.50	402.50	821.00
58	Bryant Fischer Family Trust	7330	* 598.00	402.50	1,000.50
60	Whāngārei District Council	7398	* 1,196.00	805.00	2,001.00
71	Whāngārei District Council	7404	* 2,990.00	805.00	3,795.00
61	Whāngārei District Council	7405	* 837.00	402.50	1,239.50
61	Woodbury Farming Ltd	7411	* 837.00	402.50	1,239.50
55	Kaipara District Council	7582	* 897.00	402.50	1,299.50
62	Burke Farms Ltd	7642	* 717.50	402.50	1,120.00
62	Kaipara District Council	8032	* 717.50	402.50	1,120.00
61	Kaipara District Council	8134	* 837.00	402.50	1,239.50

\* Includes a charge pursuant to Section 36(1)(c) towards the costs of specific investigations (flow and/or water quality monitoring) within catchment relating to consent and compliance monitoring (see Section 4).

# Multiple consents taking from different catchments and/or resources.

**Note:** For the basis of charging, refer Section 4.2.4.

## charging policy summary continued

### Appendix 16: Miscellaneous Management Charges

The Council's Resolution of 8 December 2004, "that pursuant to Section 150(6) of the Local Government Act 2002, Council Managers be authorised to set or vary labour, plant and equipment hire fees and fees for miscellaneous services provided by the Council as necessary from time to time."

The Council's labour, plant and equipment charges to external parties are as follows:

#### 1. Laboratory Services – Laboratory Test Charges

Job Reference No.	Description/Criteria	Per Sample	
		\$ GST Excl.	\$ GST Incl.
7346	Absorbance % Transmittance	5.22	6.00
7369	Conductivity	9.13	10.50
7349	Deposited Air Particulate	60.00	69.00
7368	Dissolved Oxygen	5.22	6.00
7377	E coli/Total Colifoms – Colilert	27.83	32.00
7378	Enterococci – Enterolert	27.83	32.00
7373	Faecal Coliforms by MF	22.17	25.50
7381	Microscopic Examination	23.91	27.50
7374	Faecal Coliforms by MPN	40.00	46.00
7370	pH	5.22	6.00
7348	PM <sub>10</sub>	30.00	34.50
7371	Salinity	5.22	6.00
7358	Suspended Solids	16.96	19.50
7372	Temperature	1.30	1.50
7365	Turbidity	6.52	7.50
7346	UV% transmittance	5.22	6.00

Any further tests required, please contact laboratory staff for prices.

#### 2. Labour – General

Labour costs for the Council's staff not previously specified in this Policy will be charged at an hourly rate determined from actual employment costs, including overtime rates if applicable, plus a multiplier to cover overheads and any internal costs incurred.\*

#### 3. Plant

**3.1** Where any of the Council's plant is hired, extra costs including additional labour cost in overtime hours, travelling allowance, transport charges, etc, shall be recovered from the hirer of the plant. Where plant is ordered and its services cancelled, all costs incurred by the Council are payable by the hirer.

#### 3.2 Water Quality Monitoring Devices

	\$ GST Excl.	\$ GST Incl.
YSI Sondes per day	60.00	69.00
ISCO Automated Sampler per day	50.00	57.50
All labour incurred in the hire of water quality monitoring devices, is additional and charged in accordance with the charge out rates specified in Section 4.2.4.		

\* When tradesmen are called out, and their service is cancelled, all costs incurred by the Council are payable by the hirer, at the above charge-out rates.

