

Annual Plan 2007-2008

Including amendments to the
Northland Community Plan 2006-2016



Caring for Northland
and its environment

NORTHLAND
REGIONAL
COUNCIL 

Mission Statement

The Northland Regional Council will provide policies, guidance and resources which encourage and enable the Northland community to manage and enhance its environment in a sustainable manner.

Ka whakatakotohia e te Kaunihera A Rohe O Te Tai Tokerau ngaa kaupapa ture, nga kaupapa hei arataki me nga rawa hei whakahau kia taea ai e nga tangata o te Tai Tokerau te whakahaere me te whakatairanga a ukauka i te taiao.

Northland Regional Council Values

- Environmental stewardship
- The cultures of the region
- An informed community
- Working relationships
- Openness and integrity
- Caring about the customer and delivering value
- Flexibility and innovation

Northland Regional Council Annual Plan 2007-2008

**Including amendments to the
Northland Community Plan 2006-2016**

**Adopted by the Northland Regional Council
at a meeting held on 20 June 2007.**

You can also view the Annual Plan on the
Council's website: www.nrc.govt.nz.



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

Ko te wehi kia Ihoa te timatatanga o te whakāro nui.

He maungarongo ki te whenua, he whakāro pai ki nga tangata katoa a, kia noho ai te aroha o Ihoa ki runga ki a tatou katoa.

TIHEWA MAURIORA!

E nga Iwi, e nga mana, e nga huihuinga tangata, nga mātua, nga whaea, nga kaumātua kuia hoki e noho mai na ki era o tatou wā kainga puta noa i te Taitokerau, tena koutou, tena koutou, tena koutou.

Tena ra koutou i o tatou aitua maha e hinga mai nei e hinga atu ra i runga ano te korero “He rarangi maunga tu te ao tu te po, he rarangi tangata e heke iho ana e heke iho ana”. Otira, kua okioki ratou, kua hoki ratou ki te kainga tuturu mo tatou mo te tangata, no reira haere koutou e nga mate, haere haere haere. Kaati mo ratou.

Anei nga whakarapopototanga o nga tikanga-a-tau mo Te Kaunihera A Rohe O Te Taitokerau.

I roto i te whakatakotoranga o enei tikanga, e rapu ana te Kaunihera i nga reo tautoko mai i nga iwi o Te Tai-tokerau, hei whakamana i a matou hei kaiwhakatutuki i enei tikanga, kia oti tahi ai tatou nga kaupapa kaitiaki i nga taonga tapu i tukua ki runga i a Papatuanuku.

No reira, e mihi tonu ana kia koutou e rau Rangatira ma, ko toku tino tumanako kia tau iho nga manaakitanga o Te Runga Rawa ki runga i a tatou i nga wa katoa.

Huri no i te rohe o Taitokerau, tena koutou, tena koutou, kia ora mai ano tatou katoa.

The creation of thought itself is born out of our devotion to the Almighty therefore may peace and goodwill reign amongst us all who dwell upon the Earth.

To the people of Northland, we extend our heartfelt greetings and acknowledge those beloved souls who have passed on beyond the veil. As the ancient saying goes “Lofty mountains stand for all eternity, mankind exists fleetingly upon the landscape” therefore we are all joined in wishing our dearly departed peaceful and eternal rest.

We present here, the Northland Regional Council’s Annual Plan. It sets out the direction Council will take over the next year to manage Northland’s environment for current and future generations.

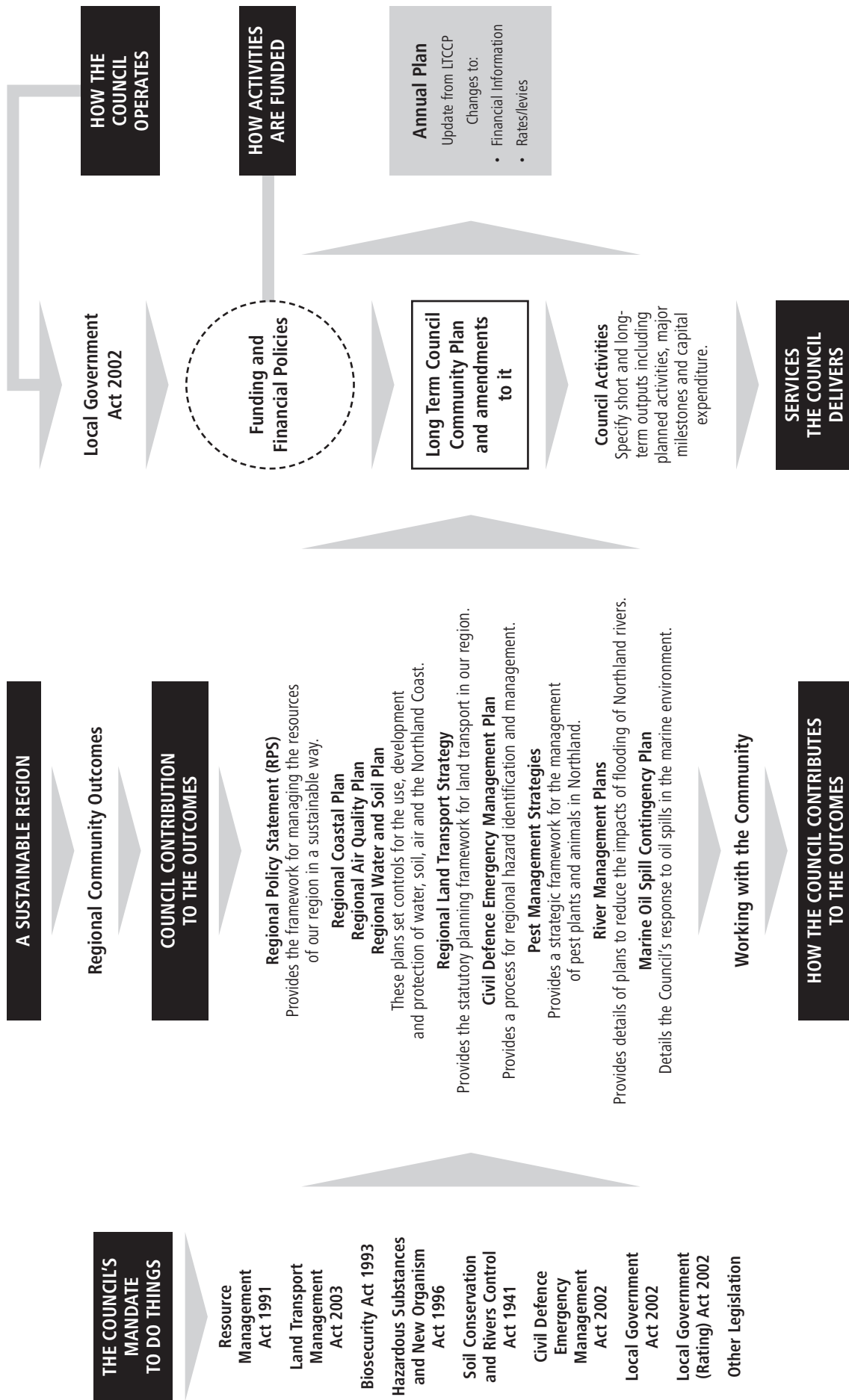
In setting this down we look to you, the people of Northland, for the mandate to carry it out so that together, we may achieve the wise management of the environment.

May we be blessed in doing so, therefore to you the people of Northland, we thank you once, we thank you twice and thank you yet again.

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Council Planning Processes



Welcome to Northland Regional Council's Annual Plan 2007-2008

This is the second Annual Plan produced by the Northland Regional Council under the Local Government Act 2002. The main purpose of the Annual Plan is to provide updated financial information on the budget and rates for the 2007-2008 year, and to offer the community the opportunity to help determine where and how the budget is spent.

The Annual Plan 2007-2008 supports the Council's second Long Term Council Community Plan (known as the Northland Community Plan 2006-2016) finalised last year, and focuses on identifying any changes or additions, rather than repeating the detailed information contained in the Community Plan.

As indicated in the Northland Community Plan 2006-2016, the Council undertook further consultation on the funding of the Interim Kaihu River Management Plan before formally adopting it on 18 October 2006. The Interim Kaihu River Management Plan reflects the Council's decision to fund the works indicated in the Plan by way of a targeted differential rate based on land area from 1 July 2007.

Further details on the proposed funding of the interim Kaihu River Management Plan can be found on pages 35 to 37 of this plan.

Except where noted, the plans and activities established in the Northland Community Plan 2006 - 2016 apply to this Annual Plan and the 2007-2008 operations of the Council. Therefore, it is important that this Annual Plan is read in conjunction with the Northland Community Plan 2006 - 2016. Full details of Council levels of service, performance measures and targets are included in Appendix A. Copies of the Community Plan are available from the Council or from the Council's website www.nrc.govt.nz

Statements of Proposal to the Northland Community Plan 2006-2016

Under the Land Transport Management Act 2003, the Regional Council is required to prepare an Annual Regional Land Transport Programme outlining its regional transport management and passenger services administration activities for the coming year. Further details can be found on pages 43 to 46 of this plan.

The Navigation, Water Transport and Maritime Safety Bylaw Charges 2005 have been updated to reflect increased costs associated with the regulation of navigation safety in Northland. Further details can be found on pages 47 to 51 of this plan.

The Northland Regional Council has amended the Northland Community Plan 2006-2016 to contribute funding to the designation of an Oakleigh to Marsden Point Rail Link Corridor. This will involve the Council contributing funding (in partnership with other interested parties) to the designation process, and any associated land purchases if required. Further details can be found on pages 52 to 60 of this plan.

The Council has also amended the Northland Community Plan 2006-2016 by deciding to establish an Infrastructure Development Authority as a funding vehicle for delivering significant regional infrastructure projects in Northland. Further details can be found on pages 61 to 65 of this Plan.

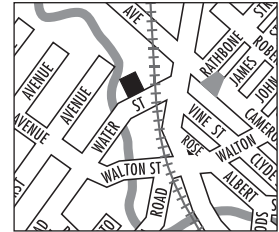
Excluding the variations and amendments to the Northland Community Plan 2006-2016 detailed above, the changes from what the Council had expected to happen in 2007-2008 are relatively minor, with some additional initiatives and refinement of costs as more information has become available. Specific variations affecting the Council's groups of activities are referred to on pages 27 to 42.

Council Offices

Northland Regional Council Address and Contact Details

Main Office

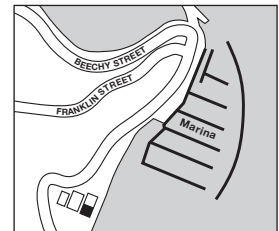
Street Address: 36 Water Street, Whangarei.
Postal Address: Private Bag 9021, Whangarei 0140.
Telephone No: 09 438 4639
Facsimile No: 09 438 0012
E-mail: mailroom@nrc.govt.nz
Freephone: 0800 002 004
24/7 Environmental Hotline: 0800 504 639
Website: www.nrc.govt.nz



Whangarei

Opua Office

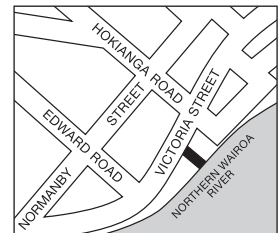
Street Address: Unit 10, Opua Marine Park, Opua 0200.
Telephone No: 09 402 7516
Facsimile No: 09 402 7510



Opua

Dargaville Office

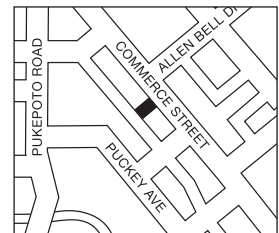
Street Address: 61B Victoria Street, Dargaville 0310.
Telephone No: 09 439 3300
Facsimile No: 09 439 3301



Dargaville

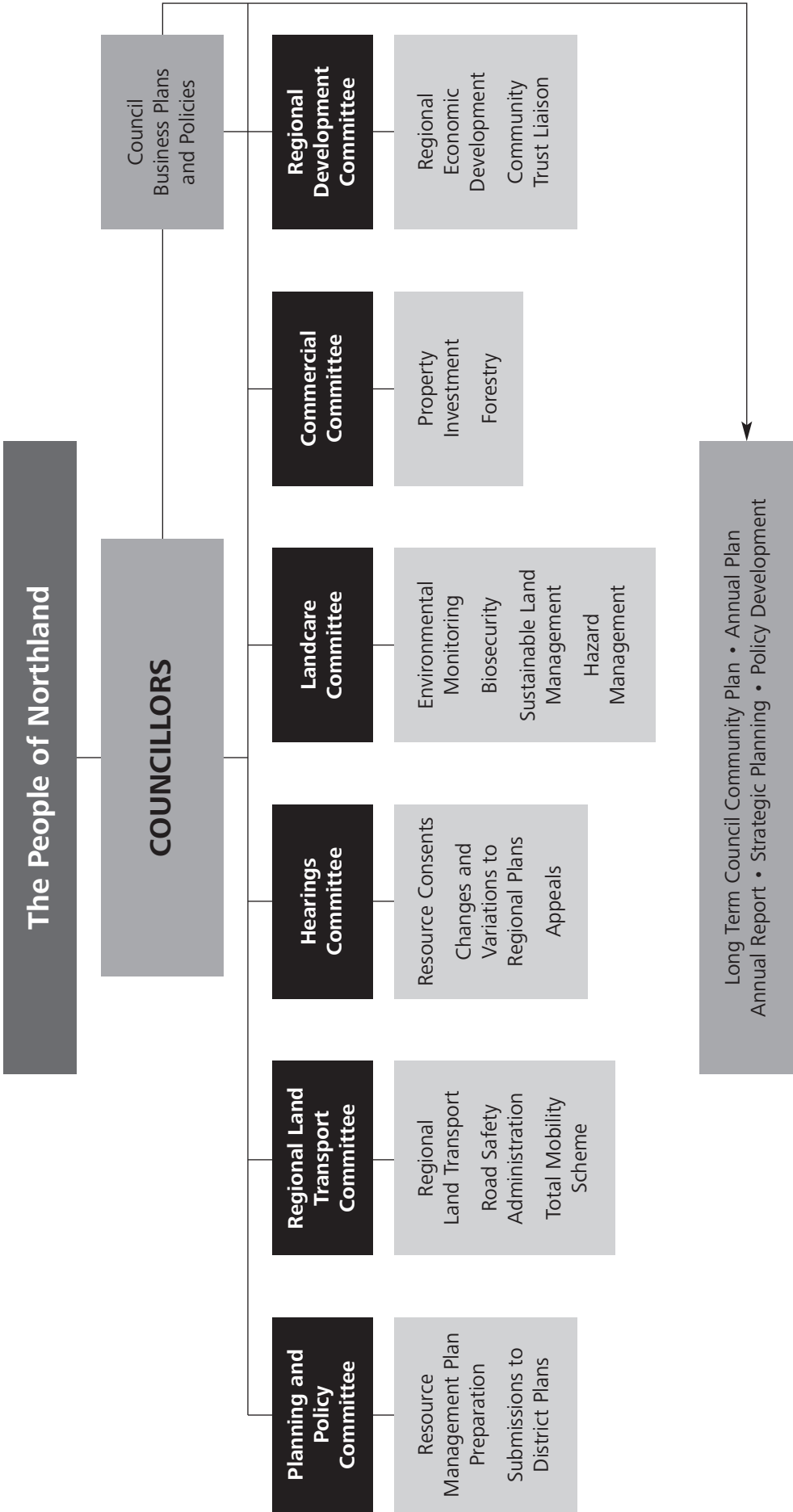
Kaitaia Office

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



Kaitaia

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

A Word from the Chairman and Chief Executive Officer

Northland is in the fortunate position of having all its regional planning documents in place and operative.

These Plans have been through a rigorous public process and set a clear framework for the sustainable management of Northland's unique natural and physical resources – our water, soil, air and coast.

However, as a region we have often lagged behind the rest of New Zealand in infrastructural terms and despite some significant gains, continue to pay a price for decades of under-investment in areas like roading, rail and sewage treatment. In addition, there is a need to keep up with modern technology, such as broadband.



The Regional Council is now positioned to facilitate efforts to address some of the region's more pressing infrastructural needs and the 12 month period this Annual Plan covers will see us embark on several much-needed major projects.

Key amongst these will be:

- spending about \$1M (excl GST) from reserves to help fund the designation of an Oakleigh to Marsden Pt rail corridor
- establishing (subject to a satisfactory business case study) an Infrastructure Development Authority as a funding mechanism for future infrastructure projects
- a \$100,000 contribution to dredge Whangarei's Hatea Channel, with another \$100,000 earmarked for navigation aids in the 2008-2009 year. Consideration will also be given to ways that trailer boat owners can contribute to navigation aids
- introducing a new Kaihu River Rate to fund river maintenance work on the Kaihu River, which will affect about 400 landowners in the Kaipara District. As a result of changes made during public consultation on the Draft version of this Annual Plan, the rate is now expected to net the Council about \$80,000 (incl GST) over the next 12 months, \$58,000 less than first proposed in the Draft Plan.

These initiatives – and a number of others outlined in this document – take into account a large number of submissions made during public consultation on this Annual Plan. Our thanks to the many people who took the time to make submissions; your efforts are greatly appreciated and have led to a number changes in this final version.

Monitoring and enforcement – of water quality (sewage and other pollution) continue to be a concern for Northlanders and will once again be an important priority for Council.

The Regional Council's continuing commitment to our environment is clearly indicated through our Environment Fund, which over the past decade has provided more than \$1M to help people improve and protect Northland's natural environment.

Also on the environmental front, the Northland Regional Council intends to lobby Central Government over both Genetic Engineering and climate change issues. Council believes climate change should be addressed at the highest level through a national policy statement which clearly sets out what is required of Local Government.

Meanwhile, in response to submissions made on our Draft Annual Plan, Council has also decided to re-address the issue of liability over GE and will be lobbying Central Government hard to ensure this important matter is resolved satisfactorily.

We also plan to work with a variety of people and sectors to try to find workable solutions to Northland's high reliance on energy supplies from outside our region and to try to make significant regional gains in terms of broadband availability.

The route we collectively pursue over the next 12 months, and indeed the next several years, will determine the fortunes – economically, socially, environmentally and culturally – of Northland for years to come.

Real success will come only when the entire region benefits, not just certain geographic or socio-economic groups. As a region with a high Maori population, it is also vital to ensure we maximise the potential for tangata whenua involvement.

Also crucial to this success is a further strengthening of the relationships between Northland's local authorities. Together – with the support of our communities – we can maximise our collective leverage for the benefit of our entire region, while at the same time ensuring bottom line environmental parameters are safeguarded.

The proposed rail link designation is a good example of Northland's local authorities supporting a worthy project and enjoys the backing of all three District Councils.

As proposed, the NRC will fund a one-third (\$3.34M) share in a \$10M scheme to designate the rail link corridor. We believe this rail link will offer a host of benefits and is vital given the contribution the rapidly developing Bream Bay area already makes to Northland's regional economy through its port and other businesses.

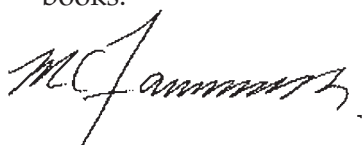
Although the total cost of the approximately 16km long rail link is estimated at about \$120M, the Council is currently proposing only a \$10M (GST exclusive) first stage – paid for over the next three years - to secure the route and provide some certainty to the landowners involved.

The proposed financing would see the Regional Council, rail network operator ONTRACK and Central Government each contribute a \$3.34M one-third share of the \$10M needed.

The Council intends to spend about \$1M (excl GST) from its reserves to meet its first-year share of the designation costs and is pleased to be able to do this but still keep the increase in its 2007/08 rates below that forecast last year in its 'Northland Community Plan 2006-2016'.

Overall, Council plans to collect \$9.71M (incl GST) in rates in 2007-2008 – an increase of almost \$1.1M or 12.8 percent on the current year – with the bulk of the balance of its \$36.2M 2007-2008 budget coming from investments, fees and charges, and a one-off loan of \$12M to fund a \$12.5M grant for the proposed Regional Events Centre. (This grant was originally planned to occur in the 2006-2007 year but has been deferred and is now included in the 2007-2008 budget.)

But even with the proposed 12.8 percent rise, total Regional Council rates will still remain relatively low, with an average annual bill of \$121 (incl GST) for each of the 80,125 rateable properties on its books.



Mark Farnsworth
Chairman



Ken Paterson
Chief Executive Officer

Your Regional Councillors



Mark Farnsworth, Chairman

Mark Farnsworth has represented the Kaipara constituency since the early 1990s and was elected Council Chairman in October 2001. He has a Master's degree in Geography from Auckland University, a background in forest management and is also a past National President of the New Zealand School Trustees Association. Cr Farnsworth retains a keen interest in education and professional development, is a company director and operates a small management services partnership.

Phone: 09 431 5438 E-mail: markf@nrc.govt.nz



Peter Jensen, Deputy Chairman

Peter Jensen has represented the Whangarei constituency since 1992. He is a businessman who has been involved in the clothing industry for most of his working life. A former member of the Whangarei City Council, he has served on a number of commercial and community organisations. Cr Jensen is also a member of the Northland District Health Board.

Phone: 09 437 6386 E-mail: peterje@clear.net.nz



Craig Brown

Craig Brown is a former Mayor of the Whangarei District Council and is serving his first term on the Regional Council. He is a former policeman, and has been involved in farming and real estate. 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 Whangarei District Council for 12 years, six of them as Mayor. His aim has been to advance the region's economic growth in a sustainable way.

Phone: 09 432 7575 E-mail: cae.brown@xtra.co.nz



Lorraine Hill

Lorraine Hill, QSM, has been active in local government in the Far North for 23 years and is now serving her third term on the Regional Council. She serves on various community committees, is a Community Representative for the Ministry of Social Development and is also a member of the Ministerial Advisory Committee for recreational fishing.

Phone: 09 403 7504 E-mail: lorrainehill8@xtra.co.nz



Jim Peters

Jim Peters has represented the Far North constituency as a Regional Councillor since 1989 and was Chairman of the Council from 1995 to 2001. From 2002 to 2005 Cr Peters was a NZ First Member of Parliament and a member of the Local Government and Environment Select Committee. He has a BA degree and Diploma in Teaching, and was Principal of Northland College. He has been involved in education, farming, forestry and a number of community organisations, and is currently the University of Auckland's Pro-Vice Chancellor (Maori).

Phone: 09 401 0911 E-mail: jimpeters@xtra.co.nz



Bill Rossiter

Bill Rossiter is serving his third term on the Regional Council. He previously served as a Whangarei District Councillor. Cr Rossiter is a Northpower Trustee and is a previous Road Safety Co-ordinator for RoadSafe Northland. He is active in community organisations, including Rotary. Cr Rossiter is also Chairman of the Maunu Children's Health Camp.

Phone: 09 437 2807 E-mail: billr@igrin.co.nz



Stan Semenoff

Stan Semenoff is a former Mayor of the Whangarei District Council between 1989 and 1998, has been Deputy Chairman of the Northland Regional Council and Northland Port Corporation and is currently Deputy Chairman of the Northland District Health Board. He rejoined the Northland Regional Council as a Whangarei representative in 2001 after a break of nine years. Cr Semenoff was a member of the Northland Harbour Board. He is owner of substantial trucking businesses in Northland, has an interest in a sand supply company, is a large-scale beef farmer and commercial land developer. He currently holds a directorship on the Board of Northland Port Corporation (NZ) Ltd.

Phone: 09 437 6226 or 027 475 0228 E-mail: stan.sem@xtra.co.nz



Ian Walker

Ian Walker is completing his second term representing the Far North constituency. Ian holds a Master's degree in business and has enjoyed a successful business career across a number of industries. For the last 15 years he has been involved with his own business interests in farming, horticulture, and retailing. He has had a long involvement in rural advocacy in Northland at both local and national level. He is the current President of the new organisation Farmers of New Zealand Inc., and holds directorships on the Boards of Northland Port Corporation (NZ) Ltd and Paperplus NZ Ltd.

Phone: 09 408 0072 E-mail: ian@nzfarmers.com

Council Committees

The Chairman, Mark Farnsworth, is an ex officio member of all committees.

Planning and Policy Committee

Councillors Peter Jensen (Chairman), Mark Farnsworth, Lorraine Hill, Jim Peters, Craig Brown, Ian Walker, Bill Rossiter and Stan Semenoff.

Mayor Yvonne Sharp	– representing the Far North District Council
Mr Greg Martin	– representing the Whangarei District Council
Mayor Peter King	– representing the Kaipara District Council
Yet to be appointed	– representing Iwi

Landcare Committee

Councillors Craig Brown (Chairman), Mark Farnsworth, Jim Peters, Peter Jensen and Ian Walker.

Mr Joe Carr	– representing the Far North District Council
Ms Ann Shaw	– representing the Whangarei District Council
Mr Neil Tiller	– representing the Kaipara District Council
Mr Wayne Ward	– representing the farming community and Federated Farmers of NZ
Mr Terry Higginson	– representing environmental interest groups
Mr Chris Jenkins	– representing the Department of Conservation
Andrew Warren	– representing NZ Forest Owners Association
Yet to be appointed	– representing Iwi

Regional Land Transport Committee

Councillors Bill Rossiter (Chairman), Mark Farnsworth, Jim Peters, Craig Brown and Stan Semenoff.

Mr Tom Baker	– representing the Far North District Council
Phil Halse	– representing the Whangarei District Council
Mr Richard Alspach	– representing the Kaipara District Council
Mr Peter Kippenberger	– representing Land Transport NZ

Representing Economic Development:

Mr Paul Scott	– NZ Transport Association
Mr Phil McQueen	– Ontrack
Yet to be appointed	– Toll New Zealand

Representing Safety and Personal Security:

Clifford Paxton	– New Zealand Police
Mr Peter Spies	– Transit New Zealand

Representing Access and Mobility:

Mr John Williamson	– Automobile Association
Mr Gavin Roberts	– NZ Bus and Coach Association

Representing Public Health:

Ms Lynette Stewart	– Northland Health
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Representing Environmental Sustainability:

Mr Steve Westgate

Representing Cultural Interests:

Mr Erima Henare

Commercial Committee

Councillors Stan Semenoff (Chairman), Mark Farnsworth, Bill Rossiter and Peter Jensen.

Hearings Committee

Councillors Lorraine Hill (Chairperson), Mark Farnsworth, Peter Jensen, Craig Brown, Jim Peters, Bill Rossiter and Ian Walker.

