

# LONG TERM PLAN 2015-2025 CONSULTATION DOCUMENT



**PUTTING NORTHLAND FIRST**

**NORTHLAND  
REGIONAL  
COUNCIL** 

# HE ANGA WHAKAMUA

Whakatakataka te hau ki te uru  
Whakatakataka te hau ki te tonga  
Kia mākinakina ki ūta  
Kia mātaratara ki tai  
E hī ake ana te ātākura  
He tio, he huka, he hau hū

Ko te mea tuatahi ano, ko ngā mihi ki to tatou Kaihanga, ko ia hoki kei mua, kei muri iho ngā mea katoa e tūmanakohia nei tatou i runga i te mata o te whenua.

Whaimuri atu i tēnā, ko ngā mihi aroha ki a koutou e rau rangatira mā, ngā mana, ngā reo, ngā huihuinga tangata puta noa i Te Tai Tokerau, tēnā koutou, tēnā koutou, tēnā koutou katoa.

Tēnā hoki koutou i o tatou mate huhua o ngā tau, ngā marama, ngā wiki me ngā rā e taha ake nei kua pāhemo atu ki te pō. Haere koutou, haere koutou, haere koutou. Heoi te kupu mo ratou.

Anei te reo mahana hei karanga i te hunga katoa e noho kainga ana ki te rohe o Tai Tokerau kia tirohia nga kaupapa e whakaarotia ana e Te Kaunihera-a-Rohe o Te Tai Tokerau mo ngā tau 2015 ki 2025.

Ngā pūtaka o tēnei rautaki – ta koutou rautaki hoki, he taiao whaioranga, he whakapūtahi-a-hāpori, kia whakapai atu ngā kaupapa whakarite ohaoha, kia mautonutia ngā whakarite e pā ki o tatou taonga me te whakakahangia te whanaungatanga ki ngā Iwi.

Ko te whainga o tēnei rautaki, kia whakaahuatia ngā reo e tangi nei to tatou iwi katoa – he rautaki e kawe nei te Tai Tokerau me ana hāpori katoa kia whakamua.

Waiho ma ngā kupu o te whakatauaiki hei whakaatu te tūmanako o te Kaunihera kia māmā te huarahi kia taea ngā whainga mo te wā kei mua i a tatou.

# MOVING FORWARD

O that the piercing winds from the west and the south be calmed  
So the jagged conditions on land and sea may be eased  
And may the brilliant glow of the frosty dawn  
Usher forth a new and glorious day

Almighty God and his divine blessings upon us all shall be our first acknowledgment.

Following this would be our warmest greetings to all the dignitaries, creeds, languages, cultures and indeed all the peoples of Northland and their fondest memories of their most nearest and dearest who have passed beyond the veil over the years, months, weeks and days past.

Northland Regional Council takes great pleasure in presenting to you its proposals for the region's Long Term Plan for the next 10 years – 2015 to 2025.

A healthy environment, community involvement, sustainable use of resources, a better economy and strong relationships with iwi – these goals lie at the heart of our plan. Your plan.

A plan in which we strive to reflect the many voices of our people. A plan that puts Northland and its communities first.

A centuries-old proverb, once used as a prelude to an epic undertaking, is used once again in the hope that those ancient words will ring true to support us in our endeavours to attain the goals set out for the future.

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# OVERVIEW



## INTRODUCTION

Our Long Term Plan will set out what this council does for the coming decade and how we all pay for it – now's your chance to have a say.

Recent changes to the Long Term Plan process mean that – for the first time – we are able to produce this simpler, clearer Consultation Document as the basis for seeking public feedback.

We want to give you a clearer picture of the key choices facing us in planning for the next decade and, ultimately, inform a better debate with our communities.

Better community engagement is a high priority for us so we welcome the new changes. It should be easier for ratepayers to understand and give crucial feedback on the decisions that face us all.

Rather than focusing on the work we already do, which many of you are already familiar with, this Consultation Document highlights the main changes and new initiatives we are proposing for our next Long Term Plan.

If you're really into the details, don't worry – that's all still available in our supporting information document: [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)

Planning what we do and how we pay for it is not easy. It's about balancing the diverse expectations of our communities, our legal obligations, and what's affordable. While our nine councillors are elected from seven very different constituencies across Northland, our role is to work together to find a way forward for the greater good of the entire region.