## Appendix 16: continued

**3.3 Vehicles/Quads****Inland Revenue Approved Mileage Rates  
Annual Work Related Kilometres Travelled**

External Rate per km \$ GST Excl.	Internal Rate per km \$ GST Excl.
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**Motor Vehicles**

1 - 3000 km (total kms for a job)	0.62	0.28
3001 kms and over (for each km over 3000)	0.19	0.28
Transit Van or similar (Public Service Rate)	1.00	0.41
Light Truck (Public Service Rate)	1.20	0.55
Motor Vehicles - Flat Rate	0.28	0.26

**Motor Cycles/Quad Bikes**

1 - 3000 km	0.31	0.14
3001 kms and over (for each km over 3000)	0.10	0.14
Transit Van or similar (Public Service Rate)	0.14	0.14
Light Truck (Public Service Rate)	1.20	0.55
Motor Vehicles - Flat Rate	0.28	0.26

Flat rates may be used where a great deal of travel related to one job is done regardless of the distance travelled in a year.

**3.4 Waterblaster (Labour Additional)**

\$ GST Excl.	\$ GST Incl.
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Large 4000 p.s.i. per hour	39.13	45.00
Medium 3000 p.s.i. per hour	26.96	31.00

**3.5 Floating Plant – Standard Rates**

\$ GST Excl.	\$ GST Incl.
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**(a) Workboat Hire**

Workboat – Waikare per hour	600.00	690.00
Standby - Waikare per hour	265.22	305.00

For significant commercial projects, the Council will negotiate hire, standby and total costs with contractors and other parties.

**(b) Small Launch Hire**

BOI Patrol Boat Gemini II per hour	150.00	172.50
Standby – Gemini II per hour	100.00	115.00
5 metre Lazercraft per hour	140.00	161.00
Standby – Lazercraft per hour	90.00	103.50
5.8 metre Inflatable (Tai Ao) per hour	200.00	230.00
Standby – Tai Ao per hour	130.00	149.50

All labour and transport costs incurred in the hire of vessels, are additional and charged at \$70.00 per hour per crew member.

NB: (Additional rates may apply in overtime hours)

**Other Plant not specified above**

Each request to hire other Regional Council plant or equipment is to be referred to the appropriate Manager for approval, who shall apply a realistic charge-out rate and notify the Finance Manager so that an invoice can be raised.

## charging policy summary continued

### Appendix 16: continued

#### 4. Hire Charge – Council, Committee, Training/Meeting Rooms

Catering is the responsibility of the hirer. Any refreshments provided by the Council will be on charged at cost.

		\$ GST Excl.	\$ GST Incl.
Council Room	per day	150.00	172.50
Committee Room	per day	50.00	57.50
Council & Committee Rooms	per day	180.00	207.00
Kaipara Training Room	per day	150.00	172.50
Whangaroa Meeting Room	per day	50.00	57.50
Kaipara/Whangaroa Rooms	per day	180.00	207.00

#### 5. Hire Charge – Council video Conference Facilities

Hire charge includes a meeting room.

	\$ GST Excl.	\$ GST Incl.
Price Per Hour	370.00	425.50

Bookings will be subject to the availability of a meeting room and the video conferencing unit. Priority will be given to Council business. Video Conferencing unit is a Tandberg unit with a 47 inch screen. Connection is IP only and is not configured for ISDN.

#### 6. Photocopying (per page)

	Colour A4 \$ GST Excl.	Colour A3 \$ GST Excl.	Black A4 \$ GST Excl.	Black A3 \$ GST Excl.
Applicants/Staff	0.31	0.44	0.09	0.18
Other Parties	0.44	0.88	0.18	0.26

**Note:** Double-sided is equivalent to two pages.  
Labour costs also to be recovered.

#### 7. Biosecurity – Sale of Pest Control Products

Northland landowners are entitled to a one off free issue of 2.5kg bag of Pestoff and 2kg bag of rabbit pindone. Landowners are also entitled to a one off free issue of a 5-gram sachet of herbicide to control wild ginger.

All other pest control products such as traps, pesticides, prefeed, bait stations, and associated equipment are resold at a 10% mark-up on the price they are purchased from the manufacturer. This 10% mark-up is to cover the administrative costs of supplying these products.