Any two (or more) of the above Councillors may be appointed by the Committee, (or the Council), to conduct hearings and make decisions on behalf of the Council under the Resource Management Act 1991. The Committee (or the Council) similarly may appoint any individual member/s or other independent person/s as Commissioner/s pursuant to Section 34(1) of the Resource Management Act 1991 (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.

Regional Development Committee

Councillors Ian Walker (Chairman), Mark Farnsworth, Peter Jensen, Jim Peters, Craig Brown and Stan Semenoff.

Mayor Pamela Peters – representing the Whangarei District Council
Mayor Peter King – representing the Kaipara District Council
Mayor Yvonne Sharp – representing the Far North District Council

Northland Regional Council Community Trust

The Northland Regional Council Community Trust was established on 25 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 Mike Simm (Chairman), Rawson Wright, Andrew Britton, Richard Drake, Marilyn Barnes, Bill Shepherd, Irene Durham and Jane Hindle.

Representation – Other Organisations

Northland Civil Defence Emergency Management Group – Councillor Peter Jensen (Chairman).

Advisers

Auditor: Audit New Zealand on behalf of the Auditor-General.
Banker: ASB Bank;
Bank of New Zealand.
Solicitors: Chapman Tripp Sheffield Young, Auckland;
John A Burns, Auckland;
Karenza de Silva, Auckland;
John Walton, Auckland;
Paul Diver, Auckland;
Simpson Grierson, Auckland;
Webb Ross Johnson, Whangarei.

Funding Impact Statement

(All figures are GST exclusive, unless stated otherwise)

The total estimated operating expenditure for the Northland Regional Council for 2007-2008 is \$32,170,254 which includes a one-off capital grant of \$12,500,000 for capital works on a regional events centre. The capital works grant will be funded by a loan that is recovered by the regional recreational facilities rate for the term of the loan. The 2007-2008 expenditure excluding this grant is \$19,670,254 compared to ordinary operating expenditure in 2006-2007 of \$17,860,246. This increase in expenditure of \$1,810,000 is funded by increased investment revenue of \$766,000, plus increases in rates of \$977,000 with the balance funded from reserves.

A new rate is proposed to fund specific activities. The Kaihu River rate is proposed to be levied on properties in the Kaihu River Flood Protection Scheme. This will fund river protection works as outlined in the interim Kaihu River Management Plan.

The proposed capital expenditure for Council operational and investment assets totals \$7,214,980 consisting of new capital expenditure for 2007-2008 of \$2,765,350 and capital expenditure for 2006-2007 carried forward to 2007-2008 of \$4,449,630. This total capital expenditure includes the cyclical replacement of plant and equipment, (\$1,825,000 for information technology; \$325,000 to complete office maintenance; \$522,000 operational equipment), \$182,000 for the Awanui River Flood Management Plan, \$3,362,000 for commercial property upgrade and an allocation of \$1M from reserves to designate and purchase land for the Marsden Point rail link corridor.

Operating expenditure will be funded by the sources set out in the Council's Revenue and Financing Policy adopted on 14 June 2006, including amendments adopted on 20 June 2007. The sources include investment income, fees and charges, a minor sum from Government subsidies for transport planning and oil spill planning and management. Rates revenue is calculated to recover the balance of gross expenditure after allowance has been made for the former classes of revenue. No uniform annual general charges will be applied.

Targeted rates

Pursuant to the Northland Regional Council's rating policies set out on pages 87 to 120 of the Long Term Council Community Plan 2006-2016 adopted in June 2006, rates will be targeted and differentiated in order to direct rate funding to activities suited to either fixed and/or differentiated rates. The Council does not set general rates on land values, or any annual general uniform charges.

Based on the budget approved and adopted on 20 June 2007, the Council resolved to strike the following targeted rates for 2007-2008:

1. Targeted Fixed Environmental Rate for 2007-2008

A fixed, targeted environmental rate differentiated by location and based on the 10 year average capital value of the constituent districts of the Northland Region, to recover the costs of environmental and resource management planning activities. This rate, differentiated by location, is calculated on the total capital value of each constituent district in the Northland region. A differentiated fixed rate per separately used and inhabited part of each property (rating unit) or part property used for separate purposes links better to environmental planning, education, public advice, the public good elements of issuing resource consents, regional advocacy and transport planning where the link to land value is weak.

The fixed environmental rate payable in respect of each rating unit in the Kaipara District, and each separately used or inhabited parts of rating units in the Far North and Whangarei Districts of the Northland region, will be levied as follows:

	GST Inc.
Far North constituency	\$46.45
Kaipara constituency	\$55.15
Whangarei constituency	\$55.60

The estimated total environmental rate amounts to \$4,145,651 (GST inclusive) for the 2007-2008 financial year.

2. Targeted Land Management Rate for 2007-2008

A targeted land management rate of \$0.000185 per dollar (less than 1 cent per dollar) on the land value of each rating unit in the constituent districts of the Northland region to recover the estimated costs of land and river management planning and biosecurity activities including pest control, that have a direct impact on and relationship to land. The Northland community benefits from the protection of forests, the prevention of soil erosion, productive agricultural land and the minimisation of damage by floodwaters and adverse impacts on the quality of natural water.

The uniform targeted land management rate will be levied on the land value of all rateable property in the Northland region based on the district valuation rolls at the close of 30 June.

The estimated total land management rate for 2007-2008 amounts to \$3,121,993 (GST inclusive) or \$18.50 per \$100,000 of land value for each rating unit in the Kaipara District, and each separately used or inhabited parts of rating units in the Far North and Whangarei Districts of the Northland region.

3. Targeted Awanui River Flood Management Rates for 2007-2008

A targeted Awanui River Flood Management Plan Rate for the 2007-2008 year, differentiated by location, use and area of benefit as follows:

	GST Incl.
1. Urban rate class UA (floodplain location) \$112.50 direct benefit plus \$11.25 indirect benefit, total per each separately used or inhabited parts of a rating unit:	\$123.75
2. Urban rate classes UF (higher ground) \$11.25 direct benefit plus \$11.25 indirect benefit, total per rating each separately used or inhabited parts of a rating unit:	\$22.50
3. Commercial differential factor:	3.00
4. Rural rate differentiated by class, \$11.25 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 Kaitaia Flood Rating District.	

The rating classifications are illustrated as follows.

Awanui River Flood Management Plan Rate: Description

Class	Description	Rate per Ha/\$ GST Incl.
A1/A2	Maximum benefit; peat basins, low-lying reclaimed tidal land; alluvial land at risk from frequent ponding and flooding.	28.125
B1/B2	High benefit land subject to floodwater flows but not ponding as floods recede.	21.09
C	Moderate benefit; land floods less frequently and water clears quickly.	14.06
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.	1.125

It is expected that the targeted Awanui River Flood Management Plan Rate will provide funding of \$472,500 (GST inclusive) in the 2007-2008 financial year. The revenue sought from each category of rateable land will be as follows:

		Total Revenue \$ GST Incl.
Class A	Rural	83,643
Class B	Rural	64,366
Class C	Rural	24,792
Class F	Rural	23,109
Indirect benefit	Rural	21,454
Urban A		199,238
Urban F		15,863
Commercial differential	Majority Urban	40,035
Total Rate		\$472,500

4. Targeted Kaihu River Flood Management Rates for 2007-2008

A targeted Kaihu River Flood Management Plan Rate for the 2007-2008 and subsequent years, differentiated by location and area of benefit as illustrated applied to each rating unit within Kaihu River Flood Management area.

Class	Description	Rate per Ha/\$ GST Incl.
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck	\$22.50
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck.	\$11.25
Catchment Rate	Balance of rateable land within the Kaihu River rating area.	\$1.69
Urban Contribution	A contribution from Kaipara District Council instead of a separate rate per property.	\$5,000 per annum

		Total Revenue \$ GST Incl.
Class A		25,267
Class B		17,393
Catchment Rate		31,661
Urban Contribution		5,625
		\$79,946

It is proposed that the Targeted Kaihu River Flood Management Plan Rate will provide funding of \$79,946 in the 2007-2008 financial year.

5. Targeted Northland Regional Recreation Facilities Rate for 2007-2008

A targeted, fixed Regional Recreation Facilities rate payable on each rating unit in the Kaipara District and each separately used or inhabited part of each rating unit in the Far North and Whangarei Districts of the Northland region, differentiated by location and targeted to constituent districts as follows:

	GST Incl.
Far North District Council	\$11.25
Kaipara District Council	\$11.25
Whangarei District Council	\$39.38

It is estimated that this Targeted Rate will provide funding of \$1,892,144 (including GST) in the 2007-2008 financial year.

Summary

The above five estimated rates 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 will differ from those used in these calculations. The effect on the fixed charge or cents in the dollar LV rates is not expected to be material in the first year of this plan.

The same basis for calculating rates has been adopted for the term of this community plan but it should be noted that the estimates for the medium to 10 year, including price level changes, may differ from the actual rates to be made in future years, and those differences may be material.

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 District, Kaipara District and Whangarei 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 District, Kaipara District and Whangarei District Councils to determine a rating unit within each district.

The following tables show the total rates that different groups of ratepayers will incur under this Plan. These are estimates only and the final rate may be more or less than displayed below.

To determine the rates for any property, refer to the table opposite for that class of property and calculate the land management rate for the land value of your property at 0.000185. For instance, a residential ratepayer with a capital value of \$250,000 (or more or less) and a land value of \$110,000 will pay a total of \$115.36 as shown below.

Ratepayers in the Whangarei District constituency

Whangarei ratepayers will be levied per separately used and inhabited parts of rating units: (1) a fixed environmental rate, differentiated by location, based on the 10 year average capital value of the district at 30 June; (2) a targeted land management rate based on the land value of their property, and (3) a targeted fixed Regional Recreational Facilities Rate, differentiated by location.

Whangarei Urban/Rural/Other	Land Value	2007-2008
LV rate in the \$ = \$0.000185	\$	Rates \$
Residential property, fixed rate		55.60
Targeted land management rate	110,000	20.38
Targeted recreational facilities rate		39.38
Total Regional Rates		\$115.36

Whangarei Urban/Rural (continued)	Land Value	2007-2008
	\$	Rates \$
Residential property, fixed rate		55.60
Targeted land management rate	225,000	41.68
Targeted recreational facilities rate		39.38
Total Regional Rates		\$136.66

Farm property, fixed rate		55.60
Targeted land management rate	2,750,000	509.48
Targeted recreational facilities rate		39.38
Total Regional Rates		\$604.46

Commercial property, fixed rate		55.60
Targeted land management rate	2,000,000	370.53
Targeted recreational facilities rate		39.38
Total Regional Rates		\$465.51

Ratepayers in the Kaipara constituency

Kaipara ratepayers will be levied (1) a fixed environmental rate per rating unit, based on the 10 year average capital value of the district at 30 June and differentiated by location; (2) a targeted land management rate based on the land value of the property; (3) a targeted fixed Regional Recreational Facilities Rate, differentiated by location, and (4) the Kaihu River Flood Management Rate, based on land area, and level of benefit to land and rating units.

Kaipara Urban/Rural LV rate in the \$ = \$0.000228	Land Value \$	2007-2008 Rates \$		
Residential property, fixed rate		55.15		
Targeted land management rate	55,000	10.19		
Targeted recreational facilities rate		11.25		
Total Regional Rates		\$76.59		
Residential property, fixed rate		55.15		
Targeted land management rate	125,000	23.16		
Targeted recreational facilities rate		11.25		
Total Regional Rates		\$89.56		
Farm property, fixed rate		55.15		
Targeted land management rate	2,000,000	370.53		
Targeted recreational facilities rate		11.25		
Total Regional Rates		\$436.93		
Commercial property, fixed rate		55.15		
Targeted land management rate	900,000	166.74		
Targeted recreational facilities rate		11.25		
Total Regional Rates		\$233.14		
Property Kaihu River Catchment 10 hectares	Land Value \$	Class A	Class B	Class C
Fixed rate		55.15	55.15	55.15
Targeted land management rate	100,000	18.53	18.53	18.53
Targeted recreational facilities rate		11.25	11.25	11.25
Kaihu River flood management rate		225.00	112.50	16.88
Total Regional Rates		\$309.93	\$197.43	\$101.81
Property Kaihu River Catchment 100 hectares	Land Value \$	Class A	Class B	Class C
Fixed rate		55.15	55.15	55.15
Targeted land management rate	600,000	111.16	111.16	111.16
Targeted recreational facilities rate		11.25	11.25	11.25
Kaihu River flood management rate		2,250.00	1,125.00	168.75
Total Regional Rates		\$2,427.56	\$1,302.56	\$346.31

Ratepayers in the Far North constituency

Far North District ratepayers will be levied per separately used and inhabited parts of rating units: (1) a fixed environmental rate per separately used or inhabited part of a rating unit, differentiated by location in the Northland Region and based on the ten year average capital value of the District at 30 June; (2) a targeted land management rate based on the land value of the property; (3) the Awanui River Flood Management Rate, classes UA/UF and A to F, and (4) a targeted fixed Regional Recreational Facilities Rate, differentiated by location. All rates include GST.

Far North District		Land Value \$	Urban UA	Urban UF	Commercial	Rural	Rural	Rural	Rural
LV rate in the \$ = \$0.000185			Low Land \$	Hills \$	* Urban UA \$				
Urban area (1 hectare or less) Residential & Commercial									
Environmental fixed rate			46.45	46.45	46.45				
Targeted land management rate		45,000	8.34	8.34	8.34				
Awanui River flood management rate			123.75	22.50	371.25				
Targeted recreational facilities rate			11.25	11.25	11.25				
Total Regional Rates			\$189.79	\$88.54	437.29				
Lifestyle - 10 hectares									
Environmental fixed rate			46.45	46.45	46.45	46.45	46.45	46.45	46.45
Targeted land management rate		350,000	64.84	64.84	64.84	64.84	64.84	64.84	64.84
Awanui River flood management rate *			877.50	666.45	292.50	222.15	151.85	11.25	22.50
Targeted recreational facilities rate			11.25	11.25	11.25	11.25	11.25	11.25	11.25
Total Regional Rates		Rural	\$1,000.04	\$788.99	\$415.04	\$344.69	\$274.39	\$133.79	\$145.04
Farm property – No commercial differential – 100 hectares									
Environmental fixed rate			46.45	46.45	46.45	46.45	46.45	46.45	41.40
Targeted land management rate		2,750,000	509.48	509.48	509.48	509.48	509.48	509.48	509.48
Awanui River flood management rate			0	*Refer below	2,823.75	2,120.25	1,417.25	11.25	123.75
Targeted recreational facilities rate			11.25	11.25	11.25	11.25	11.25	11.25	11.25
Total Regional Rates			\$567.18	*Refer below	\$3,390.93	\$2,687.43	\$1,984.43	\$578.43	\$690.93

* Commercial properties are subject to the 3 : 1 commercial differential on class UA (\$123.75 including GST), and Rural A (\$28.125 per ha) and B (\$21.09 per ha) for the Awanui River flood 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.

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 2007-2008. 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 2007				District Valuation Roll Last Year - Values at 30 June 2006			
	Capital Value	Land Value	CV %	LV %	Capital Value	Land Value	CV %	LV %
Far North District	9,365,641	4,945,783	30.86	29.35	9,182,001	4,848,807	40.0	40.8
Kaipara District	4,534,378	2,965,938	14.94	17.60	4,534,378	2,965,938	19.7	24.9
Whangarei District	16,446,497	8,939,737	54.20	53.05	9,260,743	4,079,552	40.3	34.3
Total Valuation - Northland	\$30,346,516	\$16,851,458	100.0	100.0	\$22,977,122	\$11,894,297	100.0	100.0

Budgeted Rates 2006-2007 (including GST)	Fixed Environmental Rate (calculated on CV)		Land Management (calculated on LV)		Regional Recreation Facilities (fixed)		Awanui River Flood Management Plan (on area)		Kaihu River Flood Plan		Total Rates
	No of rating units (Kaipara) or separately used or inhabited parts of rating units (Other)	Fixed Rate \$ per SU/PU/RU	0.000228¢ \$	(calculated on LV)	Fixed Rate \$	(fixed)	Rural \$	Urban \$		All Districts \$	
Far North	31,840	1,318,176	41.40	1,106,049	358,200	11.25	217,364	255,136		3,254,925	
Kaipara	10,630	534,396	50.25	676,552	119,588	11.25				1,330,536	
Whangarei	35,210	1,710,066	48.55	930,576	1,386,394	39.38				4,027,036	
Totals	77,680	3,562,638		2,713,177	1,864,182		217,364	255,136		8,612,497	

Forecast Rates 2007-2008 (including GST)	Fixed Environmental Rate (calculated on CV)		Land Management (calculated on LV)		Regional Recreation Facilities (fixed)		Awanui River Flood Management Plan (on area)		Kaihu River Flood Plan		Total Rates
	No of rating units (Kaipara) or separately used or inhabited parts of rating units (Other)	Fixed Rate \$ per SU/PU/RU	0.000185¢ \$	(calculated on LV)	Fixed Rate \$	(fixed)	Rural \$	Urban \$		All Districts \$	
Far North	33,045	1,533,891	46.45	916,283	363,573	11.25	217,364	255,136		3,286,247	
Kaipara	11,280	621,848	55.15	549,486	121,381	11.25			79,946	1,372,661	
Whangarei	35,800	1,989,913	55.60	1,656,225	1,407,190	39.38				5,053,327	
Totals	80,125	4,145,652		3,121,994	1,892,144		217,364	255,136	79,946	9,712,236	

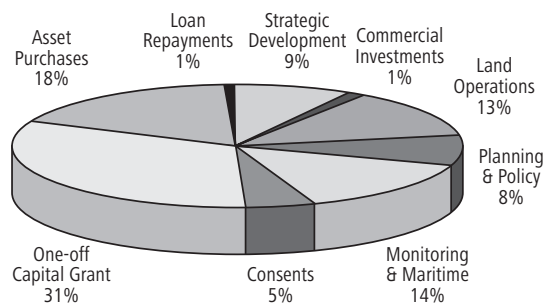
Expenditure and Funding Sources 2007-2008

Reference: Local Government Act 2002, Schedule 10, clause 13.

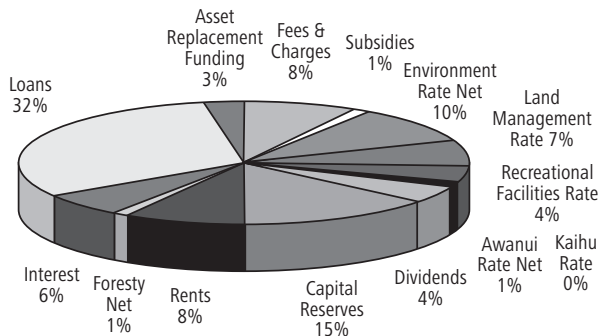
The expected expenditure and funding sources for the term of the Community Plan are given in this graph. For the 2007-2008 year, each dollar of Council gross expenditure will be applied to activities as follows; rates contribute the balance after fees and other income:

- Policy and resource management planning, including land transport planning (8 cents).
- Consents and environmental advice (5 cents).
- Land, emergency and biosecurity management including river control and flood protection (13 cents).
- Environmental and consent compliance monitoring, hazardous substances and harbour safety, navigation, and oil spill contingency planning and management activities (14 cents).
- Council and Strategic Development (9 cents) and including commercial activities (1 cent) and one-off capital grant (31 cents), a total of 41 cents.
- Capital purchases (18 cents).
- Loan repayments (1 cent).
- The cost of all activities includes a component of support services costs (Finance, Administration and Information Services).

Gross Cost of Activities and Capital Projects 2007-2008



Sources of Funding for 2007-2008



Capital Projects

The Northland Regional Council has not traditionally undertaken significant works related to community infrastructure, such as roading and water supply. In 2005, the Council assumed responsibility for the restoration, maintenance and ongoing management of the Awanui River Flood Management Scheme and proposes to establish a similar scheme for the Kaihu River starting in 2007-2008.

However, this plan signals the Council's intention to consider funding priority infrastructure projects. It is proposed that the first project will be a one-third or \$3.34M share in the designation process and associated land purchases required for the Marsden Point rail link corridor at an estimated total cost of \$10M.

Other capital projects are principally related to the Council's core activities of an environmental authority that operates monitoring activities throughout Northland. For example, the Council has a network of electronic and telemetry rainfall, river level and air quality monitoring devices located across the region. These systems are frequently electronic and integrated to other electronic recording and quality management systems, as well as the transport facilities for undertaking the work. The Council also has responsibility for biosecurity, animal and pest control, and harbour navigation safety. The latter also requires an investment in vehicles and watercraft.

Capital Expenditure

The cost of estimated capital expenditure per group of activities for 2007-2008 financial year, including projects carried forward, is:

Group of Activities:	Finance & Information Systems \$	Council and Strategic Development \$	Commercial \$	Consents \$	Environmental Monitoring \$	Land Operations \$	Planning and Policy \$	Total \$
Buildings & Property **	324,500		3,362,440				1,000,000	4,686,940
Information Systems *	1,824,890							1,824,890
Plant and Equipment		30,000			245,300	181,500	12,350	469,150
Vehicles (net of sales)					234,000			234,000
Total	2,149,390	30,000	3,362,440		479,300	181,500	1,012,350	7,214,980

Notes

* Information systems includes the cyclical replacement of hardware, generally on a triennial basis and the acquisition of the necessary software licences, (includes capital expenditure carried forward from 2006-2007 of \$927,186).

** Includes \$1M for proposed costs to designate and purchase land for the Marsden Point rail link corridor as well \$3.4M carried forward from 2006-2007 for upgrade of commercial property.

The Council will fund its capital expenditure from the sources identified in its Revenue and Financing Policy.

The Council fully funds operating expenditure, including depreciation on the Council's assets. Any budget deficits arising in the medium term are funded from accumulated reserves. The Council's policy is to fund capital expenditure from accumulated cash surpluses arising from the funding of depreciation cost by way of a charge to current rates. If for any capital project those accumulated cash surpluses are insufficient, then the application of reserve funds outlined in the Revenue and Financing Policy will be applied and those targeted rates made to cover capital works in river management plans.

Reserves

Reserve funds may be applied to fund expenditure for specific purposes. In some circumstances the reserves are a legal requirement. The Council holds the following reserve funds:

Targeted Land Management Rate Reserve

The Council levied works rates pursuant to the Northland Regional Council Pest Management Strategies until 2003, based on land values in the Northland region. From 1 July 2003 a targeted land management rate has been applied for biosecurity operations. Any unspent targeted rates at year end are transferred to this reserve. The reserve can only be spent on biosecurity and river management works.

Forest Income Equalisation Reserve

The Council sets aside half the proceeds of forestry net income each year of the current harvesting strategy. The reserve is intended to provide funds for general operating activities after the harvest rotation has been completed in 2008. This will soften the impact of future rate increases when timber sales cease. The reserve may be applied to the costs of any of the general activities of the Council.

Recreational Facilities Rate Reserve

From 1 July 2006 a targeted fixed Recreational Facilities Rate has been applied. Any unspent rate at year end is transferred to this reserve. The reserve can only be spent on recreational facilities.

Council Groups of Activities

Introduction

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:

- Planning and Policy
- Consents
- Environmental Monitoring
- Land Operations
- Strategic Development
- Finance and Information Services

Information is provided on the individual activities and corresponding levels of service that make up each group of activities.

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 2006-2016 apply to this section of the Annual Plan and the 2007-2008 operations of the Council.

The groups of activities section concentrates on identifying major variations or additions to the levels of service outlined in the Northland Community Plan 2006-2016. For your reference, complete details of the levels of service from the Community Plan can be found in Appendix A. Copies of the Community Plan are available from the Council offices or from our website: www.nrc.govt.nz.

Overview of Council Groups of Activities

Council Groups of Activities	1. Planning and Policy	2. Consents	3. Environmental Monitoring and Marine Operations	4. Land Operations	5. Strategic Development	6. Finance and Information Services
Council Activities	<p>1.1 Resource Management Planning</p> <p>1.2 Public Communication and Education</p> <p>1.3 Regional Transport Management</p> <p>1.4 Passenger Services Administration</p>	<p>2.1 Consents Applications</p> <p>2.2 Consents Advice and Information</p>	<p>3.1 State of the Environment Monitoring</p> <p>3.2 Resource Consent Compliance</p> <p>3.3 Environmental Incidents Response</p> <p>3.4 Hazardous Substances and Contaminated Sites</p> <p>3.5 Oil Pollution Response</p> <p>3.6 Harbour Safety and Navigation</p>	<p>4.1 Hazard and Emergency Management</p> <p>4.2 River Management Works</p> <p>4.3 Sustainable Land Management</p> <p>4.4 Biosecurity Management</p>	<p>5.1 Community Representation and Strategic Planning</p> <p>5.2 Regional Development</p> <p>5.3 Commercial Investments</p> <p>Health and Safety*</p> <p>Human Resource Management*</p>	<p>Finance</p> <p>Accounting and Financial Reporting*</p> <p>Rating and Revenue Systems*</p> <p>Financial and Equity Investments*</p> <p>Taxation*</p> <p>Information Services*</p> <p>Records Management and Administration*</p>

* Activity Support Services

Levels of Service – Planning and Policy Group of Activities

Levels of Service for the Planning & Policy Groups of Activities are:

Activity 1.1 Resource Management Planning

The Council will provide clear policy guidance and rules on the sustainable management of Northland's natural and physical resources.

Activity 1.2 Public Communication and Education

The Council will:

- (a) increase public awareness of, responsibility for, and involvement in sustainable environmental management in Northland.
- (b) recognise and support environmental management activities in Northland.

Activity 1.3 Regional Transport Management

The Council will facilitate a strategic approach to regional land transport, and enhanced road safety.

Activity 1.4 Passenger Services Administration

The Council will provide cost effective passenger transport services that meet the needs of local communities and of groups who are transport disadvantaged.

Amendment to the Northland Community Plan 2006-2016

Designation of the Oakleigh to Marsden Point Rail Link Corridor

The Northland Community Plan 2006-2016 does not expressly identify this project, but it is one of the strategic actions required to implement the Regional Land Transport Strategy (refer to Level of Service 1.3.3 in Appendix A). Following public consultation, the Council intends to contribute to the funding of the designation of the proposed route for the new Marsden Point Rail Link Corridor.

Further details can be found on pages 52 to 60 of this Plan.

There are no other variations within this group of activities.

2007-2008 Planning and Policy Levels of Service

1.1 Resource Management Planning

- Continuing to deliver the levels of service outlined in Appendix A on pages 95 to 96.

In addition the Council intends to:

- Following on from the recently completed Regional Coastal Plan Change 1 described in Level of Service 1.1.5 in Appendix A on page 95, the Council intends to create a Mooring Management Plan for the Mangawhai Harbour.

1.2 Public Communication and Education

- Continuing to deliver the levels of service outlined in Appendix A on pages 97 to 98.

1.3 Regional Transport Management

- Continuing to deliver the levels of service outlined in Appendix A on page 99.

In addition the Council intends to:

- To review the Regional Passenger Transport Plan for Northland by June 2008.

1.4 Passenger Services Administration

- Continuing to deliver the levels of service outlined in Appendix A on page 100.

In addition the Council intends to:

- In accordance with the requirements of the Land Transport Act 2003, the Council has prepared a 2007-2008 Annual Regional Land Transport Programme as part of the 2007-2008 Annual Plan. See pages 43 to 46 of the Plan for more details.

You can view a copy of the Northland Community Plan 2006-2016 on our website www.nrc.govt.nz.

Statement of Prospective Financial Performance Planning and Policy Group of Activities

	Notes	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	2007-2008 Variance \$
Expenditure - Planning and Policy				
Resource Management Planning	1, 3	1,151,943	1,261,741	109,798
Public Communication & Education	1, 3	693,930	521,658	(172,272)
Regional Transport Management	1	300,006	358,987	58,981
Passenger Services Administration	2, 3	1,008,931	723,450	(285,481)
Gross Cost of Group of Activities		\$3,154,810	\$2,865,837	\$(288,973)
<i>Funded by:</i>				
User Fees & Sundry	4	344,000	249,000	95,000
Grants & Subsidies	4	432,000	309,250	122,750
Investment Income		1,080,914	972,496	108,419
Targeted Fixed Environmental Rate		1,297,896	1,335,091	(37,196)
Total Revenue for Group of Activities		\$3,154,810	\$2,865,837	\$288,973
Proposed Capital Expenditure for 2007-2008	5	\$1,012,350	\$12,350	\$(1,000,000)

Notes

Variations to the 2007-2008 budget of the Northland Community Plan 2006-2016

1. The basis for allocating labour costs has been changed in the Annual Plan to more closely reflect time spent by staff working in each activity. This has resulted in reductions to costs in Resource Management Planning and Regional Transport Management activities, and a corresponding increase in Public Communication & Education costs.
2. A significant part of this increase relates to the costs associated with the proposal to expand the Whangarei bus service. Additional funding to cover these costs has been forecast, and is referred to in note 4.
3. The level of corporate overheads charged to the Planning and Policy group of activities has increased by \$64,000. The increase is spread over Resource Management Planning, Public Communication & Education, and Passenger Services Administration.
4. The increase in funding specifically relates to funding being provided to cover the costs associated with the proposal to expand the Whangarei bus service.
5. The increase in capital expenditure includes the proposed costs to designate and purchase land for the Marsden Point Rail Link Corridor. This is to be funded from reserves.

Amendments to the Northland Community Plan 2006-2016

5. Includes new expenditure for designating the Marsden Point Rail Link Corridor.
6. A loan of \$3.34M will be raised for the designation of the Marsden Point Rail Link Corridor with expenditure spread over three years. Loan repayments will be made through a regional infrastructure rate levied over a 10 year period.
7. The increase in capital expenditure includes the proposed purchase of land designated for the Marsden Point Rail Link. This is to be funded from borrowings.

Levels of Service – Consents Group of Activities

Levels of Service for the Consents Group of Activities are:

Activity 2.1 Consent Applications

The Council will promote individual and community well-being by enabling participation in the processing of consent applications in a way that results in sustainable resource management.

Activity 2.2 Consents Advice and Information

The Council will ensure that the public is better informed and enabled to participate in the processing of consent applications.

Key variations from the Northland Community Plan 2006-2016

The Northland Regional Council will become accredited for its new Building Consent Authority function for dams during the 2007-2008 year. Details of the extent of this function have yet to be fully clarified in Regulations and upcoming amendments to the Building Act. The Council will be working with other Regional Councils and the Department of Building and Housing to ensure the most efficient and effective service for all Northland dam owners. Any changes to levels of service in this regard will be included in the 2008-2009 Draft Annual Plan for public consultation.

There are no significant variations within this group of activities.

2007-2008 Consents Levels of Service

2.1 Consent Applications

- Continuing to follow the statutory and time requirements for processing resource consents as detailed in the levels of service outlined in Appendix A on page 101.

2.2 Consents Advice and Information

- Continuing to provide advice in a way that results in no justifiable complaints against the accuracy and timeliness of the advice given as detailed in the levels of service outlined in Appendix A on page 101.

You can view a copy of the Northland Community Plan 2006-2016 on our website: www.nrc.govt.nz.

Statement of Prospective Financial Performance

Consents Group of Activities

	Note	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	2007-2008 Variance \$
Expenditure - Consents				
Consents Applications	1	1,166,544	1,113,826	(52,718)
Consents Advice and Information	2	830,941	943,674	112,733
Gross Cost of Group of Activities		\$1,997,485	\$2,057,500	\$60,015
<i>Funded by:</i>				
User Fees & Sundry		682,000	655,450	26,550
Investment Income		973,540	1,008,514	(34,974)
Targeted Fixed Environmental Rate		341,945	393,536	(51,591)
Total Revenue for Group of Activities		\$1,997,485	\$2,057,500	\$(60,015)
Proposed Capital Expenditure for 2007-2008		—	—	

Notes

Variations to the 2007-2008 budget of the Northland Community Plan 2006-2016

1. This increase reflects a correction to the allocation of labour costs. A review has shown actual labour costs are spread 50/50 between applications, and advice and information. The LTCCP allocated labour costs on the basis of a 44% allocation to applications, and a 56% allocation to advice and information.
2. This reduction arises from the correction to labour cost allocations as noted above, as well as a reduction in the level of corporate overheads charged to the Consents group of activities.

Levels of Service – Environmental Monitoring Group of Activities

Levels of service for the Environmental Monitoring group of activities are:

Activity 3.1 State of the Environment Monitoring

The Council will promote sustainable resource management by identifying significant environmental issues and trends in the region and providing for informed decision-making.

Activity 3.2 Resource Consent Compliance

The Council will promote the sustainable management of resources and minimise the adverse effects of people's use of the environment by ensuring compliance with resource consents, Regional Plans and statutory environment standards.

Activity 3.3 Environmental Incidents Response

The Council will minimise the adverse effects on the environment of incidents and non-compliance with the Resource Management Act.

Activity 3.4 Hazardous Substances and Contaminated Sites

The Council will reduce the quantities of hazardous substances, hazardous wastes entering Northland's environment, and minimise the adverse effects of these.

Activity 3.5 Oil Pollution Response

The Council will minimise the adverse effects of marine oil spills on the Northland environment.

Activity 3.6 Harbour Safety and Navigation

The Council will provide services that promote safe navigation and use of Northland harbours.

Key variations from the Northland Community Plan 2006-2016

Navigation Safety Bylaw Charges Update

The Navigation, Water Transport and Maritime Safety Bylaw Charges 2005 have been updated to reflect increased costs associated with the regulation of navigation safety in Northland.

Further details can be found on pages 47 to 51 of this Plan.

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

2007-2008 Environmental Monitoring and Maritime Operations Levels of Service

3.1 State of the Environment Monitoring

- Continuing the levels of service outlined in Appendix A on page 102.

3.2 Resource Consent Compliance

- Continuing the levels of service outlined in Appendix A on pages 103.

3.3 Environmental Incidents Response

- Continuing the levels of service outlined in Appendix A on page 104.

3.4 Hazardous Substances and Contaminated Sites

- Continuing the levels of service outlined in Appendix A on page 105.

3.5 Oil Pollution Response

- Continuing the levels of service outlined in Appendix A on page 106.

3.6 Harbour Safety and Navigation

- Continuing the levels of service outlined in Appendix A on page 107.

In addition the Council intends to:

Hatea Channel

- Following public consultation and the investigations of the Hatea Channel Working Group comprised of the Northland Regional Council, the Whangarei District Council and user group representatives, the Regional Council has decided to contribute \$100,000 to the dredging of the Hatea Channel in the 2007-2008 financial year to be funded initially from Council reserves. The Regional Council will also purchase and install new channel navigation aids estimated to cost another \$100,000 in the 2008-2009 financial year after the channel dredging is complete.

The Regional Council, via the Working Group will investigate and report on options for refunding the reserves used and for funding future channel works. Likely options include a combination of fees charged to users such as mooring and berth holders, and targeted rates levied over the contributing catchment area and the area of benefit. It is anticipated that these options will be included in the 2008-2009 Draft Annual Plan for public consultation.

Whangarei Harbour Navigation Aids and Dredging

- Following changes to the use of Port Whangarei, the Regional Council, in conjunction with the Whangarei District Council, Northport and other stakeholders, intends to investigate and report on the need for, costs and funding options for navigation aids and dredging in Whangarei Harbour upstream of Northport to Port Whangarei and the Portland arm. The current channel infrastructure is no longer needed by Northport and will soon have to be maintained and repaired by the Council and other stakeholders/users. Consideration will also be given to options for trailer boat harbour users to contribute to the costs of navigation aids.

It is anticipated that funding options for Whangarei Harbour navigation aids and dredging will be included in the 2008-2009 Draft Annual Plan for public consultation.

You can view a copy of the Northland Community Plan 2006-2016 on our website: www.nrc.govt.nz.

Statement of Prospective Financial Performance Environmental Monitoring Group of Activities

	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	2007-2008 Variance \$
Expenditure - Environmental Monitoring			
State of the Environment Monitoring	1,648,995	1,648,536	(459)
Resource Consent Compliance	1,293,670	1,296,570	2,900
Environmental Incidents Response	678,971	687,525	8,554
Hazardous Substances and Contaminated Sites	406,623	410,394	3,771
Oil Pollution Response	256,068	258,698	2,630
Harbour Safety & Navigation	1,293,624	1,205,238	(88,386)
Gross Cost of Group of Activities	\$5,577,951	\$5,506,961	\$(70,990)
<i>Funded by:</i>			
User Fees & Sundry	1,610,400	1,551,600	58,800
Grants & Subsidies	114,386	122,200	(7,814)
Reserve Funding	200,000	100,000	100,000
Investment Income	2,863,351	2,953,506	(90,155)
Targeted Fixed Environmental Rate	789,814	779,655	10,159
Total Revenue for Group of Activities	\$5,577,951	\$5,506,961	\$70,990
Proposed Capital Expenditure for 2007-2008	\$479,300	\$427,500	\$(51,800)

Note

Variations from the Northland Community Plan 2006-2016

1. The \$100,000 increase in reserve funding is to fund the dredging of the Hatea river.

Levels of Service – Land Operations Group of Activities

Levels of service for the Land Operations group of activities are:

Activity 4.1 Hazard and Emergency Management

The Council will work with communities to increase awareness of the hazards which may threaten them, work to avoid or reduce the risks associated with these hazards, respond to major events, and have plans in place to assist in recovering from any emergencies; and work to reduce the level of damage caused by flooding and erosion.

Activity 4.2 River Management Works

The Council will reduce the frequency, depth and duration of flooding by ensuring river systems are maintained, the incidence of streambank erosion is reduced and land uses on flood-susceptible land are sustainable.

Activity 4.3 Sustainable Land Management

The Council will promote the sustainable management of land, including soil, water and ecosystems in the Northland region.

Activity 4.4 Biosecurity Management

The Council will work to reduce the adverse impacts of exotic organisms, pest plants and animal pests on primary production, natural ecosystems and on human health.

Key variations from the Northland Community Plan 2006-2016

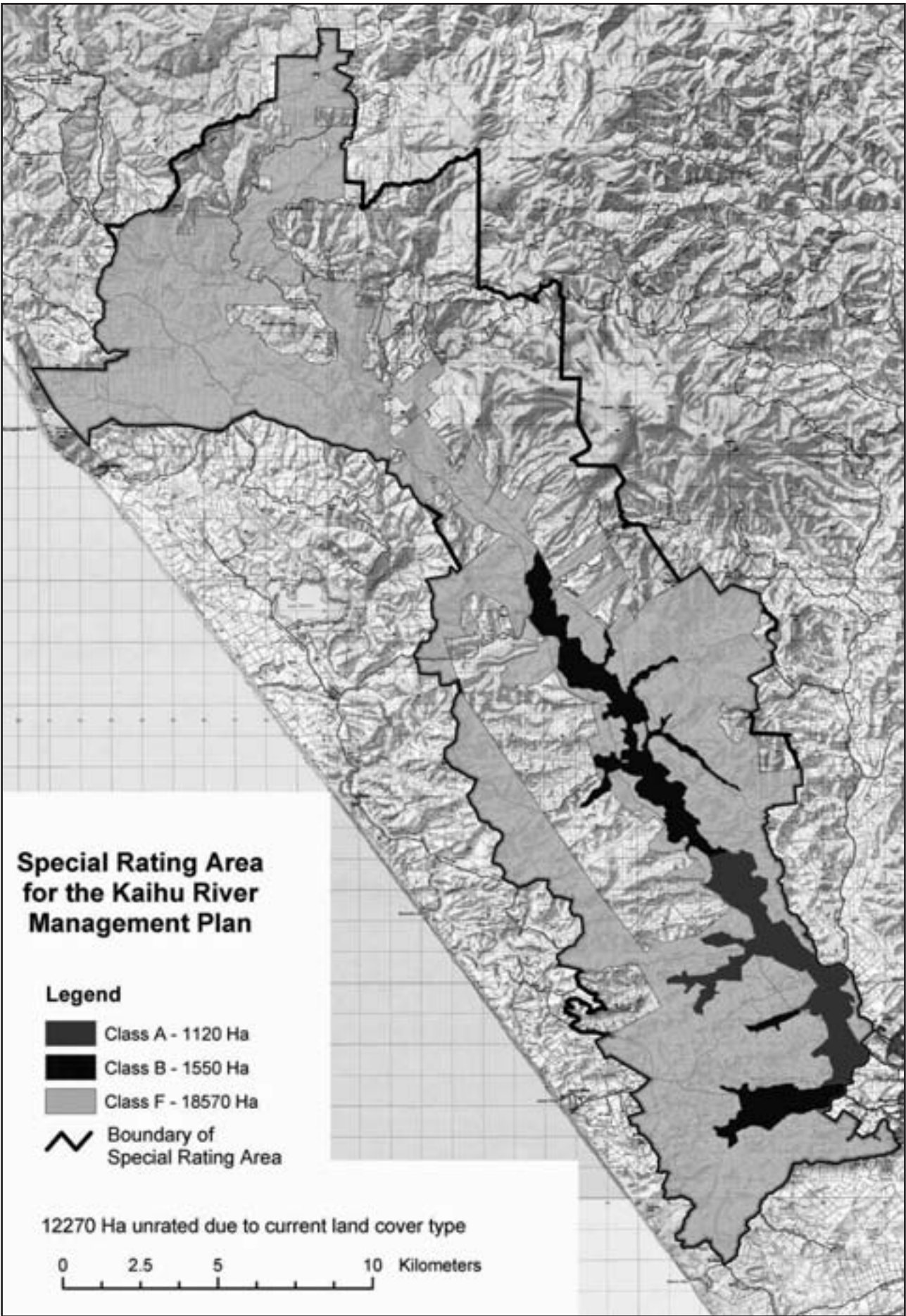
Funding of the Interim Kaihu River Management Plan

As indicated in the Northland Community Plan 2006-2016, the Council undertook further consultation on the funding of the Interim Kaihu River Management Plan before formally adopting it on 18 October 2006. The Interim Kaihu River Management Plan reflects the Council's decision to fund the works indicated in the Plan by way of a targeted differential rate based on land area from 1 July 2007. Following public consultation, the proposed Kaihu River Management Rate has been reduced as follows.

The Direct Benefit rating classes are: *(see map overleaf)*

CLASS A – This includes 1123 hectares of land on the floodplain and side valleys downstream of the Rotu Bottleneck which benefits from the river channel being maintained free of Manchurian ricegrass, giant rush and accumulated sediment. Floodwaters are able to drain away more quickly once the tide has dropped, clearing water ponded on the main river flats and in the tributary side valleys. Previously included in this area of Class A, but excluded following consultation with Kaipara District Council, is an area of 240 hectares of rural land on which a Dargaville stormwater management rate is being collected. **A rate of \$20 per hectare, (exclusive of GST) shall apply to all Class A land.**

CLASS B – This involves 1546 hectares of land on the floodplain and tributary side valleys between Ahikiwi and Rotu Bottleneck, where more work is planned under the Interim Plan than was the case under the previous scheme, and in the Mangatara Drain catchment upstream of SH12 where land is protected from tidal backflow from the Kaihu River by a floodgate. Poplar trees that have fallen into the channel or are about to fall, willow trees in the channel and debris and gravel that has built up behind these obstructions will be cleared by the scheme, rather than at the adjoining landholder's expense. **A rate of \$10 per hectare (exclusive of GST) shall apply to all Class B land.**



URBAN CONTRIBUTION – The urban area of Dargaville-Mangawhare receives direct benefit from the Interim Kaihu River Management Plan. The increased risk of flooding in Dargaville has been cited as the main reason for not confining flood flows between stopbanks downstream from Mamaranui to Dargaville-Mangawhare and for not opening up the Rotu Bottleneck. The Interim Plan also provides for channel restoration and maintenance in the lower four kilometres of the Kaihu River channel. This work will complement the stopbanks that have been built around Dargaville and are planned for Mangawhare. Rather than a separate rate per property, a contribution of \$5,000 (exclusive of GST) from Kaipara District Council will be contributed on behalf of these urban areas.

CATCHMENT RATE – In recognition of the impact that land use has on the rate of runoff and the sediment load carried by floodwaters, an exacerbator or contributor rate is proposed on the balance of rateable land within the Kaihu River Rating Area. This involves 18,762 hectares of rateable land at a rate of \$1.50 per hectare (exclusive of GST).

Following public consultation, the targeted Interim Kaihu River Management Rate will now provide a reduced level of funding amounting to \$79,946 (including GST) in the 07/08 financial year. Consequently, the Council will review the level of expenditure on Kaihu River maintenance accordingly.

The Interim Kaihu River Management Plan can be viewed on the Council's website www.nrc.govt.nz.

Further details in the Interim Kaihu River Management Plan rate are included in the Funding Impact Statement on pages 15 to 24 of this Plan.

There are no other variations within this group of activities.

2007-2008 Land Operations Levels of Service

4.1 Hazard and Emergency Management

- Continuing the levels of service outlined in Appendix A on page 108. The Kaeo River Management Plan was omitted in error from Level of Service 4.1.3 on page 108.

4.2 River Management Works

- Continuing the levels of service outlined in Appendix A on page 109.

4.3 Sustainable Land Management

- Continuing the levels of service outlined in Appendix A on page 110.

4.4 Biosecurity Management

- Continuing the levels of service outlined in Appendix A on pages 111 to 112.

You can view a copy of the Northland Community Plan 2006-2016 on our website: www.nrc.govt.nz.

Statement of Prospective Financial Performance

Land Operations Group of Activities

	Note	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	2007-2008 Variance \$
Expenditure - Land Operations				
Hazard & Emergency Management	1	1,221,094	1,303,023	81,929
River Management Works	1	508,722	445,833	(62,889)
Sustainable Land Management		1,309,794	1,313,632	3,838
Biosecurity Management		2,106,454	2,148,829	42,375
Gross Cost of Group of Activities		\$5,146,064	\$5,211,317	\$65,253
<i>Funded by:</i>				
User Fees & Sundry		296,500	313,000	(16,500)
Grants & Subsidies		10,000	10,200	(200)
Awanui River Rate		420,000	420,000	–
Kaihu River Rate	2	71,063	100,000	(28,937)
Targeted Land Management Rate		2,775,105	2,770,618	4,487
Reserve Funding		70,137	18,500	51,637
Investment Income		1,503,259	1,578,999	(75,740)
Total Revenue for Group of Activities		\$5,146,064	\$5,211,317	\$(65,253)
Proposed Capital Expenditure for 2007-2008		\$181,500	\$181,500	

Note

Variations from the Northland Community Plan 2006-2016

1. This variance reflects a correction in cost allocation. Consultancy costs of supervising the works on the Awanui River Flood Management Plan (\$80,000) had been included in the LTCCP mainly under Hazard Management. The 2007-2008 Annual Plan now correctly shows this cost under River Management Works.
2. The Kaihu River rate is set at a lower level than the LTCCP as a result of consultation with the community.

Levels of Service – Council and Strategic Development Group of Activities

Levels of service for the Council and Strategic Development group of activities are:

Activity 5.1 Community Representation and Strategic Planning

The Council will ensure community representation through elected Councillors and facilitate long term planning through the creation of the Northland Community Plan, including the identification and monitoring of community outcomes.

Activity 5.2 Regional Development

The Council will promote a vibrant and growing region.

Activity 5.3 Commercial Investments

The Council will endeavour to manage commercial investments to provide reliable cashflows to the Council and ensure that the value of the capital base is maintained.

Key variations from the Northland Community Plan 2006-2016

Northland Infrastructure

In October 2006, the Council completed a regional capability review of infrastructure in Northland including: transport, energy, telecommunications, water and wastewater and solid waste infrastructure. This review highlighted how continuing growth in population and the economy had placed substantial increased demands upon Northland's infrastructure in recent years. A number of projects have been accorded priority including the development of an integrated transport network for Northland. The Council will develop a project funding strategy and risk assessment of any infrastructure priority to which it decides to commit significant funding. Further community consultation will be undertaken as appropriate.

The Council will use a measured approach in establishing a Development Authority as a funding vehicle for future infrastructure developments. Further details can be found on pages 61 to 65 of this Plan.

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

2007-2008 Strategic Development Levels of Service

5.1 Community Representation and Strategic Planning

- Continuing to deliver the levels of service outlined in Appendix A on page 113.

5.2 Regional Development

- Continuing to deliver the levels of service outlined in Appendix A on page 114.

5.3 Commercial Investments

- Continuing to deliver the levels of service outlined in Appendix A on page 115.

In addition the Council intends to:

To change the performance target for the Property Investments Level of Service as follows:

Property Investments

5.3.1 Effectively manage the Council's investments properties.

Performance Targets and Measures

Achieve an average economic return of a least 6.5% over the term of this plan, on the overall value of the investment property portfolio.

Report annually on any re-investments made.

You can view a copy of the Northland Community Plan 2006-2016 on our website: www.nrc.govt.nz.

Statement of Prospective Financial Performance Council and Strategic Development Group of Activities

	Note	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	2007-2008 Variance \$
Expenditure - Strategic Development and Commercial Investments				
Community Representation & Strategic Planning	1	1,847,682	1,637,438	(210,244)
Regional Economic Development	2	14,081,370	1,610,317	(12,471,053)
Commercial Investments		364,892	374,501	9,609
Gross Cost of Group of Activities		16,293,944	3,622,256	(12,671,688)
Loan Principal Repayments		438,633	438,633	–
Transfers to Reserves		72,087	63,272	(8,815)
Total Funding Required		\$16,804,664	\$4,124,161	\$(12,680,503)
<i>Funded by:</i>				
User Fees & Sundry		55,500	55,500	–
Investment Income		737,313	504,257	233,056
Targeted Fixed Environmental Rate		1,255,369	1,203,181	52,188
Net Forestry Revenue		578,053	660,632	(82,579)
Property Rents		3,206,375	3,760,460	(554,085)
Sale of Asset / Gain (Loss)		–	–	–
Regional Recreational Facilities Rate		1,681,906	1,681,906	–
Operating Revenue		7,514,516	7,865,936	(351,420)
Loan Proceeds	2	12,000,000	–	(12,000,000)
Reserve Funding	2	500,00	–	(500,000)
Total Funding for Group of Activities		\$20,014,516	\$7,865,936	\$(12,148,580)
Net Profit allocated to functional departments		\$3,209,852	\$3,741,775	\$(531,923)
Proposed Capital Expenditure for 2007-2008	3	\$3,392,439	\$30,000	\$(3,362,439)

Note

Variations from the Northland Community Plan 2006-2016

1. This is due to an increase in the level of corporate overheads charged to the Strategic Development group of activities, and increases in staff costs as a result of the appointment of new staff.
2. The \$12,500,000 grant for the Regional Events Centre funded from a \$12,000,000 loan and \$500,000 from the Recreational Facilities rate reserve was planned to occur in 2006-2007 and has been deferred until 2007-2008.
3. Includes capital expenditure carried forward from 2006-2007 of \$3,362,439 for upgrade of commercial property.

Levels of Service – Finance and Information Services Group of Activities

Levels of service for the Finance and Information Services group of activities are:

- Finance, accounting and financial reporting
- Rating and revenue systems
- Financial and equity investments
- Taxation
- Information services
- Records management and administration

Statement of Prospective Financial Performance Finance and Information Services Group of Activities

The total costs of Finance and Information Services is allocated as overheads to all functional groups of activities.

Prior to the allocation, the operating costs and revenues are estimated to be:

	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	2007-2008 Variance \$
Total Operating Costs	\$4,261,866	\$4,260,481	\$(1,384)
Proposed Capital Expenditure for 2007-2008	\$2,149,386	\$1,022,200	\$(1,127,186)

Note

Variations from the Northland Community Plan 2006-2016

1. Includes capital expenditure carried forward from 2006-2007 of \$927,186 for information technology projects and \$150,000 for Water Street building refurbishment.

Annual Regional Land Transport Programme for 2007-2008

The Northland Regional Council has a key role in regional land transport management, particularly in regard to regional land transport planning and passenger services administration.

This includes preparation of a Regional Land Transport Strategy to guide the development of Northland's transport system to meet current and future transport needs.

Details of the land transport management activities the Regional Council intends to undertake in the next 10 years are included in the Council's Long Term Council Community Plan, the "Northland Community Plan 2006-2016".

In addition, under the Land Transport Management Act 2003, the Northland Regional Council is required to prepare an **Annual Regional Land Transport Programme** outlining its regional transport management and passenger services administration activities for the coming financial year. The section you are reading now is the Annual Regional Land Transport Programme for 2007-2008.

Following is a brief outline of the projects to be covered in the 2007-2008 Annual Regional Land Transport Programme. A full schedule of the estimated costs of each of the projects is included later in this section. Unless otherwise stated, these projects will start on 1 July 2007 and continue through to 30 June 2008.