#### 8. Digital Colour Aerial Ortho-Photography

The Council, through a partnership with the other Councils in the region, is currently acquiring digital colour aerial ortho-photography for the region. Geo-referenced tiff images are available for purchase or use. Any purchase or use is subject to a licensing agreement, available on request.

The agreement may vary depending on the purchase or use and it is at the Council's sole discretion whether such an agreement is entered into.

Typical clauses in purchase agreements:

1. The owners will supply the aerial photography to the purchaser as GIS compatible geo-referenced tiff tiles and the associated registration file, with each tile scale covering 2500m x 3750m.
2. The said aerial photography is supplied to the purchaser for internal use only and may not be sold or distributed in any format.
3. The purchaser will not make the said aerial photography available to any other organisation or person in any form.
4. The purchaser will refer any request for derived or associated products by any third party, to the owners.

All hardcopies of the aerial photography produced by the purchaser for its own use shall be endorsed with a statement that the aerial photography is copyright and may not be reproduced in any form without the consent of the "Owners".

## Appendix 16: continued

Purchase of small sets of 1:5000 tiles, for an organisation's own internal use: \$50 per tile plus compilation costs at the standard charge rate per hour and GST.

Purchase of large sets of 1:5000 tiles: Price negotiable, including recovery of compilation costs at the standard charge rate per hour and GST.

Use of sets for research purposes: Price negotiable, including compilation costs at the standard charge rate per hour and GST.

### 9. Publication Charges for RMA and Miscellaneous documents

Plan	\$ GST Incl.
Regional Policy Statement	46.00
Regional Coastal Plan	206.50
Regional Air Quality Plan	46.00
Regional Water and Soil Plan	165.50
Integrated Transport Study	36.00
Regional Land Transport Strategy	56.00
Heavy Traffic Volumes in Northland	20.50
Oakleigh-Marsden Point Rail Link Project	20.50
On-site Wastewater Disposal from Households and Institutions	20.50
CDs of Plans	20.50

Any Council publications not made freely available to ratepayers may be purchased at cost from the Council.  
Contact the Council for further details.

# glossary and abbreviations

<b>Activity</b>	A good or service provided by, or on behalf of, a local authority or council-controlled organisation; includes the performance of regulatory and other governmental functions.
<b>Annual Plan</b>	A business plan identifying a series of actions to be taken to achieve desired outcomes.
<b>CDEM</b>	Civil Defence Emergency Management.
<b>Community Outcomes</b>	The outcomes for the Northland Region that are identified as priorities for the time being. These outcomes reflect the combined aspirations of people in Northland and as such belong to the community and not to the Regional Council.
<b>Conductivity</b>	The conducting power of a specified material.
<b>Consultation</b>	A dialogue between the Council and the community aimed at deciding the best course of action on a particular issue.
<b>Council-Controlled Organisation</b>	An organisation in which the Council directly or indirectly controls more than 50% of the votes at meetings of that entity.
<b>Democracy</b>	Active participation by citizens in decision making processes that ensures the Council is accountable to residents, ratepayers and the community for its decisions and activities.
<b>DOC</b>	Department of Conservation.
<b>Draft Plan</b>	Northland Regional Council publishes a draft plan so that the community can make comments (through submissions) before the Plan is finalised.
<b>Ecosystem</b>	A natural unit consisting of all plants, animals and micro-organisms in an area functioning together with all of the non-living physical factors of the environment.
<b>FNDC</b>	Far North District Council.
<b>Funding and Financial Policies</b>	These describe how the Council's work will be paid for and the mechanisms for gathering the funds (such as general rate, targeted rates, user charges, grants).
<b>GDP</b>	Gross Domestic Product.
<b>General Rate</b>	A rate levied across all properties for activities that benefit the whole Region.
<b>Governance</b>	Is how the Council oversees the effective and responsible management of resources, delivers services, and sets the strategic direction for the Region including how it engages with the community (representation).
<b>Grants</b>	Grants are available from central government and statutory organisations where there are national benefits or the grants are part of a policy to promote a particular activity or project.
<b>Group of Activities</b>	A Group of Activities means one or more related activities provided by, or on behalf of, the Northland Regional Council and Council-Controlled Organisations.
<b>Iwi</b>	A Maori tribe, usually comprised of a number of hapū (sub tribes) which share a common ancestor.
<b>Joint Venture</b>	A commercial or non commercial partnership between the Council and one or more other parties in which all those involved work together to try and obtain a mutually beneficial set of outcomes.
<b>Kaitiakitanga</b>	The exercise of guardianship; and in relation to a resource. It includes the ethic of stewardship based on the nature of the resource itself.
<b>KDC</b>	Kaipara District Council.
<b>Levels of Service</b>	These are defined service parameters for a particular group of activities. They are described in terms of measures and targets.
<b>LGOIMA</b>	Local Government Official Information and Meetings Act, 1987
<b>LGA</b>	Local Government Act 2002
<b>Local Government Act 2002</b>	The legislation that explains what the Council's responsibilities are to the Community and how it must fulfil them.
<b>Long Term Community Plan (LTCCP)</b>	Northland Regional Council must, at all times, have an LTCCP which must cover a period not less than 10 consecutive financial years. It includes descriptions of the activities Northland Regional Council will engage in over the life of the LTCCP, why Northland Regional Council plans to engage in its activities and how those activities are to be funded.