In preparing the annual programme, the Regional Council has sought and taken into account the views of a range of parties, including:

- land transport users and providers
- affected communities
- Maori of the region
- the public

Hearings were held in conjunction with submissions on the Regional Council's Annual Plan 2007-2008.

Passenger Transport

This activity contributes towards the Land Transport Management Act 2003 objectives of:

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

i. Whangarei City Bus Service **\$724,000**

Objective: to provide a quality subsidised bus service within the Whangarei urban area.

The Northland Regional Council administers the contract for the Whangarei urban bus service, with funding provided by Land Transport NZ (LTNZ) and the Whangarei District Council (WDC). The 2007-2008 funding includes operating costs for the service as well as for replacement/upgrading of bus shelters along the urban Whangarei bus route. Further information about services and timetables can be obtained from Whangarei Bus Services, phone (09) 438 6005.

Along with plans to increase the size of the Whangarei service in late 2007, the Regional Council will also be investigating the viability of providing services in other parts of Northland.

ii. Total Mobility Scheme \$200,000

Objective: to provide for the transport disadvantaged within the Whangarei urban area.

The Northland Regional Council administers the Total Mobility Scheme which operates within the Whangarei urban area. Funding for the Scheme is provided by Land Transport NZ and the Whangarei District Council. This Scheme offers a discount of 50% on taxi fares to eligible people with impairments which prevent them from using conventional public transport some or all of the time. The 2007-2008 funding covers the operating costs of the scheme. Further information on criteria for joining the Total Mobility Scheme within Whangarei is available from the Transport Plan Administrator at the Northland Regional Council, phone (09) 438 4639.

Administration & Project Control

This activity contributes towards the Land Transport Management Act 2003 objectives of:

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

i. Regional Land Transport Planning \$275,000

Objective: to maintain a current Regional Land Transport Strategy and administrative systems for its effective implementation.

Under the Land Transport Act 1998, every Regional Council is required to prepare a Regional Land Transport Strategy, which in the case of Northland was released in November 2006, and to report annually on the progress in implementing it. The costs associated with this have been included in this programme.

The Northland Regional Council is presently undertaking two major projects. These are:

1. The Northland Transport Network Study is being conducted by BECA consultants, and replaces the Northland Integrated Transport Study which was released in March 2002. The aim of the study is to identify the present condition of Northland's Transport infrastructure, and where possible, ascertain future needs. From the information gathered, the feasibility and affordability of meeting the desired regional transport requirements for Northland will be determined.
2. The Regional Passenger Transport Plan is also planned for review in 2007-2008. This will involve investigating the possibility of introducing passenger transport services in other parts of Northland, and the feasibility of extending the Total Mobility Scheme.

Ongoing work associated with the preparation of the Annual Regional Land Transport Programme, and costs incurred with servicing the Regional Land Transport Committee, have also been included in this activity class.

ii. Passenger Services Administration \$195,000

Objective: to provide for the effective administration of passenger services in Northland.

This funding category covers the Regional Council's general administration of passenger services in Northland including the registration of new services and the management of the Total Mobility Scheme. Also included in this category is the management and monitoring of the Whangarei Bus Service. For 2007-2008, this includes costs of re-tendering the current contract, which expires in November 2007.

The total regional programme for the 2007-2008 financial year comes to \$1,534,000, of which \$835,750 is funded from local rates. The remainder (\$698,250) will be funded by Land Transport NZ.

Ten-year funding forecasts for these activities appear on Page 15, Volume Two of the Northland Community Plan 2006-2016.

Consultation

Consistent with the requirements of the Land Transport Management Act 2003, consultation over the 2007-2008 Regional Land Transport Programme has involved:

- Informing relevant local authorities and national stakeholders
- Informing Maori and other stakeholders by letter
- Inclusion of this summary in the Council's Annual Plan 2007-2008 adopted using the special consultative procedure outlined in the Local Government Act 2002 and circulated to the Council's Annual Plan database. The Annual Plan is also available to any member of the public on request and is posted on the Council's website, www.nrc.govt.nz
- Public notification of the draft regional programme in the media
- Calling for submissions and hearing of submissions in conjunction with those on the Draft Annual Plan 2007-2008.

Passenger Services Administration

Registration of Passenger Transport Services = \$15,000

Management of Contracts and Monitoring of Services = \$55,000

Provision and Evaluation of data put out to tender = \$15,000

Implementation/Management of database systems = \$15,000

Sub Total = \$100,000 NRC Share @ 50% = \$50,000

Total Mobility Administration

Total Mobility Administration = \$95,000

Sub Total = \$95,000 NRC Share @ 50% = \$47,500

Operational Costs

Cost of Whangarei Bus Service = \$564,000

Bus Service Concessions (Provisional) = \$100,000

Whangarei Bus Service Shelter Costs = \$160,000

Total Mobility Scheme Funding = \$200,000

Total Mobility Hoist Replacements = \$40,000

Sub Total = \$1,064,000 WDC Share @ 50% = \$532,000

Total Passenger Transport Programme = \$1,259,000

LTNZ Share @ 50% = \$629,500

Regional Council Administration Support

Administration Cost of Regional Programme Preparation = \$50,000

Regional Land Transport Committee Servicing = \$50,000

Regional Land Transport Strategy Development, Maintenance and Reporting = \$95,000

Studies = \$80,000

Sub Total = \$275,000 LTNZ Share @ 25% = \$68,750

SUMMARY

Total for transport programme = \$1,534,000

Total Land Transport NZ share = \$698,250

Total Local Government share = \$835,750

Amendments to the Navigation, Water Transport and Maritime Safety Bylaw Charges 2005

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 several clauses of the **Navigation, Water Transport and Maritime Safety Bylaw Charges 2005**, adopted in June 2006, 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.

In accordance with the requirements of the Local Government Act 2002, the above processes have been followed in making these amendments and the Bylaw Charges re-adopted.

Reasons for the Amendments

Operating cost increases result from the number of incident responses and investigations, such as vessel speeding, debris disposal, aid to navigation repairs and mooring incidents. Costs relating to the provision of aids to navigation have also increased due to continual improvements being made at the request of harbour users.

Clause 3(b)(2) is a fee for the recovery of the cost of the navigation safety equipment in the upper Hatea River, for every berthholder not otherwise included in Clause 3.

Clause 6 Jetski Registration is a function of the Auckland Regional Council on behalf of the Northland Regional Council, under delegated authority.

Clause 8(b) is a fee for swing/pile moorings (non-consented) outside Marine 4 Management Areas (in addition to the navigation fee).

Clause 8(c) is a fee for swing/pile moorings within Marine 4 Management Areas which meet the permitted activity criteria (in addition to the navigation fee).

Clause 9, allows for a person to conduct a Special Event under Clause 3.9 of the Navigation Safety Bylaw 2001.

These bylaw amendments were made pursuant to the bylaw provisions of the Local Government Act for setting fees and charges as mandated by Section 684B(h) 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 revised bylaw is as follows:

Navigation, Water Transport and Maritime Safety Bylaw Charges 2007

These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2007:

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

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

“Owner” includes:

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

3. Navigation Safety Bylaw Fees

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

GST Exclusive

- (a) The navigation fee shall be payable on the number of berths available at the maritime facility, whether or not all berths are used. The Council's Harbourmaster shall determine the number of berths available at any maritime facility.
- (b)
 - (1) For every jetty, jetty berth, boatshed, ramp, minor slipway, private pontoon, pile and swing moorings and berths in marinas containing 24 berths or less. \$50.00
 - (2) For every berthholder not otherwise included herein a fee for the recovery of the cost of the navigation safety equipment in the upper Hatea River, per berth. \$50.00
 - (3)
 - (a) For every berth in marinas containing more than 75 berths provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$50.00 per berth. \$40.00
 - (b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$50.00 per berth. \$46.00
 - (4) Boatsheds, per additional berth. \$50.00
 - (5) Community and boating club structures, jetties and private accommodation in the coastal marine area. \$50.00
 - (6) Marine farms \$50.00
 - (7) High use structures and jetties, marine-related, not more than 300m² in plan area within the coastal marine area. \$300.00
 - (8) High use commercial slipways with a maximum capacity of less than 50 tonnes. \$300.00

	GST Exclusive
(9) High use structures and jetties, marine-related and more than 300m ² but not more than 1000m ² in plan area within the coastal marine area.	\$1,300.00
(10) High use structures and jetties, marine-related and more than 1,000m ² in plan area within the coastal marine area.	\$2,300.00
(11) High use commercial slipways with a maximum capacity of more than 50 tonnes.	\$2,300.00
(12) Commercial vessels operating in Northland harbours not serviced by a port company, as defined in the Port Companies Act 1988.	
(a) Intra harbour movements between harbours under control of the Council are to be charged half rate out and half rate in at each harbour.	
(b) Butter, skim milk, buttermilk, whole milk powder casein per tonne	\$0.53
(c) Cement, coal, coke, diatomaceous earth, fireclay, kaolin, Gypsum glass (sheet or plate) per tonne.	\$1.23
(d) Phosphate rock, sulphur, potash per tonne.	\$1.23
(e) Gravel, shingle, lime rock, lime, dolomite, serpentine rock, clinker, soda ash. Other manures and fertilisers, silica sand (<80% silica) per tonne or m ³ as appropriate.	\$1.00
(f) Meats and fish, fresh, frozen or chilled, other agriculture produce, vegetables, fresh fruit per tonne.	\$0.53
(g) Timber (sawn hewn or in logs) per cubic metre.	\$1.16
(h) Wood chips per BDU. Paper per tonne; wood pulp per tonne.	\$1.16
(i) Bitumen, refining residues, crude oil, naphtha, syngas per 1,000 litres.	\$1.60
(j) Motor spirits, diesel oil, jet fuel, kerosene per 1,000 litres.	\$1.54
(k) Refined oil products for overseas export per 1,000 litres.	\$0.53
(l) Other sand per tonne.	\$0.26
(m) Empty containers.	\$13.18
(n) Motor vehicles and trailers up to 4 tonnes per vehicle.	\$17.77
Over 4 tonnes per vehicle.	\$31.11
(o) Livestock per head.	\$1.00
(13) Where any sum becomes due and owing to the Council pursuant to the provisions of bylaw clause (3)(b)(1) and remains unpaid for a period of one calendar month, the Council may remove and hold the facility until such time as the sum owing is paid, together with any expenses incurred in lifting any pile, mooring or movable facility.	

GST Exclusive

4. **Hot Work Permits**

For vessels alongside wharves or at anchor, per permit \$68.00

5. **Safe Operating Licences**

For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of flotation and safety equipment, up to one hour. \$68.00

Where inspection time exceeds one hour, the charge shall be at the rate of \$65.00 per hour plus vehicle running costs at the rates approved from time to time by the Inland Revenue Department.

6. **Jet Ski Registration Fees**

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

7. (a) **Pilotage**

(i) Inwards/outwards to wharf, Opuia \$2,000.00

(ii) Ships to anchor in Bay of Islands \$2,000.00

(b) **Pilotage – Navigation and Safety Services Fee**

Per ship regardless of which pilotage organisation or company actually services the vessel \$3,000.00

(c) **Pilotage – Navigation and Safety Services Fee**

Per ship when the Master is exempt from compulsory pilotage \$3,000.00

8. **Navigation and Safety Services Fee**

(a) North Port Ltd \$110,000.00

(b) Swing/pile moorings (non consented) outside Marine 4 Management Areas (in addition to the navigation fee) \$68.00

(c) Swing/pile moorings within Marine 4 Management Areas which meet the permitted activity criteria (in addition to the navigation fee) \$68.00

(d) For water transport operators not serviced by a port company, at actual time and cost.

(e) 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.

GST Exclusive

9. Special Events

Clause 3.9 of the Navigation Safety Bylaw 2001 states that any person intending to conduct a race, speed trial, competition or other organised water activity in any area to which the Bylaw applies may apply in writing to the Harbourmaster to:

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

Special Event processing fee

\$120.00

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

- 10. All navigation and other fees specified herein are exclusive of Goods and Services Tax.
- 11. These bylaw fees shall apply for the period 1 July 2007 to 30 June 2008 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by Section 158 of the Local Government Act 2002.

The bylaws were sealed, publicly notified pursuant to the Local Government Act 2002 and confirmed at a meeting of the Council on 20 June 2007. Following confirmation, the bylaws came into force on 1 July 2007.

Amendment to the Northland Community Plan 2006-2016

Funding of the Designation of the Oakleigh - Marsden Point Rail Link Corridor

Introduction

As a result of considering submissions, the Northland Regional Council (NRC) resolved to proceed with the funding of the designation of the Oakleigh – Marsden Point rail link corridor.

In late 2006, the Northland Regional Council completed a regional capability review of infrastructure in Northland in order to identify gaps or constraints to regional growth and to prioritise the need for further infrastructure development. One of the six top regional priorities identified is the establishment of a rail link to the Marsden Point area.

Establishing the rail link has been foreshadowed for many years and is a part of the integrated regional transport network recommended in the Northland Integrated Transport Study completed in 2002. The integrated transport network is referred to in the Regional Council's Long Term Council Community Plan (known as the Northland Community Plan 2006 – 2016), where its funding and development was identified as being a priority for Northland under the Regional Community Outcome "Northland's infrastructure is developed in a sustainable way".

Page 38 of the Northland Community Plan 2006 – 2016 Volume One states;

Council's Role	2007 – 2009
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Lead Agency	Co-ordinate the funding and development of the integrated transport network for Northland including road, rail and water transport networks.
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More particularly, the designation of the rail link corridor is a specific action within the Regional Land Transport Strategy 2006 – 2016. Page 79 of the Northland Community Plan 2006 – 2016 Volume One states;

2007 – 2009	Levels of Service
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1.3.3	Complete the relevant actions set out in the Regional Land Transport Strategy for Northland.
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In 2002, the Northland Regional Council (together with the Whangarei District Council), commissioned major investigations into the preferred route, engineering design and economic feasibility of establishing a rail link from Oakleigh to Marsden Point. An environmental effects assessment, including consultation with affected landowners, tangata whenua and the public, was also carried out.

From these investigations, draft documentation was produced for formally designating the rail link corridor and applying for the resource consents necessary to construct the link. As the first stage of progressing the Oakleigh – Marsden Point rail link, the designation will effectively secure the rail corridor against incompatible subdivision and development. In order for this to occur regional funding is required.

Funding the designation of the Oakleigh-Marsden Point rail link

The total cost of a rail link to Marsden Point is estimated to be in the vicinity of \$120M including designation costs and land acquisition. To facilitate this happening and to provide certainty to those landowners affected, the NRC resolved to secure the rail link corridor by funding the designation of it and any associated land purchases required, preferably in partnership with other parties. The designation is effectively Stage 1 of the \$120M rail link project.

The Regional Council will engage with a number of stakeholders including the Crown, the NZ Railways Corporation (ONTRACK) and other commercial users, to secure joint funding of up to \$10M to secure the designation of the rail link corridor. This will reduce the direct cost to the Council and assist in developing a partnership approach in the ultimate development of the rail link. The cost of the designation process itself is estimated to be up to \$2M making allowance for any substantive legal costs. In addition to this, a provision of \$8M has been made for early land purchases/compensation, making up the estimated total Stage 1 designation costs of \$10M.

The proposed financing of the project is that each of the Regional Council, ONTRACK, and the Government contribute a third of the \$10M cost. Under this scenario, the Regional Council share of \$3.34M would be funded by utilising \$1M from Council reserves in the 2007/08 financial year, with the balance funded by a loan repayable over a nine year period and serviced by a targeted 'Regional Infrastructure Rate'. This new rate will be set at \$0.000027 cents per dollar on the land value of each rating unit (or \$2.70 per \$100,000 of land value), in the constituent districts of the Northland region.

While the Crown may make further funds available for the full \$120M development of the rail network, it is clear that alternate funding options need to be considered if the rail link is to become a reality. There are a range of possible funding sources including:

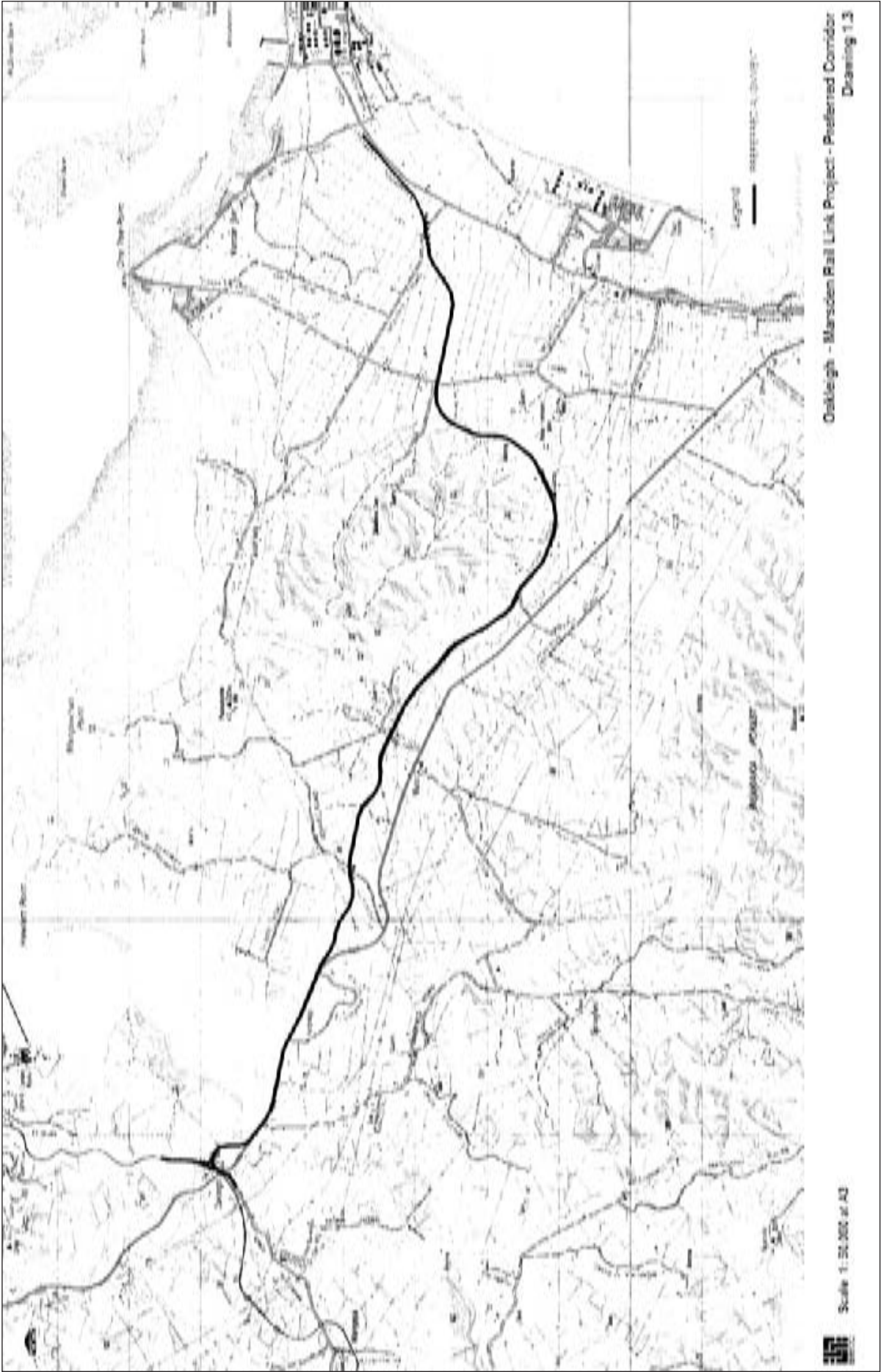
- Private sector funding from a number of businesses who will benefit from the development of the line
- Private sector investment by a company or companies who may construct and or operate and maintain the line
- Crown funding through ONTRACK or Treasury.

The Regional Council is working with advisors to identify and evaluate the best funding options and structures for the complete \$120M project before undertaking further public consultation should the full project proceed at sometime in the future.

The Preferred Route

The proposed Oakleigh to Marsden Point rail link leaves the existing North Auckland Line (NAL) at Oakleigh approximately 25km south of Whangarei City. It travels eastwards for approximately 16km to link with the new deepwater port at Marsden Point. (*See map overleaf*)

The preferred route is one of a range of alternative route corridors considered. The route evaluation process included comparing engineering options, costs, and environmental, social and cultural factors. Consultant advice is that the preferred alignment is both technically feasible and consentable under the RMA.



The Designation Process

A designation is a provision in a district plan which provides notice to the community that a requiring authority intends to use land in the future for a particular work or project. 'Requiring Authorities' are restricted to:

- A Minister of the Crown
- A local or regional authority
- A network utility operator, approved by the Minister for the Environment.

Once a site is designated for a particular purpose, the requiring authority is able to:

- Proceed with the specific work on the site as if it was permitted by the district plan.
- Control activities that occur on the site, to prevent the landowner doing anything that would compromise the future work (this is the case even if the requiring authority does not own the site).
- Apply to the Minister of Lands to compulsorily purchase or lease all or part of the land under the Public Works Act 1981.
- Enter private land to undertake investigations.

Normally, purchase would only need to occur when the rail construction was about to commence. However, where land is subject to a designation, the owner may apply for a Court order obliging the requiring authority to purchase or lease all or part of the land earlier where the landowner is:

- (a) unable to sell the land at a market value, or
- (b) unable to reasonably use the land.

It is proposed that ONTRACK would be the 'Requiring Authority' that manages the designation process, although it should be noted that the NRC also has the ability to undertake this role if required.

Reasons for the Proposal

A link from the North Auckland rail line at Oakleigh to the deep-water port at Marsden Point was first mooted in the 1960s. The New Zealand Rail Corporation (NZRC) put forward a branchline coastal option in 1971.

A resource survey carried out by Northland Regional Development Council in 1978 identified the MPL as being directly associated with the development of Northland's forestry industry and the development of a deep-water port at Marsden Point. These early investigations were further advanced by subsequent activities including extensive route investigations by the NZRC in the late 1970s and early 1980s, the Northland Forestry Transport Study in 1979 - 1980 and an Environmental Impact Report (EIR) prepared in 1981 consistent with the legislation of the day.

More recent investigations have included:

- Oakleigh to Marsden Point Transport Corridor - Scoping Study Report, October 2001.
- Northland Integrated Transport Study, March 2002.
- Future Transport Options for Logs and Processed Products in Northland, June 2002.
- Marsden Point Preliminary ATR Investigation, July 2002.

The above work serves to emphasise the ongoing regional interest in, and the strategic importance of, the Marsden Point Link, as part of Northland's backbone transport infrastructure, to the sustainable development of the region.

The strategic regional benefits of the rail link proposal include:

- Provision of an alternate transport mode (rail) to serve the new deep water port.
- Enhancement of the development of the Marsden Point/Ruakaka area as a major regional growth node for industrial and commercial development with both a national and international product focus.
- Alleviation of the adverse effects of increasing road freight transport through a reduction in the numbers of heavy vehicles on roads and the associated savings in road maintenance reduced congestion and improved road safety.
- Greater protection of the viability of the existing rail lines in Northland.

The development of an Oakleigh - Marsden Point Rail Link will both provide infrastructure support to the deep-water port at Marsden Point and alleviate pressure that industrial and Port development at Marsden Point will place and is placing on the region's road network. It has been estimated the operational capacity of the port could potentially generate up to 800 port-destined truck movements per day. Provision of a rail link to the port will lessen the pressure on the regional road network by reducing the number of truck movements and provide an alternative efficient bulk cargo transfer service to support the operational facilities of the port.

The Marsden Point/Ruakaka area has also been identified as a regional growth node within the Whangarei District. Within the Whangarei District Plan when first notified, the predominant zone in the vicinity is Business 4 ('heavy industrial'). The Whangarei District Council has since made further changes to the Plan to identify additional land for Business 4 and Business 2 (Business and Light Industry) expansion. The provision of a rail link supporting the port will facilitate the forecast growth of the area and assist in positioning the region for industrial and commercial development with both an international and inter-regional product focus.

The primary reasons for the Northland Regional Council deciding to fund the designation process at this time are twofold:

- (a) The number of land use development proposals in the Marsden Point – Ruakaka area is such that if the route is not secured now then it will be compromised to the extent that the link is no longer viable.
- (b) While the link is identified within the National Rail Strategy to 2015 as a possible future development project, there are insufficient designated national funds available to progress this currently.

In regard to the second point, in September 2004 the Crown repurchased the national rail network from Toll Holdings and transferred the responsibility for the ownership and maintenance of the railway infrastructure to an expanded NZ Railways Corporation (trading as ONTRACK). The Government also committed expenditure of \$200 million toward upgrading the rail system. With the Marsden Point rail link expressly mentioned within the National Rail Strategy, it was hoped that the new funding would see the designation process commence.

It is now apparent that the \$200 million will almost certainly be fully absorbed in bringing the existing network up to an appropriate standard. This includes an estimated \$50 million required to upgrade the existing North Auckland trunk line. The line requires tunnel enlargements, bridge strengthening and other works to remove current speed restrictions and also cater for larger freight wagons.

Other Options Considered

In its Draft Annual Plan 2007-2008, the Regional Council asked for public submissions on the proposal to fund the designation of the Oakleigh-Marsden Point rail link corridor. The options considered were:

- Do nothing and await ONTRACK or some other party to designate the rail link corridor and facilitate construction of the link;
- Designate the rail link corridor alone, which would have required investment of financial resources of around \$10M by the Regional Council; or the preferred option of
- Designate in partnership with other stakeholders

The majority of submissions received were in favour of the Regional Council contributing funding to the rail link designation. Furthermore, the preferred option of most submitters was for the Council to do this in partnership with other stakeholders.

Benefits of the Oakleigh-Marsden Point Rail Designation

In terms of the four Local Government Act well-beings, the benefits of the Marsden Point rail designation include:

- **Economic Well-being**

Improved import/export trade opportunities around the new port, creation of jobs from associated commercial and industrial land development, strengthened economic viability and efficiency of the existing rail network.

- **Social Well-being**

Improving the capacity and quality of transport infrastructure, improved road safety, reduced road congestion and associated travel delays, opportunity for rail passenger transport services.

- **Environmental Well-being**

Sustainable use of existing transport infrastructure, provision of fuel-efficient alternative to road freight transport.

- **Cultural Well-being**

Potential for increased diversity within the community, increased awareness of local Maori cultural sites, values and traditions.