MAF	Ministry of Agriculture and Forestry.
Measures	Measures are used to report on progress towards achieving community outcomes. They are also used to show progress towards meeting levels of service.
MFE	Ministry for the Environment.
NAES	Natural Areas of Ecological Significance.
NIF	Northland Intersectoral Forum.
Northland Community Plan	Long Term Community Plan (LTCCP) for Northland
NZTA	New Zealand Transport Agency
Particulate matter	(PM <sub>10</sub> ) – Small solid or liquid particles.
RAQP	Regional Air Quality Plan.
Renewable	Is something that can be used over and over again without running out – e.g. solar energy.
Resource Management Charges	Northland Regional Council charges for services associated with managing the natural environment. These services include processing and monitoring resource consents, and preparing and changing the Regional Policy Statement and Regional plans.
RMA	Resource Management Act 1991.
RMZ	Riparian Management Zone.
RPMS	Regional Pest Management Strategy.
RPS	Regional Policy Statement.
RTC	Regional Transport Committee.
RWASP	Regional Water and Soil Plan.
Special Consultative Procedure	A specific procedure for the way that the Council must consult with the community as required by the Local Government Act 2002.
Submission	Feedback or suggestion from a citizen or group on an issue.
Sustainable Development	One definition is the development that meets the needs of current generations without compromising the ability of future generations to meet their own needs. Another definition is that sustainable development is development that takes into account the four well-beings, environmental, economic, cultural and social well-being.
Sustainability	Using all of our resources in such a way that they can be maintained in perpetuity.
Taitamariki	Young men, young women, youth.
Tāngata Whenua	People of the land, the people who hold the turangawaewae and the manuhenua in an area, according to tribal and hapū custom.
Taonga	Treasures, possessions, including both tangible and intangible treasures, for example, the Māori language.
Targeted Rate	A rate levied for activities that benefit only a part of the region (previously called 'separate rates').
Territorial Local Authority (TLAs)	Local territorial authorities include all district and city councils.
Te reo	The language (Māori).
Tikanga Māori	Māori concepts.
User pays	Where an individual benefits directly from a service, or creates the need for a service, then appropriate fee and charges are made.
Wāhi tapu	Places of sacred and extreme importance.
WDC	Whāngārei District Council.
Well-being	Councils are required to consider the future well-being of the community when they plan their activities. This involves social, economic, environmental and cultural well-being.





## Putting Northland first

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