Effects of this Proposal

The NRC intends to work with ONTRACK, Toll NZ and other commercial users in progressing the funding of the Oakleigh – Marsden Point rail link corridor designation. This will reduce the direct cost to the Council and assist in developing a partnership approach in the ultimate development of the rail link.

Conflicts of Interest

No conflicts of interest have been identified as arising from the proposed funding of rail corridor designation process and the associated land purchase.

Risks to the Council should the Rail Link not proceed

Should the rail link not proceed following designation, the legal and administrative costs incurred of up to \$2M would not be recoverable. However under the preferred option, these costs will be shared proportionately with other stakeholders. Any land that had been acquired would be disposed of at its then current market value. Should the land value exceed its estimated acquisition cost today of up to \$8M, there may be some capital gain to offset the legal and administrative costs. Such gains would also be shared proportionately with other stakeholders under the preferred option.

Amendments to the Northland Community Plan 2006-2016

As a consequence of the Council's decision to proceed with the funding of the designation of the Oakleigh – Marsden Point rail link corridor, the following changes have been made to the Northland Community Plan 2006-2016.

Changes to Volume One of the Northland Community Plan 2006-2016

- **Page 73** – Council Groups of Activities, Planning and Policy, What do we do – Levels of Service, is changed by adding the following new paragraph between the current fourth and fifth paragraphs:

"From the 2007-2008 financial year, the NRC intends to make strategic investments in priority infrastructure projects including some of those signalled in the Regional Land Transport Strategy. This will begin with funding the designation of Marsden Point rail link corridor, preferably in partnership with other parties."

- **Page 79** – Activity 1.3 Regional Transport Management, 2007 – 2009 Levels of Service is changed by adding the following new level of service and performance target:

"1.3.7 Develop and implement a proposal to designate land for a rail link corridor to Marsden Point and investigate funding options for construction of that link."

Performance target and measure:

"Subject to confirmation of funding, initiate the designation process by 30 November 2007."

- **Page 81** – Levels of Service for the period 2010 – 2016, is changed by adding the following words to the existing level of service:

"Through the implementation of the Regional Land Transport Strategy, continue to facilitate the funding and development of the integrated regional land transport network, including the Marsden Point rail link."

Changes to Volume Two of the Northland Community Plan 2006-2016

Changes have also been made to Volume Two of the Northland Community Plan 2006-2016, to provide for the new regional infrastructure rate.

- **Page 30** – Funding Impact Statement is changed by adding the following new section:

6. Targeted Regional Infrastructure Rate

“From the 2008/09 financial year onwards, a targeted regional infrastructure rate of \$0.000027 per dollar on the land value of each rating unit in the constituent Districts of the Northland region will be introduced to repay loans borrowed to assist development and/or completion of priority infrastructure projects identified in the 2006 Regional capability review of Northland infrastructure, beginning with the Marsden Point rail link project.

The uniform targeted regional infrastructure rate will be levied on the land value of all rateable property in the Northland region based on the district valuation rolls at the close of 30 June of the current year.”

- **Page 34** – Capital Projects, is changed by adding to the end of the first paragraph and the beginning of the second paragraph:

“In early 2007, the Council also decided to commit funding toward establishing a rail link to the Marsden Point area and in future will consider a similar contribution to other priority infrastructure projects identified in the Regional Infrastructure Strategy 2006.

Other than for identified priority regional infrastructure projects, ...”

- **Page 44** – Revenue and Financing Policy – The Revenue and Funding Sources table is changed by adding a new Funding Source for the Regional Transport Management activity as follows:

“Public-Targeted Regional Infrastructure Rate.”

- **Page 49** – Revenue and Financing Policy, Regional Transport Management Activity is changed by adding the following bullet points under the following sub-headings:

Reasons for Activity

- *“The Local Government Act allows for funding of priority transport projects.”*

Issues and Challenges

- *“Need for ongoing collaboration from all local authorities, Transit NZ, Land Transport NZ and ONTRACK to establish regional priorities, provide the necessary funding, and complete the integrated regional transport network.”*

Recommended Funding

- *“Public – including Government subsidies, Targeted Fixed Environmental Rate and Targeted Regional Infrastructure Rate.”*

Projected Capital Expenditure

- *“No direct capital expenditure is required for this activity.”*
- *“There will be capital expenditure for land purchases required following the Marsden Point rail corridor designation process.”*

- **Page 88 – Rating Policies** is changed by adding a new section (f) as follows:

(f) *“Targeted Rate – Regional Infrastructure*

It is proposed that the Northland Regional Council introduce a land based targeted rate to contribute funding toward those priority projects identified in a 2006 regional capability review of infrastructure in Northland. This targeted rate will initially be used to repay loans borrowed to help fund the designation of the Oakleigh to Marsden Point rail link corridor and subsequent land purchases.

The Council proposes to fund its contribution toward the priority regional infrastructure development projects by way of a uniform rate in the dollar on the land value of all rateable land in the Northland region.

The levying of this rate across all sectors of the Northland community recognises the region-wide social and economic benefits expected to flow from the completion of the priority infrastructure projects.”

No changes are required to the Council’s Significance Policy. This Amendment also complies with the terms of the Council’s Treasury Management Policy.

Assumptions and Planning Considerations

- That the funding of the designation of the Oakleigh – Marsden Point rail link corridor will proceed in partnership with other stakeholders, preferably as three equal one-third contributions to the costs and benefits of the project.
- If the designation project does not go ahead, then any land purchased will be sold according to the provisions of any agreements made on a property by property basis and the proceeds distributed proportionately among the stakeholders.
- Revenue from leases on any land purchased for the designation will be used to offset the infrastructure rate.
- That the capital expenditure will occur in the last quarter of the financial year, therefore having a minimal impact on revenue from investments.

Amendment to the Northland Community Plan 2006-2016

Establishment of an Infrastructure Development Authority

Introduction

As a result of considering submissions, the Northland Regional Council (NRC) resolved to proceed with the establishment of an Infrastructure Development Authority (DA) as a Council Controlled Trading Organisation (CCTO). This decision is subject to developing a comprehensive business case to fully understand the impacts, costs and benefits of such an entity.

During 2005, the Northland Regional Council and the Far North, Kaipara and Whangarei District Councils, undertook a joint process to identify Regional Community Outcomes for Northland.

The second priority community outcome identified by the people of Northland is that “Northland’s Infrastructure is developed in a sustainable way”. The Northland Community Plan 2006-2016 identified the following roles of the NRC to support this outcome:

- | | |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Joint Lead Agency | Investigate the need for a regional Infrastructure Strategy for Northland that sets out infrastructure priorities including power, transport networks, waste disposal and drainage issues, air quality, and all water management issues including drinking water, water quality and water storage. |
| Joint Lead Agency | Work with Central Government and District groups to progress broadband services and other communication technologies in Northland. |

The Northland Regional Council completed a regional capability review in 2006 of infrastructure in the region including: transport, energy, telecommunications, water and wastewater, solid waste and social and cultural infrastructure. This review highlighted how continuing growth in population and the economy had placed substantial increased demands upon Northland’s infrastructure in recent years. A number of projects have been accorded priority including the development of the integrated transport network for Northland.

Establishment of an Infrastructure Development Authority

Under the enterprise powers of the Local Government Act, the Council can set up an organisation to undertake a function or deliver a service on its behalf. Section 6 of the Local Government Act 2002 defines three types of possible entities, council organisation (CO), council controlled organisation (CCO) and council controlled trading organisation (CCTO) where the CCO undertakes trading for the purposes of making profit. Although DA’s are not strictly profit seeking operations, they are expected to provide some return on the investment of public money.

Following the hearing of public submissions, the Council intends to establish a DA that will be classified under the Local Government Act 2002 as a Council Controlled Trading Organisation (CCTO). The DA would be a separate legal, time-limited corporate entity, governed by a board of directors and operated at arm’s length from the Council. This has appeal to the private sector as it signals that commercial rigour will be used in key decision making and independence from the political process.

A DA would be mandated via a charter agreed to by the Council. The governing instructions would be set out in a Statement of Intent and Memorandum of Understanding. Implicit in these would be the need for transparency and a robust disclosure regime to manage public expectations and accountability. The final governance structure will be decided once the Charter and Memorandum of Understanding have been agreed, and the shareholders and stakeholders identified through the development of the business case.

Reasons for the Proposal

The infrastructure review highlighted several regional weaknesses that impact on the future growth potential of Northland. These include a population growth rate of less than the National population growth rate reflecting a lessening of the region's importance, high unemployment driven by low levels of private commercial/industry investment and development and the lack of quality infrastructure including:

- underdeveloped port, road and rail network;
- high reliance on energy supplies from outside the region;
- the need for cell phone and wireless coverage and increased levels of broadband uptake;
- limited sewerage system capacity across the region; and
- lack of a regional scale waste disposal facility.

Given the need to lift the engagement of private sector involvement in both infrastructure development and broader industry investment, the Council have identified the need for the Northland region to have a focus on investment readiness. This means profiling and developing the region as an investment destination that will have quality infrastructure over time. To date, investigations reveal that the most effective way of achieving this is through the establishment of a DA entity. DA's are seen as achieving targeted public policy objectives within the flexibility of a private sector operating framework.

Investigations to date indicate that a DA best operates where the following conditions prevail:

- Infrastructure gaps;
- Expectations of major community cost;
- Major barriers to investment;
- Governance deficiencies, that is, existing regional management do not have appropriate policy frameworks to resolve the tension between local, regional and national planning objectives.

The Council recognises that to resolve the issue of infrastructure gaps, it must look for innovative solutions to source funding and future investment into the region.

The DA is a governance and ownership model that has a proven track record for its ability to raise funds from the private sector and alternative funding sources for infrastructure.

Development Authorities are known for their ability to facilitate economic growth and tackle local development issues. This includes issues of social, environmental and cultural significance to the region. A DA would ease the current and future pressure on ratepayer rates revenue because it specialises in forming private public partnerships to raise internal and external funds in order to self fund. In this context a DA is best placed to deliver in a sustainable way the region's infrastructure needs while integrating economic, environmental, social and cultural benefits for the region.

Effects of the Proposal

The establishment of a DA is expected to have a positive effect on the activities of Northland's territorial authorities, as improved infrastructure will enhance these organisations' ability to deliver their services, enable wider economic growth and development and improve the well-being of residents. Furthermore, the DA may provide opportunities for the Regional Council to work more closely on joint projects with the District Councils and other key stakeholders for the ultimate benefit of both current and future generations of Northlanders.

Improved infrastructure in the region will assist Northlanders in achieving positive progress in several regional community outcomes including:

- Northland's infrastructure is developed in a sustainable way;
- Northland's natural environment is sustainably managed; and
- Northland is prosperous.

Other options considered

The following table (on the next page) illustrates other structures that were considered in finding a means to deliver significant regional infrastructure projects in Northland. The shaded column is the Council Controlled Trading Organisation structure that will be adopted should the DA proceed.

All of the possible structures illustrated in the table would have positive benefits on the environmental, social, cultural and economic well-being of Northlanders. However, in terms of economic well-being, the Internal Council Department or Internal Council Business Unit was considered to be less favourable given their reliance on local authority (ratepayer) funding. The Council Controlled Trading Organisation (CCTO) structure will provide maximum economic benefits to the region due to its ability to operate commercially without excessive bureaucracy, to make a profit and to source alternative funding streams thus reducing the financial burden on ratepayers.

Benefits of the Establishment of an Infrastructure Development Authority

The benefits of the establishment of a DA as a Council Controlled Trading Organisation include:

- Governance is business and performance oriented which maintains a focus on results;
- The flexibility, ability and direct authority to raise money from the private sector. Possible funding sources include infrastructure bonds, project finance, and private debt borrowings;
- The opportunity to use external debt funding to become self funding will reduce pressure on council funding requirements which will assist in a sustainable approach to rating policy;
- The ability to spread the cost of projects over time, providing a better alignment of the costs and realisation of benefits of a development project;
- This structure will allow the public to retain capital gains obtained post the project development;
- Ensures a strategic focus given the need for long term partnerships with the private sector;
- Typically dynamic in nature as they operate to complete projects which have clearly defined objectives and ability to integrate skills from a range of organisations;
- The DA leadership and personnel are recruited independently with appropriate commercial and qualified skills which immediately provides the focus on performance and effectiveness.

In terms of the four well beings, the benefits of a DA include:

- **Economic Well-being**

Creation of jobs from commercial and industrial land developments, attracting private investment to the region and reversing the decline in population in certain areas/districts through urban renewal and attracting skilled workers from outside the region;

- **Social Well-being**

Improving the capacity and quality of infrastructure, providing safe leisure and recreational facilities and improved lifestyle for residents while attracting visitors. Community development integrating social service provision to encourage individual/Whanau participation and empowerment;

Comparison of Possible Development Authority Structures

	Internal Council Department	Internal Council Business Unit	CCO/CTO Company	CCO Trust	External Incorporated Society
Legal status	<ul style="list-style-type: none"> Part of local authority 	<ul style="list-style-type: none"> Part of local authority 	<ul style="list-style-type: none"> Independent entity with strong governance linkages. 	<ul style="list-style-type: none"> Independent entity with strong governance linkages. 	<ul style="list-style-type: none"> Independent entity – local authority may be a member.
Management autonomy	<ul style="list-style-type: none"> Subject to local authority's policies 	<ul style="list-style-type: none"> Subject to local authority's policies but likely to be more "commercial" and flexible. 	<ul style="list-style-type: none"> Able to operate commercially without excessive bureaucracy, has power of "business competence". Attract skilled private sector personnel. Greater flexibility and response speed to issues. 	<ul style="list-style-type: none"> Able to operate commercially but controlled by trust deed. 	<ul style="list-style-type: none"> Subject to its constitution able to operate commercially without excessive bureaucracy.
Funding arrangements	<ul style="list-style-type: none"> Completely reliant on local authority funding. 	<ul style="list-style-type: none"> Substantially reliant on local authority funding but may manage other revenue earning business 	<ul style="list-style-type: none"> Low reliance/pressure on local authority funding. Can trade freely to source alternative revenues where spending will exceed council contribution. 	<ul style="list-style-type: none"> Reliance on local authority funding but can trade freely to source alternative revenues. May be more likely to receive industry financial grants. 	<ul style="list-style-type: none"> Reliant on local authority funding but able to source alternative revenues and member support and able to trade.
Governance organisation	<ul style="list-style-type: none"> Governed by local authority and possibly a committee. Accountable within local authority structure. 	<ul style="list-style-type: none"> Governed by local authority who may appoint an advisory board. Independently accountable through local authority structure. 	<ul style="list-style-type: none"> Governed by own board appointed by local authority. Profit seeking organisation and gains retained by the public (potentially for future projects). Subject to statement of intent and other specific accountability requirements. 	<ul style="list-style-type: none"> Governed by trustees who may be appointed by local authority. Subject to statement of intent and other specific accountability requirements. 	<ul style="list-style-type: none"> Governed by elected committee. Local authority's rights will be specified in constitution. Annual meeting required.
Transaction arrangements with local authority and costs	<ul style="list-style-type: none"> Annual plan/business plan with local authority and costs applies. Very low transaction costs. 	<ul style="list-style-type: none"> Annual plan/business plan with local authority and costs applies. Very low transaction costs. 	<ul style="list-style-type: none"> Organisation is contracted with council to meet deliverables. Modest Costs. 	<ul style="list-style-type: none"> Organisation is contracted with council to meet deliverables. Modest Costs. 	<ul style="list-style-type: none"> Organisation is contracted with Council to meet deliverables. Modest Costs.
Public relationship with stakeholders	<ul style="list-style-type: none"> May not relate well as stakeholders have no input to governance. 	<ul style="list-style-type: none"> Stakeholders may be able to input advisory board but no governance role or protest power. 	<ul style="list-style-type: none"> Can relate well. Stakeholders can nominate directors. Fosters partnerships and investments with the private sector. 	<ul style="list-style-type: none"> Can relate well. Stakeholders may have appointment rights. 	<ul style="list-style-type: none"> Can relate well. Members appoint governing body but local authority input may be limited.
Operating costs and taxation	<ul style="list-style-type: none"> Minimal compliance costs and no taxation implications. 	<ul style="list-style-type: none"> Minimal compliance costs and no taxation implications. 	<ul style="list-style-type: none"> Significant compliance costs (e.g. independent audit). Subject to taxation unless a "charitable" company. 	<ul style="list-style-type: none"> Significant compliance costs (e.g. separate audit). Subject to taxation unless classified as "charitable". 	<ul style="list-style-type: none"> Modest compliance costs. Subject to taxation except "member's transactions".

- **Environmental Well-being**

Protecting iconic local natural resources and retaining land reservations freely available for public use, sustainable use of existing infrastructure and natural resources, maintaining control of the level of development to avoid overcrowding or over development;

- **Cultural Well-being**

Preservation of building and architectural traditions, protection of distinctive cultural taonga and heritage including landmarks, and celebration of diversity through symbolism and respect for difference.

Conflicts of Interest

No conflicts of interest have been identified as arising from the proposed establishment of a Development Authority as a Council Controlled Trading Organisation.

Amendments to the Northland Community Plan 2006-2016

As a consequence of the Council's decision to proceed with the establishment of an infrastructure development authority, the following changes have been made to the Northland Community Plan 2006-2016.

The "What we do – Levels of Service" discussions on page 108 of Volume One of the Northland Community Plan 2006-2016 is changed by adding the additional wording as follows:

"The Northland Regional Council completed a regional capability review in 2006 of infrastructure in the region including: transport, energy, telecommunications, water and wastewater, solid waste and social and cultural infrastructure. This review highlighted how continuing growth in population and the economy had placed substantial increased demands upon Northland's infrastructure in recent years. A number of projects have been accorded priority including the development of the integrated transport network for Northland. The Council will develop a project funding strategy and risk assessment of any infrastructure priority that the Council decides to commit significant funding to before undertaking further consultation as appropriate."

An additional 2007-2009 Level of Service is added on page 113 of Volume One of the Northland Community Plan 2006-2016 as follows:

"2007 – 2009 Levels of Service

5.2.8 Develop a project funding strategy and risk assessment of any infrastructure priority that the Council decides to commit significant funding.

Performance Targets and Measures

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."

An additional Level of Service for the period 2010-2016 is added to page 115 of Volume One of the Northland Community Plan 2006-2016 as follows:

- *"Continue to facilitate the sustainable development of Northland's Infrastructure."*

No changes are required to the Council's Treasury Management Policy.

Assumptions and Planning considerations

- That investigations into the proposed establishment of an Infrastructure Development Authority as a Council Controlled Trading Organisation will be undertaken within existing budget allocations.

Amendment to the Northland Community Plan 2006-2016

Changes to the Revenue and Financing Policy

Following public consultation, the Northland Regional Council (NRC) has made amendments to its Revenue and Financing Policy.

Details of the Amendment

The Northland Community Plan 2006-2016 Volume Two has been amended by replacing the table on page 44 with the new table contained in Appendix B of this Plan.

Reasons for the Proposal

Section 102 (6) of the Local Government Act 2002 states that the Council's Revenue and Financing Policy may be amended only as an amendment to the Council's Long Term Council Community Plan and adopted using the special consultative procedure detailed in section 83 of the Act.

Given that the proposed amendments are minor editorial changes made to ensure consistency of wording within the Policy or arising from other amendments, NRC considers that no further detail on the reasons for these amendments to be appropriate.

The proposed changes do not affect other Council Policies.

Forecast Financial Statements

Planning Assumptions

Introduction

The proposed financial forecasts set out on the following pages and the summarised costs of significant activities included in this Plan have been prepared in accordance with the accounting policies adopted by the Council where relevant to budget information.

The financial information included in this Plan and other financial information are prospective for the financial forecasts for 2007-2008 year. They are based upon varying assumptions about the conditions that might exist and possible courses of action.

Significant Assumptions

The preparation of the Draft Annual Plan 2007-2008 required the consideration of assumptions about the environmental, economic and political environment and for the activities that the Council intends to undertake during the term of the plan. The key general assumptions used to prepare the plan are:

- The Council will continue to perform its existing functions in accordance with present legislation but must be able to respond to new legislation governing regional activities from time to time.
- Present Crown funding for land transport and oil spill response activities will continue with no significant change.
- A growing public awareness of, and concern for environmental issues and the activities of community groups will influence the Council's decision making.
- The Council will continue to deliver functions and services in accordance with adopted policies, plans and operational strategies on a user-pays basis where practicable.
- Investment returns will continue to be applied across all activities in order to spread the benefit across all Northland ratepayers but this approach may be reviewed in future. Investment income will be applied to the cost of activities before calculating the sum and incidence of rates revenue.
- The Northland Regional Council will increase its focus on the provision of information, advice and education to carry out its statutory obligations. Therefore the development of information technology will continue, to improve the way the Council works.
- The Council will continue to review its ownership and holding in Northland Port Corporation (NZ) Limited but resolved in 2004 to retain a majority interest in the medium term. Irrespective of the future structure of this investment, the financial return is expected to approximate 7 cents per share per annum.
- The Council will play an increasing role in developing and administering river management schemes, including undertaking works in liaison with communities and striking targeted differential rates to fund approved schemes.
- The Council will play an increasing role in developing and administering land transport plans.
- There will be no significant changes to the funding, investment and financial management policies of the Council following the adoption of those policies adopted and published in the Long Term Council Community Plan 2006-2016.

The material assumptions which have been made for the purpose of the financial forecasts are:

- That the prospective financial statements are based on forecast price level changes by BERL that were taken into account in the Long Term Council Community Plan adopted last year.
- Economic activity and real growth within the region will be consistent with the Reserve Bank forecasts (2-3% per annum).
- That operating revenues, will be generally adequate to meet operating expenditures; investment rents will move with agreed valuations on the renewal of leases and interest income with forecast market conditions announced by the Reserve Bank.
- Any deficits arising from time to time will be appropriately financed in the medium term from reserves held for that purpose.
- The Council's projected expenditures should not be exceeded, provided that no unknown or unexpected contingencies occur.
- Continuing to own equity investments in property and the Northland Port Corporation (NZ) Ltd. Dividend receipts have been forecast at 7.0 cents per share based on the history of ordinary dividends paid by the Port.
- The harvesting strategy for the current forest rotation will end in this 2007-2008 financial year.
- The interest rate on forecast borrowing has been calculated at 7.0 per cent based on current market conditions. Any actual borrowing will be negotiated at the best market interest rates applying at the time a loan is raised.
- The Council's capital expenditure will be financed from annual depreciation provision, targeted rates and revenue reserves, unless otherwise stated.
- The useful lives of significant assets will be generally consistent with those promulgated by the Inland Revenue Department for tax depreciation purposes, except that the straight-line method has been adopted and economic lives changed where necessary based on Council experience.
- That expenditure incurred as a result of civil or emergency management crises will be funded by recourse to the Council's revolving credit facility and Government funding where available.
- That expenditure incurred as a result of the immediately preceding assumption will be managed and funded over the medium term to avoid any unreasonable or sudden increase in rating funding requirements.
- That the prospective financial forecasts and the assumptions upon which they are based may vary from actual results, and are likely to vary significantly during the term of this plan.
- The forecast financial information given on pages 77 to 80 has been prepared in accordance with accounting policies that have been prepared pursuant to International Financial Reporting Standards (IFRS NZ) as prescribed by the Accounting Standards Review Board for New Zealand publicly reporting entities for periods commencing 1 January 2007. However, the prospective financial information presented in this plan has been based on the adoption date of 1 July 2006 so that the plan is compliant with the new IFRS NZ reporting standards.

Statement of Accounting Policies

A. Purpose

These accounting policies are adopted for annual reporting and for prospective financial statements, as applicable.

1. General

The prospective financial statements presented in this Annual Plan are those of the parent entity (the Northland Regional Council) only, as is permitted by the Local Government Act 2002. For reporting actual annual results, these policies apply to the Council's consolidated group.

The Northland Regional Council is a local authority pursuant to the Local Government Act 2002. For the purposes of financial reporting the Northland Regional Council is a public benefit entity.

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

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

2. Entity Specific

Certain policies do not apply to all entities in the Group while policies that apply to more than one entity, are consistently applied by Group entities, as appropriate.

3. Statement of Compliance

These forecast financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and comply with New Zealand equivalents to IFRS (NZ IFRS) as appropriate for public benefit entities. The Group's first consolidated financial statements will be prepared in accordance with NZ IFRS for the year ended 30 June 2007.

The effect of the transition to NZ IFRS on the reported financial position, and cash flows of the Council and Group is not expected to be material as revaluation reserves have been transferred to equity as at 1 July 2006. The Income Statement for the year ending 30 June 2007 will reflect valuation gains (and potential losses) on certain asset and investment classes that were previously transferred directly to reserves.

B. Accounting Policies

The accounting policies set out below have been applied consistently to the Council's consolidated financial statements and its prospective financial statements, as appropriate.

1. Basis of Financial Statement Preparation

The consolidated financial statements are prepared under the historical cost convention, as modified by the revaluation of:

- available-for-sale financial assets,
- financial assets and liabilities (including derivative instruments) at fair value through profit or loss,
- certain classes of property, plant and equipment,
- investment property.

2. Judgement and Estimations

Preparing financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported values of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable in the circumstances. Estimates and assumptions are reviewed annually. Actual results may differ from estimates and may differ materially.

Revised accounting estimates are recognised in the periods affected by the revised estimates.

3. Principles of Consolidation

(a) Subsidiaries

Subsidiaries are all those entities over which the Northland Regional Council may direct the governance policies, that generally accompanies an interest of 50 per cent or more of Council controlled organisations or more than one-half of the voting rights of entities incorporated under the Companies Act 1993. Subsidiaries are fully consolidated from the date on which control is transferred. The results of the Northland Regional Council Community Trust and group and the Council's majority interest in the Northland Port Corporation (NZ) Ltd and its subsidiaries are consolidated for annual reporting.

The purchase method of accounting is applied to the acquisition of subsidiaries. All significant inter-entity transactions are eliminated on consolidation unless the transaction provides evidence of the impairment of the asset transferred. Inter-entity transactions are made at arm's length, are not material and usually represent the recovery of cost.

(b) Associates

Associates are all entities over which Group entities have the significant influence that generally accompanies an interest of between 20% and 50% of the voting rights. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in the Statement of Changes in Equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

(c) Joint ventures

Joint ventures are joint arrangements with other parties in which the Northland Port Corporation (NZ) Ltd has several liabilities in respect of costs and liabilities, and shares in any resulting output. The Group's share of the assets, liabilities, revenues and expenses of the joint ventures is included in the annual financial statements using the proportional consolidation method.

(d) Business combinations that occurred prior to the date of transition to NZ IFRS have not been restated retrospectively.

4. Foreign Currency Transactions

The functional and presentation currency is New Zealand dollars. Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to New Zealand dollars at the foreign exchange rate ruling at that date. Foreign exchange gains or losses arising from translation are recognised in the Income Statement.

5. Financial Instruments

Designation of financial assets and financial liabilities by group entities into instrument categories is determined by the purpose of the financial instruments, policies and practices of management, the relationship with other instruments and the reporting costs and benefits of each designation. The designations applied by the entities are reflected in the financial statements of the Group.

(a) Financial assets

Financial assets are initially recorded at fair value with any unrealised gains or losses, including interest, recognised in the Income Statement. Transaction costs are expensed as they are incurred.

The method for subsequent measurement of financial assets depends on the designation the assets have been given. Financial assets designated at fair value through profit or loss, including financial assets that are held for trading, continue to be recorded at fair value excluding transaction costs, and are revalued annually. Any resultant gains or losses are recognised in the Income Statement.

Financial assets that are available for sale are recorded at fair value excluding transaction costs, and are revalued annually. Any resultant gains or losses are recognised directly in equity except for impairment losses, any interest calculated using the effective interest method and foreign exchange gains and losses, which are all recognised in the Income Statement.

Loans and receivables and held-to-maturity investments are measured at amortised cost using the effective interest rate method. Loans and receivables issued with a duration less than 12 months are recognised at their nominal value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired. Interest, impairment losses and foreign exchange gains and losses are recognised in the Income Statement.

(b) Financial liabilities

Financial liabilities are recorded at fair value with any realised and unrealised gains or losses, including interest, recognised in the Income Statement. Transaction costs are expensed as they are incurred.

Other financial liabilities are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities entered into with a duration of less than 12 months are recognised at their nominal value. Amortisation and foreign exchange gains and losses on monetary items, are recognised in the Income Statement as is any gain or loss when the liability is derecognised.

6. Hedging

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at fair value. The method of recognising any gain or loss depends on whether the derivative is designated as a hedging instrument. The movements in fair value of derivatives that qualify as effective hedges are taken to equity. All other movements in derivatives that do not qualify as effective hedges are recognised in the Income Statement.

7. Property, Plant and Equipment

Items of property, plant and equipment are initially recorded at cost. Revaluations are carried out periodically for some classes of property to reflect the service potential or economic benefit obtained through control of the asset. Revaluations are based on the fair value of assets, with changes reported by class of asset.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate cost or revalued amounts, net of residual values, over the estimated useful lives. Assets to be depreciated include:

	%	Years
Buildings	1 - 20	5 - 100
Forest (Strategic Management Plan)	10	10
Infrastructure	1 - 12	8 - 100
Navigational Aids	10	10
Plant and Equipment	5 - 50	2 - 20
Vehicles (40% residual value)	20 - 25	4 - 5
Vessels and dredge equipment	4 - 10	10 - 25

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

8. Non-Current Assets Held for Sale

Non-current assets (or disposal groups) are separately classified where carrying amounts will be recovered principally through a sale transaction rather than through continuing use: that is, where such assets are available for immediate sale and where sale is highly probable. These assets are recorded at the lower of their carrying amount and fair value less costs to sell.

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.

9. Intangible Assets

(a) Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on the acquisition of associates and joint ventures by the Council's subsidiary entities. It is eliminated on consolidation in the subsidiary entities' statements.

In respect of any acquisitions that occurred prior to 1 July 2004, goodwill has been included on the basis of deemed cost, which represents the amount recorded under previous GAAP. The classification and accounting treatment of business combinations that occurred prior to 1 July 2004 have not been changed when preparing the Council's and Group's opening IFRS balance sheet at 1 July 2005.

(b) Computer software

Computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

10. Biological Assets and Agricultural Produce

Forest assets

Forest assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the Balance Sheet at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the Income Statement together with the change in fair value for each accounting period.

The valuation of the Council's forests is based on the present value of expected discounted cash flows, where fair value is calculated using cash flows from operations. Estimated future cash flows are based on sustainable forest management plans taking into account growth potential. Forest assets are valued separately from the underlying freehold land.

11. Investments

The Group classifies its investments in the following categories:

- **Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired for the principal purpose of selling it in the short term or if so designated by management.

- **Loan advances and receivables**

Loan advances and receivables are non-derivative financial assets with fixed or determinable cash flows that are not quoted in an active market.

- **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable cash flows and fixed maturities that management intends and is able to hold to maturity.

- **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at acquisition and at every balance date.

(a) Parent entity investment in subsidiaries

For the purposes of the parent entity financial statements, the Council's equity investments in its subsidiary entities are stated at cost.

(b) Investments in debt and equity securities

Where the Group entities have an intention and ability to hold bonds to maturity, these are stated at amortised cost less impairment losses (see accounting policy 15).

Other financial instruments are classified as being available-for-sale and are stated at fair value, and any gain or loss is recognised directly in equity. Impairment losses and foreign exchange gains and losses on monetary assets are transferred to the Income Statement. When these investments are divested, the gains or losses previously recognised in equity are transferred to the income statement. Where investments are interest bearing, interest calculated by the effective interest method is recognised in the Income Statement.

The fair value of financial instruments classified as available-for-sale is the quoted bid prices at balance date. Financial instruments that are classified as available-for-sale are accounted for on the dates that Group entities commit to purchase or sell the investments. Securities held to maturity are accounted for on the redemption dates.

(c) Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both, and generate cash flows largely independent of other assets held by the entity. Investment properties are stated at fair value. Valuations are undertaken in accordance with standards issued by the New Zealand Property Institute. Any gain or loss arising from a change in fair value is recognised in the Income Statement.

12. Trade and Other Receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy 15).

13. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

14. Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

15. Impairment

The carrying amounts of the Group's assets, other than investment property, inventories, and deferred tax assets, are reviewed at each balance date to determine whether any impairment has occurred. Where impairment occurs the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

16. Leases

Finance leases transfer to the lessee substantially all of the risks and rewards of ownership. At inception, finance leases are recognised as assets and liabilities on the Balance Sheet at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Assets subject to finance leases are depreciated.

Operating leases, where the lessor substantially retains the risks and rewards of ownership, are recognised in the Income Statement in a systematic manner over the term of the lease. Lease incentives are recognised in the Income Statement as a reduction in rental expense.

17. Provisions

A provision is recognised in the Balance Sheet when the Group has a legal or constructive obligation arising from a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is 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.

18. Employee Entitlements

Provision is made for the Group's liability for retiring gratuity allowances, annual and long service leave, sick leave and time-in-lieu. The liability for retiring gratuities is assessed on an actuarial basis using current rates of pay and taking into account years of service, years to entitlement and the likelihood that staff will achieve entitlement. These estimated amounts are discounted to their present value using the 10 year Government bond rate.

Liabilities for accumulating short-term remunerated leave comprise the value of unused entitlement accumulated at balance date that it is estimated employees will use in future periods.

19. Revenue

(a) Rating revenue and services rendered

Revenues from rating and user fees and charges are recognised in the Income Statement when the rates are struck and invoices are issued for services provided and contracts completed. An allowance is made for a portion of anticipated revenue on major work in progress.

(b) Dividend income

Dividend income is recorded at the cash amount received, being net of taxation imputation credits.

(c) Rental income

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

(d) Government grants

Grants and subsidies paid by the Government are recognised as revenue at fair value when the primary conditions of entitlement have been met.

20. Expenses

(a) 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 a qualifying asset. In that case, borrowing costs will be capitalised as part of the cost of the asset.

(b) All other expenses are recognised when goods and services have been received.

21. Income Tax

The income tax expense charged to the Consolidated Income Statement includes both current and deferred tax and is calculated after allowing for non-assessable income and non-deductible expenses. Deferred taxation, calculated using the liability method on a comprehensive basis, is accounted for in respect of all timing differences.

There are three entities within the Group that are exempt from income tax, being the Council, Destination Northland Limited and the Enterprises Northland Trust. The latter two entities form part of the Northland Regional Council Community Trust group.

22. Third Party Transfer Payment Agencies

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

23. Goods and Services Tax

The figures disclosed in these financial statements are exclusive of Goods and Services Tax, except debtors and creditors, which are GST inclusive.

24. Forecasts

The Council approves forecast financial statements after a period of consultation with the public as part of the Annual Plan or Long Term Council Community Plan process. From 1 July 2006, forecasts have been prepared in accordance with NZ International Financial Reporting Standards and are consistent with the accounting policies adopted for preparing financial statements from that date.

25. Overhead Cost Allocation

All corporate costs are allocated to operating activities. The method used to allocate overhead costs is a weighted average percentage, based on the gross labour costs, number of staff, gross expenditure, revenues and working capital deployed. Inter-departmental direct costs are charged to the applicable department at the time the cost is incurred.

26. Statement of Cash flows

The following are the definitions of the terms used in the Statement of Cash Flows:

- (a) **Cash** means cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- (b) **Investing activities** are those activities relating to the acquisition, holding and disposal of long-term assets and other investments not included in cash equivalents.
- (c) **Financing activities** are those activities that result in changes in the size and composition of the capital structure of entities in the Council's group. This includes both equity and debt not falling within the definition of cash. Dividends paid on equity capital are included in the financing activities of the payer.
- (d) **Operating activities** are the principal revenue-producing activities of group entities and other activities that are not investing or financing activities. This includes interest and dividends received in relation to investments.

C. Changes in Accounting Policies

There are no material changes in accounting policies and these policies are consistent with those used in the Long Term Council Community Plan 2006-2016.

Forecast Income Statement

	Note	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	Variance \$
OPERATING REVENUE				
Fees and Charges				
Consents		662,000	635,450	26,550
Environmental Monitoring & Maritime Operations		1,577,400	1,518,600	58,800
Land Operations		–	–	–
Planning & Policy		197,500	187,500	10,000
Total Fees Charges		2,436,900	2,341,550	95,350
Total Grants & Subsidies included	1	556,386	441,650	114,736
RATES				
Targeted Fixed Environmental		3,685,023	3,711,463	(26,440)
Targeted Land Management		2,775,105	2,770,618	4,487
Awanui River		420,000	420,000	–
Kaihu River	2	71,063	100,000	(28,937)
Regional Recreational Facilities		1,681,906	1,681,906	–
		8,633,097	8,683,987	(50,890)
TOTAL OPERATING REVENUE		11,626,383	11,467,187	159,196
OTHER INCOME				
Dividends		1,595,664	1,597,464	(1,800)
Forestry Revenue		578,053	660,632	(82,579)
Interest	3	2,343,861	1,673,532	670,329
Rents	3	3,224,375	3,778,460	(554,085)
Sundry Income		542,500	470,000	72,500
Sale of Assets / Gain (Loss)		–	–	–
		8,284,453	8,180,089	104,364
GROSS REVENUE		19,910,836	19,647,276	263,560
LESS EXPENDITURE				
Strategic Development	4, 4a	15,929,052	3,247,755	12,681,297
Consents		1,997,484	2,057,500	(60,016)
Environmental Monitoring & Maritime Operations	5	5,577,951	5,506,961	70,990
Land Operations		5,146,064	5,211,317	(65,253)
Planning & Policy	6	3,154,811	2,865,837	288,974
TOTAL ACTIVITIES		31,805,362	18,889,370	12,915,992
Commercial		364,892	374,501	(9,609)
GROSS COST OF SERVICES		32,170,254	19,263,871	12,906,383
NET UNADJUSTED SURPLUS/(DEFICIT)		(12,259,418)	383,406	(12,642,823)
Unrealised Fair Value Changes		586,891	586,891	–
NET SURPLUS/(DEFICIT)		(11,672,527)	970,296	(12,642,823)
Depreciation included in expenditure		1,204,750	1,204,750	–
Interest expense included in expenditure		814,081	814,081	–

Variations from Northland Community Plan 2006-2016

1. The increase in funding specifically relates to funding being provided to cover the costs associated with the proposal to expand the Whangarei bus service.
2. The Kaihu river rate is set at a lower level than the LTCCP as a result of consultation with the community.
3. Proposed property purchase did not eventuate. Shortfall in rental income offset by increased interest on cash on hand.
4. This is due to an increase in the level of corporate overheads charged to the Strategic Development function and increases in staff costs as a result of the appointment of new staff.
- 4a. The \$12,500,000 grant for the Regional Events Centre funded from a \$12,000,000 loan and \$500,000 from the Recreational Facilities rate reserve was planned to occur in 2006-2007 and has been deferred until 2007-2008.
5. The \$71,000 increase in expenditure is for the dredging of the Hatea river.
6. The increase relates to the costs associated with the proposal to expand the Whangarei bus service.

Forecast Balance Sheet

	Note	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	Variance \$
PUBLIC EQUITY				
Accumulated Funds		99,707,506	85,038,640	14,668,866
Special Reserves		3,045,853	2,874,483	171,370
CAPITAL AND RESERVES		102,753,359	87,913,123	14,840,236
<i>Represented by:</i>				
CURRENT ASSETS				
Cash and cash equivalents	1	7,678,034	2,269,383	5,408,651
Trade and other receivables	2	3,834,780	3,005,301	829,479
Inventories		130,962	62,707	68,255
Total Current Assets		11,643,776	5,337,391	6,306,385
NON CURRENT ASSETS				
Investment property	3	49,502,591	44,292,711	5,209,881
Investment in associates	4	20,645,112	19,660,438	984,674
Other investments	5	15,193,924	19,519,477	(4,325,553)
Property plant and equipment	6	19,351,398	11,737,192	7,614,206
Biological assets		1,247,198	1,278,553	(31,355)
Intangible Assets		1,294,592	1,304,806	(10,215)
Total Non Current Assets		107,234,815	97,793,177	9,441,638
TOTAL ASSETS		118,878,591	103,130,568	15,748,023
<i>Less:</i>				
CURRENT LIABILITIES				
Trade and other payables	7	3,059,247	2,945,441	(113,806)
Employee entitlements (current portion)		867,557	796,248	(71,309)
Current portion of public debt		506,697	470,153	(36,544)
Total Current Liabilities		4,433,501	4,211,842	(221,659)
NON CURRENT LIABILITIES				
Public Debt	8	11,561,367	10,883,051	(678,316)
Other Long Term Liabilities		130,364	122,552	(7,812)
TOTAL LIABILITIES		16,125,232	15,217,445	(907,787)
NET ASSETS		102,753,359	87,913,123	14,840,236

Variations from Northland Community Plan 2006-2016

1. See notes on Forecast Statement of Cash Flows.
2. Additional amounts owing at end of year.
3. Revaluation of investments in 2005-06.
4. Increase in 2005-2006 in the value of Northland Regional Council Community Trust.
5. Budgeted investments from previous years did not proceed, funds are held in cash and cash equivalents.
6. Includes the unbudgeted value of the Awanui River Flood Protection Scheme assets transferred from the Far North District Council.
7. Additional amounts owing at end of year.
8. Increase in the non current portion of Public Debt is due to the \$12.5M grant for the Regional Events Centre being deferred until 2007-2008. A large part of this grant is funded from a \$12M loan and total repayments against this loan will be less than forecasted in the LTCCP.

Forecast Statement of Changes in Equity

	Note	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	Variance \$
Net surplus/(deficit) for the period	1	(11,672,527)	970,296	(12,642,822)
Fair value changes		–	–	–
Total recognised income and expenditure		(11,672,527)	970,296	(12,642,822)
Plus Opening Equity		114,425,886	86,942,827	27,483,059
CLOSING EQUITY AT 30 JUNE		102,753,359	87,913,123	14,840,237
Represented by:				
Accumulated Funds				
Opening Balance	2	111,315,327	84,098,660	27,216,667
Net Surplus/(Deficit)	1	(11,672,527)	970,296	(12,642,822)
Increases/(Decreases) Recreational Facilities Reserve	3	(224,464)	202,182	(426,646)
Increases/(Decreases) Awanui Rate		181,500	–	181,500
Increases/(Decreases) Kaihu Rate		(51,637)	–	(51,637)
Other Increases/(Decreases) for the year	4	159,307	(232,498)	391,805
Closing Balance		99,707,506	85,038,640	14,668,867
Forestry Income Equalisation Fund				
Opening Balance		2,286,138	2,019,636	266,502
Increases/(Decreases) for the year		135,184	230,316	(95,132)
Closing Balance		2,421,322	2,249,952	171,370
Land Management Rates Reserve				
Opening Balance	5	824,531	824,531	–
Increases/(Decreases) for the year		(200,000)	(200,000)	–
Closing Balance		624,531	624,531	–
CLOSING RESERVES AT 30 JUNE		102,753,359	87,913,123	14,840,237

Variations from Northland Community Plan 2006-2016

1. Required to fund capital items and reserves and includes the \$12,500,000 grant for the Regional Events Centre.
2. Includes vested assets for the Awanui River Flood Protection Scheme, an increase in the value of Council's investment in the Community Trust and an unbudgeted increase in the value of the investment property portfolio.
3. Correction to the Recreational Facilities Reserve.
4. Offset by correction to Recreational Facilities Reserve.
5. Includes 2006 unspent Land Management Rates that resulted from additional investment income received.

Forecast Statement of Cash Flows

	Note	2007-2008 Annual Plan \$	2007-2008 LTCCP \$	Variance \$
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash is provided from:</i>				
Receipts from Customers	1	6,781,828	7,250,642	(468,814)
Receipts from Subsidies & Grants	2	556,386	441,650	114,736
Receipts from Dividends		1,595,664	1,597,464	(1,800)
Receipts from Interest	3	2,343,861	1,673,532	670,329
Receipts from Rates		8,633,097	8,683,987	(50,890)
		19,910,836	19,647,276	263,560
<i>Cash is applied to:</i>				
Payments to Suppliers and staff	4	30,151,423	17,245,040	(12,906,383)
Interest Payments		814,081	814,081	–
		30,965,504	18,059,121	(12,906,383)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(11,054,668)	1,588,155	(12,642,823)
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash is provided from:</i>				
Sale of Fixed Assets		146,000	146,000	–
Sale of Investment Property from Previous Years	5	1,960,000	–	1,960,000
Sale of Investments		2,540,000	2,540,000	–
		4,646,000	2,686,000	1,960,000
<i>Cash is applied to:</i>				
Purchase of Fixed Assets	6	2,911,350	1,819,550	(1,091,800)
Purchase of Investments	7	10,000,000	–	(10,000,000)
		12,911,350	1,819,550	(11,091,800)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(8,265,350)	866,450	(9,131,800)
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Cash is provided from:</i>				
Proceeds from Stadium Loan		12,000,000	–	12,000,000
<i>Cash is applied to:</i>				
Repayment of Debt		–	438,633	438,633
NET CASH FLOWS FROM FINANCING ACTIVITIES		12,000,000	(438,633)	12,438,633
NET INCREASE/(DECREASE) IN CASH HELD		(7,320,018)	2,015,972	(9,335,990)
Add opening cash brought forward	8	14,998,052	253,411	14,744,641
CLOSING CASH BALANCE		7,678,034	2,269,383	5,408,651

Variations from Northland Community Plan 2006-2016

- Property purchase in the previous year did not proceed, and as a result rental income reduces.
- The increase in receipts specifically relates to funding being provided to cover the costs associated with the proposal to expand the Whangarei bus service.
- Offset by reduction in rental income.
- Costs associated with the proposal to expand the Whangarei bus service and the \$12.5M grant for the Regional Events Centre.
- Receipt of proceeds from the sale of property in the previous year.
- Includes the proposed costs to designate and purchase land for the Marsden Point Rail Link Corridor.
- Property purchase did not proceed in the previous year. Funds to be used to purchase investments.
- Property purchase did not proceed in the previous year (refer note 7 above).

Charging Policy Summary

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 for building consents relating to the coastal marine area, the bylaw charging provisions of the Local Government Act 2002, and the Council's Navigation Safety Bylaws. Costs may be also 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:
 - Information charges.
- (v) Navigation Water Transport and Maritime Safety Bylaw Charges.

(vi) 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 management 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 allocates the costs of monitoring various consents and classes of consents that will be recovered from consent holders. The funding targets and criteria set out in the Revenue and Financing Policy have been incorporated into 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 of Volume Two of the Northland Community Plan 2006-2016. The Council delegates the right to vary these charges to the Department Managers as may be required from time to time (resolved 8 December 2004).

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 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.

- **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 changed by the Council.
- (ii) The charge for each consent may be increased by 10%, should payment not be made within 60 days of invoice, plus any debt collection costs incurred for non-payment or late payments.
- (iii) Account offset will be considered on merit in situations where the Council is indebted to the same person.
- (iv) Where annual charges are expected to equal or exceed \$1,000 (GST exclusive), the consent holder will 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) on page 130 of Volume Two of the Northland Community Plan 2006-2016.
- (v) 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).
- (vi) A minimum fee of \$68.00 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.
- (vii) 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 (vi) and also administrative/monitoring costs incurred as a result of the expiry/surrender of the consent.
- (viii) 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.
- (ix) 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.

- (x) 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.
- (xi) 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.

3. Application Fees

3.1 Introduction

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

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

Amended or New Charges

3.2 Prepare or Change a Policy Statement, Plan or Invited Private Plan Change

Any person may apply to the Council for the preparation of or change to a regional plan. Any Minister of the Crown, or any territorial authority of the region may request a change to a policy statement.

The Council may invite Private Plan Changes (Section 165Z RMA) to establish one or more Aquaculture Management Areas (AMA) in the Regional Coastal Plan for Northland.

On receipt of an application, the Council must assess it and either agree to proceed with further work on the matter raised or decline the request. This decision will be made within a maximum period of sixty working days of receiving the request, receiving all required information or any report commissioned or after modifying the request, whichever is the latest.

The actual and reasonable costs of an Invited Private Plan Change will fall on the applicant for the Plan Change.

In other cases, when considering whether costs should be borne by the applicant, shared with the Council, or borne fully by the Council, the following will be taken into account:

- the underlying **reason** for the change; and
- the extent to **which** the applicant will benefit; and
- the extent to **which** the general community will benefit.

For the receipt and assessment of any application to prepare or change a policy statement or plan, actual and reasonable costs will be recovered. The charging policies are outlined below:

- (i) All applicants will be required to pay a deposit of \$6,000.00 plus GST based on the expected costs of receiving and assessing the application, up to but not including the costs of public notification.

Actual and reasonable costs based on an hourly rate, mileage and disbursements will be included in the deposit.

Any additional costs incurred in processing the application will be invoiced to the applicant.

For Invited Private Plan Changes, where more than one AMA is being sought in the Plan Change, the deposit of \$6,000.00 plus GST shall be made for each AMA sought.

- (ii) For any action required to implement a decision to proceed with the preparation or change to a policy statement or plan, a deposit of \$3,000.00 plus GST shall be made for the costs of public notification. This will be followed by a case-by-case assessment of where the costs should fall. Any costs charged will be invoiced monthly from the date of public notification.

Prior to public notification, an estimate of total costs will be given to the applicant. The applicant will have the option of withdrawing the request on receipt of notice of the estimated costs.

Withdrawn requests are subject to payment of the actual and reasonable costs of relevant work completed to the date of withdrawal.

Labour (standard charge rates includes mileage)	Cost per Hour
• Planning Analyst	\$60.00
• Senior Planning Officer	\$85.00
• Manager	\$130.00

3.3 Resource Consents and Building Act Applications

Applicants will be charged for the actual and reasonable costs, including disbursements, of receiving and processing applications for resource consents, building consents and project information memoranda. Clause 3.3(i) and (iv) have been changed as follows:

- (i) **Staff Costs** - Officers' actual recorded time, charged at the relevant hourly rate in the table of Consents Staff Hourly Processing Rates in Appendix 1. These rates are derived from actual employment costs plus a factor to cover administration and general operating costs.
- (iv) **External costs** including disbursements will also be charged; for example advertising, legal and consulting advice, laboratory testing, hearing venues and incidental costs.

Standard charges under the Building Act 2004 are detailed in Appendix 2.

4. Resource Consent Holder Charges

4.2 Annual Charges

4.2.1 Basis of Charges

In relation to swing/pile moorings within the Marine 4 Management Areas which meet the permitted activity criteria, the costs of providing Council services will be recovered through the Navigation and Safety Bylaw Charges outlined in Clause 10.

In relation to swing/pile moorings outside the Marine 4 Management Areas without consent (non-consented), costs will be recovered through the Navigation and Safety Bylaw until consent is gained. Application for consent must be in accordance with Council's programme for applications.

6. Local Government Act Charges

6.2 Permitted Activity Dairy Shed Effluent Systems – Fees

These charges are made to recover the costs of inspecting farm dairy effluent systems, wintering barns or pad discharges to determine compliance with the permitted activity rules in the Regional Water and Soil Plan. The inspections are conducted in order that the Council adequately carries out its functions and responsibilities pursuant to Sections 30(1)(f), 35(2)(a) and 332 of the Resource Management Act. The fees are set according to Section 150 of the Local Government Act.

6.3 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 332 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:

	per Hour
– Monitoring Officer Scale 1/Technical Officer	\$65.00
– Monitoring Officer Scale 2	\$75.00
– Senior Monitoring Officer/Senior Technical Officer	\$85.00
– Manager	\$125.00

plus the actual and reasonable cost of any specific water quality testing and equipment required (Appendix 16).

10. Navigation, Water Transport and Maritime Safety Bylaw Charges 2007

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

3. Navigation Safety Bylaw Fees	GST Exclusive
(b) (1) For every jetty, jetty berth, boatshed, ramp, minor slipway, private pontoon, pile and swing moorings and berths in marinas containing 24 berths or less.	\$50.00
(2) For every berthholder not otherwise included herein a fee for the recovery of the cost of the navigation safety equipment in the upper Hatea River, per berth.	\$50.00
(3) (a) For every berth in marinas containing more than 75 berths provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$50.00 per berth.	\$40.00
(b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$50.00 per berth.	\$46.00
(4) Boatsheds, per additional berth.	\$50.00
(5) Community and boating club structures, jetties and private accommodation in the coastal marine area.	\$50.00
(6) Marine farms	\$50.00

6. Jet Ski Registration Fees

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

7. (c) Pilotage – Navigation and Safety Services Fee

Per ship when the Master is exempt from compulsory pilotage	\$3,000.00
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8. Navigation and Safety Services Fee**GST Exclusive**

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------|
| (b) Swing/pile moorings (non consented) outside Marine 4 Management Areas (in addition to the navigation fee) | \$68.00 |
| (c) Swing/pile moorings within Marine 4 Management Areas which meet the permitted activity criteria (in addition to the navigation fee) | \$68.00 |

9. Special Events:

Clause 3.9 of the Navigation Safety Bylaw 2001 states that any person intending to conduct a race, speed trial, competition or other organised water activity in any area to which the Bylaw applies may apply in writing to the Harbourmaster to:

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| (a) temporarily suspend the application of Clause 3.2 (Speed of Vessels) in that area during the conduct of the race, speed trial, competition or other organised water activity; and | |
| (b) temporarily reserve the area for the purpose of that activity, | |
| Special Event processing fee | \$120.00 |

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.

Appendix 1 – Resource Consent Minimum Application Fees/Deposits and Consents Staff Hourly Processing Rates

Schedule of Fees/Deposits

Two charges have been changed as follows:

Application Fee \$ GST Excl.	\$ GST Inc.
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Land Use Consents – for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging, gravel extraction, etc). Fee includes stormwater diversion and discharge applications where required.

2,000.00	2,250.00
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Discharge Permits (to land, water or air)

1,000.00	1,125.00
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Consents Hourly Processing Rates

Description	Hourly Rate \$ GST Excl.	Hourly Rate \$ GST Incl.
– Secretarial/Admin	55.00	61.88
– Consents Officer Scale 1	55.00	61.88
– Consents Officer Scale 2	65.00	73.13
– Consents Officer Scale 3	75.00	84.38
– Consents Officer Scale 4	85.00	95.63
– Team Leader Scale 1	85.00	95.63
– Team Leader Scale 2	95.00	106.88
– Consents Manager	150.00	168.75
– Consultants	Up to 150.00	Up to 168.75

Note 3: The final charge is based on actual and reasonable costs including the charging of staff time and consultants at the rate in the above schedule of Consents Staff Hourly Processing Rates and disbursements. The schedule of Fees/Deposits lists the minimum charge for applications for consent.

Appendix 2 – Standard Charges under the Building Act 2004

Appendix 2 charges have been fully revised.

1. Project and Land Information Memoranda (PIM/LIM)

Estimated Value of Work	Minimum Estimated Charge (MEC) \$ GST Excl.	(MEC) \$ GST Incl.
All Applications	180.00	202.50

Notes: 1. MEC is payable upon application for a PIM/LIM.

2. Final actual and reasonable costs are payable upon uplifting the PIM/LIM.

2. Building Consents and Certificates of Approval

Estimated Value of Work	Minimum Estimated Charge (MEC) \$ GST Excl.	(MEC) \$ GST Incl.
Up to 50,000	285.00	320.63
50,001 to 200,000	430.00	483.75
200,001 to 500,000	570.00	641.25
More than 500,000	700.00	787.50

3. Compliance Schedule and Statement

	\$ GST Excl.	(MEC) \$ GST Incl.
Set Fee	95.00	106.88
Plus charge per system or feature	50.00	56.25

5. Extensions of Building Consent Lapse Period

Set Fee	95.00	106.88
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8. Issue of a Notice to Fix

Minimum Estimated Charge	95.00	106.88
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9. Inspections

Inspections carried out by Council officers (per hour)	95.00	106.88
Inspections by specialist consultants – charged at cost to the Council plus 5%.		

10. Technical Processing and the exercising of other functions, powers and duties under the Building Act 2004

Carried out by Council officers (per hour)	95.00	106.88
Carried out by specialist consultants – charged at cost to the Council plus 5%.		

Appendix 6 – Coastal Structures (Post Construction or Installation)

Scale of Annual Charges for Coastal Structures (excluding Marinas)

This is a revised scale of charges to allow for an increase in the Navigation and Safety fee. A Navigation and Safety service fee has been introduced for swing/pile moorings for the Marine 4 Management Area.

Fee Level	Description/Criteria	RMA \$ GST Excl.	Navigation & Safety Service Fee \$ GST Excl.	Navigation & Safety \$ GST Excl.	Total Fee \$ GST Excl.	Total Fee \$ GST Incl.
100	Swing moorings, pile moorings, jetty and marina berths (per berth) with consents	68.00		50.00	118.00	132.75
101	Swing/pile moorings (non-consented) outside of the Marine 4 Management Area		68.00	50.00	118.00	132.75
101	Swing/pile moorings within Marine 4 Management Area		68.00	50.00	118.00	132.75
1	Pile moorings and jetty berths owned by one organisation, comprising 25 berths or more, but no more than 75 berths (per berth). Note: 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.	40.00		50.00	90.00	101.25
1	Marinas comprising more than 75 berths. Navigation fee reverts to \$50.00 if fees are not paid within 60 days (per berth)	–		40.00	40.00	45.00
1	Marinas comprising 24 or more, but less than 75 berths. Navigation fee reverts to \$50.00 if fees not paid within 60 days (per berth)	–		46.00	46.00	51.75
8	Dinghy pulls	68.00		–	68.00	76.50
8	Seawalls and reclamations	68.00		–	68.00	76.50
100	Boat ramps up to 15 m x 4.5 m	68.00		50.00	118.00	132.75
102	Boat ramps/slipways over 15 metres and grids	120.00		50.00	170.00	191.25
103	Boatsheds	205.00		50.00	255.00	286.88
104	Boatsheds with Additional Berth	235.00		50.00	285.00	320.62
13	Cables and Pipes	125.00		–	125.00	140.63
13	Private accommodation in the coastal marine area	125.00		–	125.00	140.63
100	Minor structures not more than 10 m2 in plan area within the coastal marine area (no more than minor environmental effects)	68.00		50.00	118.00	132.75
102	Minor structure and jetties: more than 10 m2 and up to 300 m2 in plan area	120.00		50.00	170.00	191.25
102	Community and boating club structures and jetties, and non-commercial public structures	120.00		50.00	170.00	191.25
105	Marine farms and offsite farms	260.00		50.00	310.00	348.75

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

Navigation and Safety fees have been increased.

Fee Level	Description/Criteria	RMA \$ GST Excl.	Navigation & Safety \$ GST Excl.	Total Fee \$ GST Excl.	Total Fee \$ GST Incl.
100	Minor structures and jetties: not more than 10 m2 in plan area.	68.00	50.00	118.00	132.75
102	Jetties and other structures: more than 10 m2 in plan area.	120.00	50.00	170.00	191.25

Appendix 9 – Major Industries

This is a fully revised scale of charges.

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
AFFCO Moerewa	7381(1), (2), (4-11)	2,400.00	2,700.00
Ballance Agri-Nutrients Ltd	7247	1,000.00	1,125.00
GBC (Portland Cement Works)	5059 (1-6), (8)	1,000.00	1,125.00
NZMP Ltd (Kauri) (part of Fonterra Co-op Group Ltd)	4373, 4375, 4377, 4836, 7532, 7671, 8159	6,500.00	7,312.50
NZMP Ltd (Maungaturoto)	4204, 5139, 5140, 5145, 5146, 5147, 7119, 7155	8,500.00	9,562.50
Imerys Tableware NZ Ltd (Matauri Bay Plant)	1345, 2773, 5042, 6751, 6780, 6908, 8050	1,000.00	1,125.00
NZRC (Marsden Point Oil Refinery)	8319	12,000.00	13,500.00

Appendix 10 – Timber Treatment Plants

This is a fully revised scale of charges

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
McEwing Enterprises Ltd (Oturei Timber)	4721	500.00	562.50
North Pine Ltd (Waipu)	7651	1,000.00	1,125.00
Donnelly's Crossing Sawmills Ltd	4652	1,000.00	1,125.00
Kaihu Valley Sawmill	4653	1,000.00	1,125.00
Carter Holt Harvey Forests Ltd	7921	750.00	843.75
Croft Pole Distributors Ltd	8528 (incorporates 4758)	1,000.00	1,125.00
Sheppard, B (Matakohe)	7622	1,000.00	1,125.00
Kaitaia Timber Co Ltd	4655	1,700.00	1,912.50

Appendix 11 – Major Effluent Discharges or Discharges to Sensitive Receiving Environments

This is a fully revised scale of charges.

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
Far North District Council	3839, 2577, 2635, 3775, 7203, 7205	*1,500.00	*1687.50
Far North District Council	2337, 4007, 7205, 1108, 7399	*2,000.00	*2,250.00
Far North District Council	4111, 2667	2,250.00	2,531.25
Far North District Council	2417, 932	2,600.00	2,925.00
Far North District Council	1168	6,600.00	7,425.00
Kaipara District Council	1102, 1115, 1116	*1,900.00	*2,137.50
Kaipara District Council	3666	4,000.00	4,500.00
Kaipara District Council	3780	1,000.00	1,125.00
Whangarei District Council	4509	1,000.00	1,125.00
Whangarei District Council	7403	1,600.00	1,800.00
Whangarei District Council	4155	1,000.00	1,125.00
Whangarei District Council	2576	2,000.00	2,250.00
Whangarei District Council	7445	1,700.00	1,912.50
Whangarei District Council	4352	3,000.00	3,375.00
Ministry of Education	Administration Charge, schools charged separately for monitoring costs.	**2,700.00	**3,037.50
Ota Point Effluent Society	2724	2,500.00	2,812.50

* Each Consent ** Combined charge

Appendix 12 – Refuse Landfills

This is a fully revised scale of charges.

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
Far North District Council	1824	600.00	675.00
Kaipara District Council	4816,	*1,000.00	*1,125.00
Kaipara District Council	4809, 4814, 7234, 2257, 4433	*600.00	*675.00
Far North District Council	7503	1,200.00	1,350.00
Far North District Council	4789	1,300.00	1,462.50
Kaipara District Council	7562	6,000.00	6,750.00
Far North District Council	2918	1,600.00	1,800.00
Far North District Council	7502	4,000.00	4,500.00

* Each Consent

Appendix 13 – Large Scale Discharges to Air

This is a fully revised scale of charges.

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
AFFCO (Moerewa) Ltd	7381(34)	#2,500.00	#2,812.50
Juken Nissho Ltd	7062	19,000.00	21,375.00
NZ Refining Co Ltd	8319(2) prev. 7075	1,700.00	1,912.50
NZMP Ltd (Kauri)	7072	4,500.00	5,062.50
NZMP Ltd (Maungaturoto)	7073	4,500.00	5,062.50
Richmond (Effluent Ponds)	7088	1,000.00	1,125.00
Croft Timber	8528	4,000.00	4,500.00
TDC Sawmills	8417	4,000.00	4,500.00

Industries requiring stack testing

Appendix 14 – Major Coastal Activities

This is a fully revised scale of charges.

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
Far North Holdings Ltd, Opua Marina	8385	4,000.00	4,500.00
Kerikeri Cruising Club	6260	4,000.00	4,500.00
Riverside Drive Marina Ltd	7926	300.00	337.50
Tutukaka Marina Management Trust	2093, 6267, 7836	4,000.00	4,500.00
Whangarei Marina Management Trust	7958, 8089, 8517	4,000.00	4,500.00
Whangaroa Marina Trust	7940	4,000.00	4,500.00

Appendix 15 – Large Scale Water Takes

The following scale of charges have been revised.

Consent Holder	Consent No(s)	Annual Charge \$ GST Excl.	Annual Charge \$ GST Incl.
Far North District Council	4369	2,000.00	2,250.00
Kaipara District Council	8032	¹ 600.00	675.00
Whangarei District Council	2960	2,000.00	2,250.00
Fonterra Kauri	3221	² 2,300.00	2,587.50
Mangawhai Golf Club	2344	¹ 600.00	675.00

¹ Includes a charge of \$500 pursuant to Section 36 (1)(c) towards the costs of operating NRC SOE groundwater monitoring site (see Section 4.1).

² Includes a charge towards the costs of operating NRC SOE flow monitoring site (see Section 4.1).

Appendix 16 – Miscellaneous Management Charges

The following charges have been revised for Laboratory Testing.

Job Ref. No.	Description/Criteria	Per Sample \$ GST Excl.	Per Sample \$ GST Incl.
7373	Faecal Coliforms by MF	20.00	22.50
7374	Faecal Coliforms by MPN	38.00	42.75

Auditor's Report



Matters relating to the Regional Council's adopted amendment to the LTCCP subsequent to this report

This report dated 14 June 2006 relates to the Long Term Council Community Plan (the LTCCP) for the 10 years commencing 1 July 2006, approved 14 June 2006 by Regional Council. Subsequent to this, on 20 June 2007, the Regional Council adopted an amendment to its LTCCP for the 10 years commencing 1 July 2006 to:

- change the revenue and financing policy;
- alter intended levels of service provision;
- introduce a targeted regional infrastructure rate; and
- increase costs in relation to the designation of the Oakleigh – Marsden Point Link Corridor.

The Regional Council has not prepared an amended LTCCP that incorporates the amendment adopted on 20 June 2007. Consequently, to form a view of the LTCCP of the Regional Council, the content of the LTCCP to which this report relates should be considered in conjunction with Regional Council's adopted amendment. There is no legislative requirement for us to report on the adopted amendment and we have not done so.

Matters relating to the electronic presentation of the report to the readers of the Long Term Council Community Plan

This report relates to the LTCCP of Northland Regional Council for the ten years commencing 1 July 2006 which was approved by Regional Council on 14 June 2006 included on Northland Regional Council's web site. The Regional Council is responsible for the maintenance and integrity of the Northland Regional Council's web site. We have not been engaged to report on the integrity of the Northland Regional Council's web site. We accept no responsibility for any changes that may have occurred to the LTCCP since it was initially presented on the web site.

The report refers only to the LTCCP named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the LTCCP, including the adopted amendment to the LTCCP published by the Regional Council and which has not been incorporated with the content of the LTCCP to which this report relates. If readers of the report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the LTCCP incorporating volumes 1 and 2 approved on 14 June 2006 and related audit report dated 14 June 2006 to confirm the information included in the LTCCP presented on this web site.

The preparation and dissemination of the LTCCP is governed by New Zealand legislation.

APPENDIX A – Levels of Service

Planning and Policy Levels of Service

Activity 1.1: Resource Management Planning

Contribution to Community Outcomes: Resource Management Planning contributes mainly to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of the Resource Management Planning activity is to provide clear policy guidance and rules on the sustainable management of Northland’s natural and physical resources.

2007 – 2009 Levels of Service	Performance Targets and Measures
1.1.1 Maintain an operative Regional Policy Statement, Regional Coastal Plan, Regional Water and Soil Plan and Regional Air Quality Plan, including development of implementation strategies.	Actual progress of approved implementation plans are reported on annually.
1.1.2 Undertake an annual review of the implementation of the Regional Policy Statement and plans.	Annual review report to be completed by December each year.
1.1.3 Prepare a report on the efficiency and effectiveness of the policies and methods within the Regional Policy Statement.	Report completed, including an action plan for any improvements identified by 31 August 2006.
1.1.4 Undertake a full review of the Regional Policy Statement commencing in 2009 (10 years after the Regional Policy Statement became operative).	Full review process commenced no later than 30 January 2009.
1.1.5 Complete proposed changes to the Regional Coastal Plan for Northland providing for: <ul style="list-style-type: none"> – improvements to moorings and marinas management (Plan Change 1). – the identification of areas of important conservation value within Whangarei Harbour (Plan Change 2). – improvements to mangrove management (Plan Change 3). – the establishment of aquaculture management areas (Plan Change 4). 	Subject to Environment Court case management scheduling, resolve any appeals on Plan Changes 1, 2 and 3 by 1 July 2007. As above. As above. Subject to Environment Court case management scheduling, resolve any appeals on Plan Change 4 by 1 July 2008.

Planning and Policy Levels of Service

Activity 1.1: Resource Management Planning (continued)

2007 – 2009 Levels of Service	Performance Targets and Measures
1.1.6 Complete proposed changes to the Regional Water and Soil Plan for Northland providing for: <ul style="list-style-type: none"> – improvement to management of water take, use, damming and diversion (Plan Change 1). – improvement to management of discharges, land disturbance, coastal margins and other provisions (Plan Change 2). 	Subject to Environment Court case management scheduling, resolve any appeals on Plan Change 1 by 1 December 2007. Subject to Environment Court case management scheduling, resolve any appeals on Plan Change 2 by 1 December 2008.
1.1.7 Complete proposed changes to the Regional Air Quality Plan for Northland providing for: <ul style="list-style-type: none"> – the Marsden Point Air Quality Management Strategy (Plan Change 1). – improvements to air quality management (Plan Change 2). 	Subject to Environment Court case management scheduling, resolve any appeals on Plan Change 1 by 1 December 2007. Subject to Environment Court case management scheduling, resolve any appeals on Plan Change 2 by 1 July 2009.
1.1.8 Undertake other plan changes as and when required by Council resolution.	Plan changes completed as required and reported on annually. No legal challenges to plan changes due to non-compliance with statutory preparation processes.
1.1.9 Prioritise and develop harbour management plans for specific areas and/or communities where these will improve resource management effectiveness.	Create a prioritised schedule to develop harbour management plans by 1 July 2007. Report on progress against priority schedule annually.
1.1.10 Implement an air quality management strategy for Marsden Point.	Develop an action plan to implement the Marsden Point air quality management strategy by 1 July 2006 and report progress annually.
1.1.11 Assist with funding to improve Maori involvement in resource management decision-making including funding of iwi/hapu resource management plans.	Report annually on activities funded.
1.1.12 Provide a contingency fund for expert assessment of applications for outdoor trials or use of genetically modified organisms in Northland as notified by ERMA.	Set aside a fund of \$10,000 annually for expert assessment of notified applications made under HASNO legislation. Report any use of funds annually.

Significant negative effects of Resource Management Planning Activities

At this stage there are no known significant negative effects surrounding the Council's planned Resource Management Planning Activities.

Planning and Policy Levels of Service

Activity 1.2: Public Communication and Education

Contribution to Community Outcomes: Public Communication and Education contributes mainly to the “Northland’s natural environment is sustainably managed” and “Northland residents are educated and skilled” community outcomes.

Objectives: The objectives of the Public Communication and Education activity are to:

- (a) increase public awareness of, responsibility for, and involvement in sustainable environmental management in Northland.
- (b) recognise and support environmental management activities in Northland.

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>The following will be carried out during 2006 – 2009 in accordance with the Council’s Environmental Education Strategy and associated annual programme of events.</p> <p>1.2.1 Provide educational material and opportunities to the general public and sector groups on the importance of wise environmental management.</p>	<p>Exhibits on Council activities are held at five shows and field days each year.</p> <p>Four seminars and workshops on regional environmental matters are held each year.</p> <p>Ensure that at least 50% of the Northland population is aware of and valuing NRC’s role and services.</p>
<p>1.2.2 Provide information to schools about the importance of environmental issues and the role of the Regional Council.</p>	<p>Education information on topical issues is distributed to all Northland schools each year.</p> <p>A minimum of 40 school visits are conducted each year.</p> <p>Two seminars each year are organized for school teachers on Regional Council activities. These seminars include the provision of associated educational resources to the teachers who attend.</p> <p>Organise one Youth Summit each year.</p> <p>Achieve at least an 80% satisfaction level by the users of NRC’s environmental and education programmes.</p>
<p>1.2.3 Keep the Northland public informed of Council issues and activities.</p>	<p>Produce and circulate at least 80 media releases annually.</p> <p>Produce and distribute a quarterly newsletter to all Northland residents.</p> <p>Create and distribute a minimum of 6 publications on environmental issues each year.</p> <p>Continue to promote the Council’s website through all printed publications, radio and print advertising, Council stationery, consultation campaigns and other marketing initiatives.</p>

Planning and Policy Levels of Service

Activity 1.2: Public Communication and Education (continued)

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>1.2.4 Provide support, scholarships or awards in the education sector, as follows:</p> <ul style="list-style-type: none"> – University Masterate students – one Sustainable Management Scholarships. – Northland Polytechnic students - two Environmental Management Scholarships. – Schools Environmental Curriculum Awards. – Assistance for industry based training/skill development such as cadetships and apprenticeship training. 	<p>Scholarships advertised, judged and awarded by 31 March each year.</p> <p>Curriculum awards judged and presented by 30 June each year.</p> <p>Report on assistance provided by 30 June each year.</p>
<p>1.2.5 Recognise, in conjunction with representative groups, good environmental management practices in business, through the presentation of an Environmental Management in Business and Farm Awards.</p>	<p>Business and farm awards to be judged and presented by 30 June each year.</p>

Significant negative effects of Public Communication and Education Activities

A significant negative effect on community well-being could occur if the number and/or quality of Council Public Communication and Education Activities caused people to lose interest in environmental matters or the Council itself.

Planning and Policy Levels of Service

Activity 1.3: Regional Transport Management

Contribution to Community Outcomes: Regional Transport Management activities contribute mainly to the “Northland’s infrastructure is developed in a sustainable way”, and “Northland is prosperous” community outcomes.

Objective: The objective of the Regional Transport Management activity is to facilitate a strategic approach to regional land transport, and enhanced road safety.

2007 – 2009 Levels of Service		Performance Targets and Measures
1.3.1	Complete the review of the Regional Land Transport Strategy for Northland in 2006.	Regional Land Transport Strategy review processes completed by 30 November 2006.
1.3.2	Undertake next triennial review of the Regional Land Transport Strategy for Northland in 2009.	Regional Land Transport Strategy review processes completed by 30 November 2009.
1.3.3	Complete relevant actions set out in the Regional Land Transport Strategy for Northland (RLTS).	Annual reports on the implementation of the RLTS completed within three months of the end of each financial year.
1.3.4	Complete, in association with the Regional Council’s road safety partners, the road safety projects listed for Northland in the annual New Zealand Safety Administration Programme.	Complete contract with Land Transport NZ, which included details of projects, by 30 November each year. Report monthly on progress with road safety projects.
1.3.5	In conjunction with the New Zealand Police, Land Transport NZ and the Regional Council’s other road safety partners, prepare (and thereafter review annually), a road safety strategy for Northland, to be implemented via an annually prepared road safety action plan.	Complete regional road safety strategy and first action plan by 30 November 2006. Complete annual road safety action plan by 1 December each year.
1.3.6	Undertake an annual review of the Regional Transport Plan, which sets out regional development (forestry) roading priorities for Northland.	Subject to funding confirmation, complete annual review by 30 September each year.

Significant negative effects of Regional Transport Management Activities

At this stage there are no known significant negative effects surrounding Council’s planned Regional Transport Management Activities.

Planning and Policy Levels of Service

Activity 1.4: Passenger Services Administration

Contribution to Community Outcomes: Passenger Services Administration activities contribute mainly to the “Northland’s infrastructure is developed in a sustainable way”, and “Northland has cohesive communities” community outcomes

Objective: The objective of the Passenger Services Administration activity is to provide cost effective passenger transport services that meet the needs of local communities and of groups who are transport disadvantaged.

2007 – 2009 Levels of Service		Performance Targets and Measures
1.4.1	Administer the long-term contract for the subsidised bus service for the Whangarei urban area.	Monitor and report monthly bus service patronage and revenue against agreed budget limits.
1.4.2	Subject to the confirmation of funding, re-tender the contract for the subsidised Whangarei urban bus service in 2006 including improvements to the existing service.	Re-tendering of contract completed by November 2006.
1.4.3	Administer the Whangarei Total Mobility Scheme.	Monitor and report monthly Whangarei Total Mobility Scheme patronage against agreed budget limits.
1.4.4	Investigate the possibility of extending the Scheme to urban areas outside Whangarei where taxi services may operate.	Complete investigation by 30 June 2007.
1.4.5	Maintain a register of commercial passenger transport services operating in Northland.	Register up to date and available for the public viewing. New service registrations, variations or abandonments reported monthly.

Significant negative effects of Passenger Services Administration Activities

At this stage there are no known significant negative effects surrounding Council’s planned Passenger Services Administration Activities.

Consents Levels of Service

Activity 2.1: Consent Applications

Contribution to Community Outcomes: The consent applications activity contributes mainly to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of the Consent Applications activity is to promote individual and community well-being by enabling participation in the processing of consent applications in a way that results in sustainable resource management.

2007 – 2009 Levels of Service	Performance Targets and Measures
2.1.1 Process all consent applications effectively by ensuring all statutory procedures and time requirements are met in a way that promotes high levels of customer satisfaction with the process.	<p>Processing, hearing and issuing of decisions on consent applications is in accordance with the requirements of the RMA.</p> <p>At least 98% of applications are processed within statutory time lines as indicated by the Council’s consents database.</p> <p>Reduce the number of successful appeals lodged in the Environment Court to no more than five each year.</p> <p>Achieve at least 80% customer satisfaction rate with Council staff’s level of helpfulness in guiding customers through the consent application process.</p>
2.1.2 Resource consents are issued with meaningful, understandable, legally valid and enforceable conditions.	Rate in the top 30% of the Regional Council two-yearly Best Practice Quality Survey.

Significant negative effects of Consent Applications Activities

While the granting or refusing of consent applications may be perceived by some as having potentially negative economic effects on affected persons and the applicant, it is considered that the well-being of the regional community as a whole is protected, rather than negatively affected by the Consent Applications Activities.

Activity 2.2: Consents Advice and Information

Contribution to Community Outcomes: The Consents Advice and Information activity contributes mainly to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of the Consents Advice and Information activity is to ensure that the public is better informed and enabled to participate in the processing of resource consent applications.

2007 – 2009 Levels of Service	Performance Targets and Measures
2.2.1 Provide advice about consent applications in an accurate and timely way.	No more than five justifiable complaints received each year.

Environmental Monitoring Levels of Service

Activity 3.1: State of the Environment Monitoring

Contribution to Community Outcomes: The State of the Environment monitoring activity contributes mainly to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of the State of the Environment Monitoring activity is to promote sustainable resource management by identifying significant environmental issues and trends in the region and providing for informed decision-making.

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>3.1.1 Continue to implement and improve a prioritised State of the Environment monitoring programme based on the Regional Policy Statement and Regional Plans.</p>	<p>The detail of the state of the environment monitoring programmes can be found on the Council’s website; www.nrc.govt.nz. And will include:</p> <ul style="list-style-type: none"> – Monitoring ambient air quality in line with the priorities of the National Environmental Standard for Air and the Regional Air Quality Plan. – Operating a region-wide hydrometric network for the measurement, recording and reporting of rainfall, river flows, lake, groundwater and tide levels. – Carry out investigations into the water resources of ‘at risk’ aquifers (as per the Regional Water and Soil Plan for Northland). – Operating a region-wide water quality network for the measurement, recording and reporting of river, lake and groundwater quality trends. – Water quality, weed and algae monitoring of Lake Omapere and associated community liaison and advice, including the ongoing development and co-ordination of a lake catchment management plan. – Carrying out sampling and reporting on summer coastal and freshwater bathing water quality. – Carry out a prioritised estuary health monitoring programme. – Supporting and contributing to the development and implementation of coastal hazard management strategies, by the collection and provision of coastal hazard and processes information and advice to the communities of affected areas. – Promote and support community based ‘coast care’ projects such as the Hokianga Harbour Foreshore Restoration Society’s Coastal Hazard Management Strategy. – Reporting to the Council annually on environmental monitoring activities within three months of the end of the financial year. SOE monitoring programmes and findings are reported annually on the Council’s website www.nrc.govt.nz. <p>Much of this work is ongoing and long term and continues through the whole three years of this planning period.</p>

Significant negative effects of State of the Environment Monitoring Activities

At this stage there are no known significant negative effects surrounding the Council’s planned State of the Environment Monitoring Activities.

Environmental Monitoring Levels of Service

Activity 3.2: Resource Consent Compliance

Contribution to Community Outcomes: Resource Consent Compliance activities contribute mainly to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of the Resource Consent Compliance activities is to promote the sustainable management of resources and minimise the adverse effects of people’s use of the environment by ensuring compliance with resource consents, Regional Plans and statutory environment standards.

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>3.2.1 Monitor compliance with, and the effects of, the exercise of resource consents.</p>	<p>All resource consents will have a monitoring programme documented on the Council’s consent monitoring database and monitoring events will be carried out, documented and reported as per the programmes. The monitoring will be undertaken in line with the Council’s ISO accredited management systems, which are internally and externally audited. The monitoring will include:</p> <ul style="list-style-type: none"> – Emission testing and/or appropriate off-site monitoring of major industrial discharges to the air. – Effluent and receiving water quality testing of sewage, industrial and landfill discharges. – Collecting water use records and measuring stream flows, groundwater and lake levels associated with significant water abstractions. – Inspecting land clearance, earthworks, and river works that are the subject of resource consents. – Inspecting significant coastal structures and works, marine farms and carrying out surveys of the coast where there is sand mining activity. – Inspecting all boat moorings over a three-year cycle 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. – Taking appropriate enforcement action in cases of significant non-compliance with statutory requirements. – Recording the results of monitoring undertaken and reporting it and any follow-up action to the following month’s Council meeting and to consent holders.
<p>3.2.2 To monitor and enforce compliance with farm dairy effluent discharge standards.</p>	<p>Inspecting all farm dairy effluent treatment and discharge systems annually, record inspection details and report these to the farmers responsible.</p> <p>Testing effluent and receiving water quality annually for systems with resource consents to discharge to water bodies if they are discharging to water at the time of inspection.</p> <p>Follow up on all non-complying systems, requiring maintenance or upgrades when needed within the season of non-compliance.</p> <p>A summary of the findings, follow-up action taken, including enforcement, is reported to the Council monthly.</p>

Significant negative effects of Resource Consent Compliance Activities

While carrying out resource consent compliance, monitoring and enforcement may be perceived to have a possible negative economic effect on consent holders and those who infringe, it is considered that the well-being of the regional community as a whole is protected, rather than adversely affected by this activity.

Environmental Monitoring Levels of Service

Activity 3.3: Environmental Incidents Response

Contribution to Community Outcomes: The Environmental Incidents Response activity contributes mainly to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of the Environmental Incidents Response activity is to minimise the adverse effects on the environment of incidents and non-compliance with the Resource Management Act.

2007 – 2009 Levels of Service	Performance Targets and Measures
3.3.1 Providing a 24-hour, everyday environmental incident reporting, recording and response system, including the Environmental Hotline free phone.	Incident response will be undertaken in line with the Council’s ISO accredited management systems, (which are internally and externally audited) and will include: <ul style="list-style-type: none"> – Recording, investigating and taking follow-up action on incidents reported to the Council where there are adverse effects on the environment and/or alleged non-compliance with the Resource Management Act. – Take appropriate enforcement action in cases of significant non-compliance with statutory requirements. – Report on the response, including any enforcement action, to the incident reporter (as and when the follow up action is completed) and to the Council in the following month.

Significant negative effects of Environmental Incidents Response Activities

While responding to environmental incidents may be perceived as having a negative effect on those who infringe, it is considered that the well-being of the regional community as a whole is enhanced rather than adversely affected by this activity.

Environmental Monitoring Levels of Service

Activity 3.4: Hazardous Substances and Contaminated Sites

Contribution to Community Outcomes: The Hazardous Substances and Contaminated Sites activity contributes mainly to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of this activity is to reduce the quantities of hazardous substances, hazardous wastes entering Northland’s environment and minimising the adverse effects of these.

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>3.4.1 Facilitate the safe and lawful storage of hazardous substances and management of waste hazardous substances, where there is no appropriate alternative service provided.</p>	<p>Services will be provided in line with the Council’s ISO accredited waste management procedures and management systems and will include:</p> <ul style="list-style-type: none"> – Operating, in conjunction with Wrightson, waste agrichemical collection facilities at Whangarei, Dargaville, Waipapa and Kaitaia. A new site will be set up in Kaikohe in 2006. – Operating a facility in Whangarei for the short-term storage of waste hazardous substances awaiting transport. – Provide a collection, transport and disposal service for other waste hazardous substances. – Exporting for safe destruction, the intractable waste hazardous substances that the Council has collected. – Providing a hazardous substances storage compliance monitoring and incident response service (under contract to the Department of Labour). – An annual report to the Council and Department of Labour on the performance of these services.
<p>3.4.2 Facilitate the management of contaminated sites in Northland.</p>	<p>Maintaining and updating a database of potentially contaminated sites, related site assessments and remediation. Promoting the assessment and remediation of significant contaminated sites.</p> <p>Promote the availability of contaminated site information through the LIM and PIM systems by providing the district councils with the information in the database of potentially contaminated sites, related site assessments and remediation.</p>

Significant negative effects of Hazardous Substances and Contaminated Sites Activities

Identifying the true cost of waste disposal has a negative financial impact on some of the community in terms of waste disposal charges. However, this is outweighed by the positive impact on the well-being of the wider regional community from the appropriate management of waste.

Maritime Operations Levels of Service

Activity 3.5: Oil Pollution Response

Contribution to Community Outcomes: The Oil Pollution response activity contributes mainly to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of this activity is to minimise the adverse effects of marine oil spills on the Northland environment.

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>3.5.1 To maintain and implement the Marine Oil Spill Contingency Plan for the Northland region.</p>	<p>All activities carried out in line with the Marine Oil Spill Contingency Plan for Northland and Council’s ISO accredited procedures and management systems, and will include:</p> <ul style="list-style-type: none"> – Having in place a team trained in accordance with Maritime New Zealand standards, and having the appropriate equipment available to respond to oil spills at any time in accordance with the Plan. – Conducting oil spill response exercises as set out in the Plan. – Responding to oil spills in line with the Plan. – Recording all oil spills and action taken and reporting these to the Council monthly. – Monitoring of oil/fuel transfer sites (Tier I sites) for compliance with spill prevention and response requirements.

Significant negative effects of Oil Pollution Response Activities

While responding to oil pollution may be perceived as having a negative effect on those who infringe, it is considered that the well-being of the regional community as a whole is enhanced rather than adversely affected by this activity.

Maritime Operations Levels of Service

Activity 3.6: Harbour Safety and Navigation

Contribution to Community Outcomes: The Harbour Safety and Navigation activity contributes mainly to the “Northland’s natural environment is sustainably managed” and, the “Northland’s infrastructure is developed in a sustainable way” community outcomes.

Objective: The objective of this activity is to provide services that promote safe navigation and use of Northland harbours.

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>3.6.1 Promote safe navigation and use of Northland harbours and implement the New Zealand Port and Harbour Marine Safety Code.</p>	<p>This activity will comply with the New Zealand Port and Harbour Marine Safety Code, as audited by Maritime New Zealand and Council’s ISO accredited procedures and management systems, and will include:</p> <ul style="list-style-type: none"> – Implement a code compliant safety management system for Whangarei Harbour and the Bay of Islands. Carry out code application assessments for other Northland harbours by June 2007. – Administer maritime safety and navigation bylaws relating to use of Northland harbours, coastline and port facilities by recreational and commercial vessels. – Provide and maintain navigation aids and signage required for safe navigation in Northland harbours. – Provide harbour wardens and patrols to monitor and manage harbour safety and navigation, particularly during heavy use, and to encourage observance of the Council’s Navigation and Safety Bylaw 2001 and related safety promotion programmes. – Investigate and take follow-up action on any reported breaches of the Navigation Safety Bylaw 2001 and other relevant maritime related regulations by providing a 24-hour, everyday, maritime incident reporting, recording and response system. – Provide pilotage services for vessels calling into the Bay of Islands in line with applicable regulations and any requirements of the Bay of Islands safety management system once adopted. – Complete investigations for dredging of the Hatea Channel, jointly with the Whangarei District Council and stakeholders by 30 June 2007.

Significant negative effects of Harbour Safety and Navigation Activities

A significant negative impact on well-being may arise in situations where people feel their rights are diminished in order to provide for the well-being of the wider public or for future generations.

Land Operations Levels of Service

Activity 4.1: Hazard and Emergency Management

Contribution to Community Outcomes: The Hazard and Emergency Management activity contributes mainly to the “Northland residents are safe and healthy”, and “Northland’s Infrastructure is developed in a sustainable way” community outcomes.

Objective: The objective of this activity is to work with communities to increase awareness of the hazards which may threaten them, work to avoid or reduce the risks associated with these hazards, respond to major events and have plans in place to assist in recovering from any emergencies; and work to reduce the level of damage caused by flooding and erosion.

2007 – 2009 Levels of Service	Performance Targets and Measures
4.1.1 Implement the Civil Defence Emergency Management Group Plan for Northland in consultation with the district councils, emergency services, lifeline utility managers and health services.	Report annually on progress in implementing the Plan.
4.1.2 Prepare a comprehensive Flood Management Plan for the Kaihu River.	Report annually on progress. Complete the Kaihu River Flood Management Plan by 30 June 2009.
4.1.3 Implement the completed river management plans for the Waima, Waimamaku, Kaihu, Waihou, and Otaua Rivers and the Tauranga and Taupo Bay Streams.	Report annually on the implementation of river management plans.
4.1.4 Prepare and implement river management plans for Mangakahia and Kerikeri Rivers and the Otaika Stream.	River management plans are prepared and implementation started according to the following schedule: – Mangakahia River and Otaika Stream by 30 June 2007; and – Kerikeri River by 30 June 2009.
4.1.5 Prepare a flood management and land drainage plan for the floodplain of the Ruakaka River and associated low land between McCathie Road and Mountfield Road.	Plan adopted by 30 June 2009.

Significant negative effects of Hazard and Emergency Management Activities

A significant negative effect on well-being may arise in situations where people feel their rights have been diminished in order to provide for the well-being of the wider public or future generations. Some people may also consider the additional costs of providing flood protection as having a negative economic impact.

Land Operations Levels of Service

Activity 4.2: River Management Works

Contribution to Community Outcomes: River Management Works contribute mainly to the “Northland residents are safe and healthy” community outcome.

Objective: The objective of this activity is to reduce the frequency, depth and duration of flooding by ensuring river systems are maintained, the incidence of streambank erosion is reduced and land uses on flood-susceptible land are sustainable.

2007 – 2009 Levels of Service	Performance Targets and Measures
4.2.1 Manage the Awanui River system, its associated floodplain and land protected around the shores of Rangaunu Harbour according to the Awanui River Flood Management Plan and the Memorandum of Understanding between the Northland Regional Council and the Far North District Council.	Undertake channel, stopbank and floodgate restoration work according to the programme of works set out in the Management Plan. Report to the Landcare Committee at each meeting and to the Northern Community Board and the Far North District Council twice yearly.
4.2.2 Manage the Kaihu River and its floodplain according to the Kaihu River Flood Management Plan.	Restore and maintain the Kaihu River channel to: <ul style="list-style-type: none"> – Its 1950’s design dimensions between Parore Road and the Northern Wairoa River; and – Its June 2006 design dimensions between Waihue Road and Parore Road by 30 June 2009.
4.2.3 Reduce the incidence of flooding from smaller rivers and streams.	Provide advice, prepare flood management proposals and, subject to annual budgets, provide financial support for stream management works. Report activity to each Council meeting.

Significant negative effects of River Management Works Activities

A significant negative effect on well-being may arise in situations where people feel their rights have been diminished in order to provide for the well-being of the wider public or future generations. Some people may also consider the additional costs of river management works as having a negative economic impact.

Land Operations Levels of Service

Activity 4.3: Sustainable Land Management

Contribution to Community Outcomes: Sustainable Land Management contributes mainly to the “Northland is prosperous” and “Northland’s natural environment is sustainably managed” community outcomes.

Objective: The objective of this activity is to promote the sustainable management of land, including soil, water and ecosystems, in the Northland Region.

2007 – 2009 Levels of Service	Performance Targets and Measures
4.3.1 Work with representatives of the dairy industry to promote sustainable land and water management practices on dairy farms in Northland.	Report annually on actual progress by all parties towards meeting the performance targets contained in the Northland Regional Action Plan for the Dairying and Clean Streams Accord.
4.3.2 Work with the marine farming industry, coastal communities, landholders and industries to improve river, estuary and coastal water quality.	Develop and commence the implementation of land and water management plans for the Whangaroa Harbour, Te Puna Inlet and in the Arapaoa and Otamatea Rivers in the Kaipara Harbour by 30 June 2007.
4.3.3 Work with the representatives of other primary industry sector groups to promote sustainable land and water management practices to meet environmental performance standards set down in industry accords, codes of practice and best practice guidelines.	Prepare land resource inventory maps for each of the three Meat and Wool Monitor Farms in Northland and support field days on these properties, promoting sustainable land use practices by 30 June 2007.
4.3.4 Promote sustainable land management practices by providing advice on land use alternatives, land development techniques, soil conservation and drainage.	Provide appropriate advice within 20 days of receiving requests for advice, and report annually on the number and type of responses given.
4.3.5 Develop and promote indigenous biodiversity policies for Northland.	Design and set up an indigenous biodiversity database for Northland by 30 June 2007.
4.3.6 Support biodiversity protection and enhancement on private land and by community groups and through the Environment Fund.	Invite applications for financial support from the Environment Fund by mid-July each year, allocate funds by 30 September and pay funds on successful completion of planned works. Report on applications annually and on performance of all previously approved Environment Fund projects by 30 June 2007.

Significant negative effects of Sustainable Land Management Activities

At this stage there are no known significant negative effects surrounding Council’s planned Sustainable Land Management activities.

Land Operations Levels of Service

Activity 4.4: Biosecurity Management

Contribution to Community Outcomes: Biosecurity Management contributes mainly to the “Northland’s natural environment is sustainably managed” and “Northland is prosperous” community outcomes.

Objective: The objective of this activity is to work to reduce the adverse impacts of exotic organisms, pest plants and animal pests on primary production, natural ecosystems and on human health.

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>New Organisms</p> <p>4.4.1 Promote pest management options for guava moth, tropical grass webworm, Argentine ant, and Darwin’s ant in Northland.</p> <p>4.4.2 Work in partnership with Biosecurity New Zealand to identify and eradicate, contain or manage incursions of exotic plants and animals, insect pests, marine pests, and plant and animal diseases in Northland.</p> <p>4.4.3 Provide an organism identification service to the public, so enabling early identification of risk organisms and, where appropriate, implementation of containment, eradication, or control measures.</p>	<p>Provide pest management information on webworm and guava moth populations via the Council’s website and through media releases.</p> <p>Implement a regional pest management strategy for Argentine ant and Darwin’s ant from 1 July 2006.</p> <p>Provide identification and advice service within 48 hours of the public bringing in an organism. Report on activity annually.</p>
<p>Animal Pests</p> <p>4.4.4 Undertake animal pest management operations, in support of landholders and community groups, within defined community pest management areas, in accordance with community pest management plans prepared for each area.</p>	<p>Report annually in July to the Landcare Committee on the achievement of targets set in each of the community pest control area schemes.</p>

Land Operations Levels of Service

Activity 4.4: Biosecurity Management (continued)

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>Pest Plants</p> <p>4.4.5 Implement pest plant service delivery programmes within Regional Pest Management Strategies and according to annually approved Operational Plans.</p>	<p>Report annually on the implementation of Pest Management Strategies to the first Landcare Committee meeting of each financial year. This includes:</p> <ul style="list-style-type: none"> – Control by spraying, all re-growth Manchurian ricegrass sites outside the major Northern Wairoa River and major tributary infestations. – Commence the preparation of a new Regional Pest Management Strategy for Manchurian Ricegrass and a new management plan by 31 December 2006. – Control by spraying, all re-growth of African feathergrass on Pouto Peninsula, at Rahiri Settlement and Taumarere, and administer management plans for controlling this pest on six properties west of Te Kopuru. – Range and control all nassella tussock infestations in Northland, before 31 December each year and report on work. – Spray re-growth spartina in the Kaipara Harbour and, progressively in harbours throughout Northland with the objective of eradicating this weed from Northland harbours. – Eradicate infestations of lantana from all areas of Northland outside of the dense infestations of Hokianga and Whangaroa. Promote the identification, introduction and release of an appropriate biological control agent for lantana to achieve control of the Hokianga and Whangaroa infestations.
<p>4.4.6 Enforce rules in the Northland Regional Pest Management Strategies, which require landholders to manage declared pest plants and animals pests.</p>	<p>Report to each Council meeting on the number of sites inspected, the number of instructions issued, on any works undertaken on default of an instruction and on the recovery of costs for such works.</p>
<p>4.4.7 Provide advice on the control of problem plants, animals and insects, both declared pests and organisms not subject of the Northland Regional Pest Management Strategies.</p>	<p>Report to each Council meeting on the number and type of requests for advice during the previous month. Report in July each year on the number of enquiries relating to each category of pest during the previous year, the type of advice given, the level of satisfaction as determined by interviews of a sample of enquirers, and on any trends that may be determined from such data.</p>

Significant negative effects of Biosecurity Management Activities

A significant negative effect may arise in situations where people feel their rights are diminished in order to provide for the well-being of the wider public or for future generations.

Strategic Development Levels of Service

Activity 5.1: Community Representation and Strategic Planning

Contribution to Community Outcomes: Community representation and strategic planning contribute mainly to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of this activity is to ensure community representation through elected Councillors and to facilitate long term planning through the creation of the Northland Community Plan, including the identification and monitoring of community outcomes.

2007 – 2009 Levels of Service	Performance Targets and Measures
<p>5.1.1 Provide democratic local decision making and action on behalf of the local community on issues relevant to the Northland Regional Council’s roles and responsibilities.</p>	<p>Call for nominations and hold elections for the Northland Regional Council for the 2007-10 triennium.</p> <p>Review the committee structure following the 2007 election.</p> <p>All Council and committee meetings and hearings are notified and conducted in accordance with the requirements of the Local Government Official Information and Meetings Act 1987 and standing orders.</p> <p>The Local Governance Statement, Triennial Agreement, committee and staff delegations and a Council Code of Conduct are adopted and made publicly available in accordance with the requirements of the Local Government Act 2002.</p> <p>No Council decisions are judicially reviewed for non-compliance with sections 76-81 of the Local Government Act 2002.</p>
<p>5.1.2 Consult on and communicate the Council’s strategic direction, including details of intended levels of Council services with the community.</p>	<p>Adopt the Northland Community Plan 2009 – 2019 by 30 June 2009, and Annual Plans in the intervening years by 30 June 2007 and 2008, in accordance with the requirements of the Local Government Act 2002.</p>
<p>5.1.3 Work with the communities of Northland and other organisations towards achieving regional community outcomes.</p>	<p>Describe how the Council will contribute to furthering community outcomes in the activities section of the Northland community plan 2009-19.</p> <p>Report on the progress the community has made towards achievement of the Regional Community Outcomes in the Northland Community Plan 2009-2019.</p>

Significant negative effects of Community Representation and Strategic Planning Activities

A significant negative effect on well-being may arise in situations where people feel their rights have been diminished in order to provide for the well-being of the wider public or future generations.

Strategic Development Levels of Service

Activity 5.2: Regional Development

Contribution to Community Outcomes: Regional Development contributes mainly to the “Northland is prosperous” and “Northland retains and enhances its regional identity” community outcomes.

Objective: The objective of this activity is to promote a vibrant and growing region.

2007 – 2009 Levels of Service	Performance Targets and Measures
5.2.1 Promote regional development through the operation of the Northland Regional Council Community Trust, which holds an \$11.4 million fund.	Receipt of quarterly reports from the Trust detailing actual progress compared to the objectives negotiated in the Annual Statement of Intent.
5.2.2 Support the promotion of Northland as a destination.	Make a \$100,000 per annum grant to Destination Northland Ltd. Receipt of Quarterly reports detailing actual activities in accordance with the negotiated Annual Terms of Agreement.
5.2.3 Support the arts industry sector in Northland.	Make provision for a grant of \$50,000 per annum to assist with co-ordination and development of the arts industry.
5.2.4 Work with the three district councils via Council Committees and the Mayoral Forum to advocate on behalf of Northlanders.	Mayoral Forum meets at least twice a year. Regional Development Committee meets at least twice each year.
5.2.5 Co-ordinate and represent a Northland viewpoint at a national level on appropriate issues.	Membership and active participation in the Northland Intersectoral Forum, particularly in relation to community outcomes. Members of the Mayoral Forum to meet with central government politicians as required.
5.2.6 Further develop relationships with key stakeholders in the Northland Region through the ongoing process of identifying community outcomes and implementing the Long Term Council Community Plan.	Develop a plan for ongoing relationships between stakeholder groups with the Northland Intersectoral Forum as the central agency by 30 June 2007.
5.2.7 Provide community funding for regional initiatives undertaken by the Council or in joint venture or partnership with other authorities and organisation on a case-by-case basis.	Make a grant of \$25,000 per annum to assist with the further development and implementation of the Regional Sport and Physical Activity Strategy, contingent on support from other stakeholders. 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.

Significant negative effects of Regional Development Activities

At this stage there are no known significant negative effects surrounding the Council’s planned Regional Development activities.

Strategic Development Levels of Service

Activity 5.3: Commercial Investments

Contribution to Community Outcomes: The commercial investments activity contributes primarily to the “Northland’s natural environment is sustainably managed” community outcome.

Objective: The objective of this activity is to endeavour to manage commercial investments to provide reliable cashflows to the Council and ensure that the value of the capital base is maintained.

2007 – 2009 Levels of Service	Performance Targets and Measures
Property Investments 5.3.1 Effectively manage the Council’s investment properties.	Achieve an economic return of at least 6.5% per annum on the overall value of the investment property portfolio. Report annually on any re-investments made.
Forest Management 5.3.2 Maintain the forest to ensure maximum economic return.	Manage the Council’s forestry assets in accordance with the Forest Management Plan. Report against annually.

Significant negative effects of Commercial Investment Activities

At this stage there are no known significant negative effects surrounding the Council’s planned Commercial Investments Activities.

APPENDIX B – Changes to Revenue and Financing Policy

Northland Community Plan 2006-2016 – Volume Two

Page 44 – 66. Revenue and Funding Sources for the Council Activities

Group of Activities	Activity	Recommended Funding Sources	Also Page
Planning and Policy	Resource Management Planning	Public – Targeted Fixed Environmental Rate.	47
	Public Communication and Education	Public – Targeted Fixed Environmental Rate majority share for environmental education, promotion and community awards. Private – Sale of plans and some seminars.	48
	Regional Transport Management	Public – Targeted Fixed Environmental Rate, reserves and a share by Government subsidy. Public – Targeted Infrastructure Rate.	49
	Passenger Services Administration	Public – Targeted Fixed Environmental Rate and a share by Government subsidy.	50
Consents	Consent Applications	Private, except the costs of appeals that are not recoverable as set out in the Resource Management Act 1991. Appeal costs vary but may reach 20% of total costs and funded by targeted Fixed Environmental Rate.	51
	Consents Advice and Information	Public – Targeted Fixed Environmental Rate for environmental information and education. Private for technical advice; but recovery varies.	52
Land Operations	Hazard and Emergency Management	Public – Targeted Land Management Rate for general benefits including civil defence and emergency management.	59
	River Management Works	Public – Targeted Land Management Rate for activities undertaken pursuant to the Northland River Management Policy. Public – Targeted Flood Management Plan rates for each river scheme.	60
	Sustainable Land Management	Public – Targeted Land Management Rate for general community benefits.	61
	Biosecurity Management	Public – Targeted Land Management Rate. Private for local share (private benefits to land owners).	62

Revenue and Funding Sources for the Council Activities (continued)

Group of Activities	Activity	Recommended Funding Sources	Also Page
Environmental Monitoring and Maritime Operations	State of the Environment Monitoring	Public – Targeted Fixed Environmental Rate.	53
	Resource Consent Compliance	Public – Minor share, Targeted Fixed Environmental Rate. Private – Majority share recovered from consent holders.	54
	Environmental Incidents Response	Public – Majority share. Targeted Fixed Environmental Rate. Private – Where evidence permits recovery but actual cost recovery varies.	55
	Hazardous Substances and Contaminated Sites	Public – Targeted Fixed Environmental Rate and a share by Government subsidy. Private – Up to 10 per cent where private benefits are delivered.	56
	Oil Pollution Response	Public – Maritime NZ subsidy (up to 25%), Targeted Fixed Environmental Rate. Private – Minor sum where evidence permits recovery but actual cost recovery varies.	57
	Harbour Safety and Navigation	Public – Targeted Fixed Environmental Rate for coastal management / general community benefits. Private – Bylaw fees and charges for specific private benefits and moorings administration.	58
Strategic Development	Community Representation and Strategic Planning	Public – Targeted Fixed Environmental Rate.	63
	Regional Development	Public – Targeted Fixed Environmental Rate. Public – Targeted Fixed Recreational Facilities Rate.	64
	Commercial Investments	Private – Rents, interest and sale of timber and interest charges.	65

“Public” funding comprises rates and a share of investment income. **“Private”** funding comprises fees and charges authorised by various legislation.



Caring for Northland and its environment

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