We need your feedback to do it, so please take the time to read on and find out what we're proposing for our next Long Term Plan.



Bill Shepherd  
Chairman



Malcolm Nicolson  
Chief Executive

## INFORMATION SESSIONS

Want to hear more?  
Come along to an information session.

- KAITĀIA  
6:30pm, Mon 30 March  
Te Ahu Centre
- KERIKERI  
6:30pm, Tues 31 March  
Orchard Estate
- WHĀNGĀREI  
7:00pm, Wed 1 April  
NRC (36 Water Street)

## HAVE YOUR SAY

Do it online [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)

Send us an email [mailroom@nrc.govt.nz](mailto:mailroom@nrc.govt.nz)

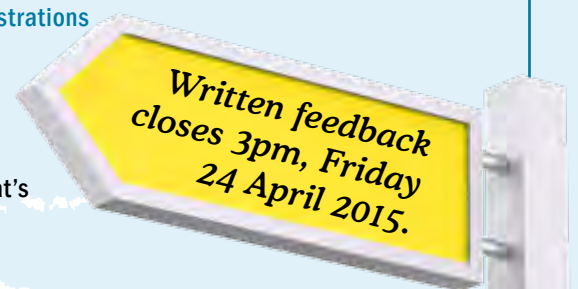
Fill in a feedback form see pages 23-24

**Give feedback in person. Present your views in person to councillors at a feedback session in early May.**

For locations and registration details, phone 0800 002 004 or visit

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

You can have your say on anything we do (or don't do) – you're not limited to just what's in this document.



# OUR OBJECTIVES

Behind all of our proposed plans is this set of objectives. It drives both what we do and how we do it.

## WHAT WE WANT TO ACHIEVE FOR NORTHLAND

- Our environment is maintained or improved, with an emphasis on encouraging sustainable access to, and use of, resources.
- Northland has strong local government leadership ensuring safe and resilient communities.
- Northland is promoted effectively.

## HOW WE CONDUCT OUR BUSINESS

- We are a positive and customer-friendly organisation.
- We progressively increase the engagement of Northlanders in our activities.

## OUR AREAS OF FOCUS

- Develop meaningful and inclusive relationships with iwi and tangata whenua within Te Rohe o Te Tai Tokerau.
- Provide a business friendly environment.
- Maximise returns to the community from funds invested and effective use of assets.
- Identify, promote or invest in regionally significant infrastructure.

# WHAT WE DO

Northland Regional Council's primary role is to protect the region's land, water, coast and air, while allowing for sustainable development. We also have a wide range of other responsibilities as required by legislation and central government policy.



# OUR STRATEGIC DIRECTION

Freshwater management and working with communities are among the key areas in which we'll be ramping up our efforts in the coming years.

While the future shape of local government in Northland remains unknown (at the time of writing the Local Government Commission had not yet made a decision on how it will proceed), for now we're continuing to evolve and improve business as usual – working for a healthy environment, a better economy and more resilient communities.

## Freshwater focus

The management of Northland's freshwater resources – and the estuaries and harbours they flow into – has major impacts on the region's biodiversity, agricultural economy, health, recreational activities and cultural values.

Improving freshwater management remains a key focus for both central and local government, and will be a priority for council over the coming decade.

Waiora Northland Water – our programme for improving water quality and freshwater management, which includes implementation of central government's National Policy Statement for Freshwater Management (NPS Freshwater) – has continued to grow.

Collaborative catchment groups are now established in five priority areas (Mangere, Poutō, Waitangi, Whāngārei Harbour and Doubtless Bay) which are working towards local policies and actions for better managing freshwater.

Extra resourcing proposed under this plan will help support the catchment groups, set up collaborative processes in other areas, and collect data that will enable better decision-making on our region's freshwater resources.



## Working with our communities

Working with communities is a big part of what we do – from CoastCare groups to river liaison committees, Waiora Northland catchment groups to the EnviroSchools programme and our many Community Pest Control Areas.

Increasing the involvement of Northlanders in our various programmes of work will be a key focus for us over the next decade. We also want to make it easier for people to use our services and undertake research to better understand our customers' needs.

## Developing relationships with iwi

Having established the Te Tai Tokerau Māori Advisory Committee in 2014, we will continue to build on the strong foundations now in place for promoting increased Māori participation and engagement in council decision-making.

## New regional plan and pest management plan

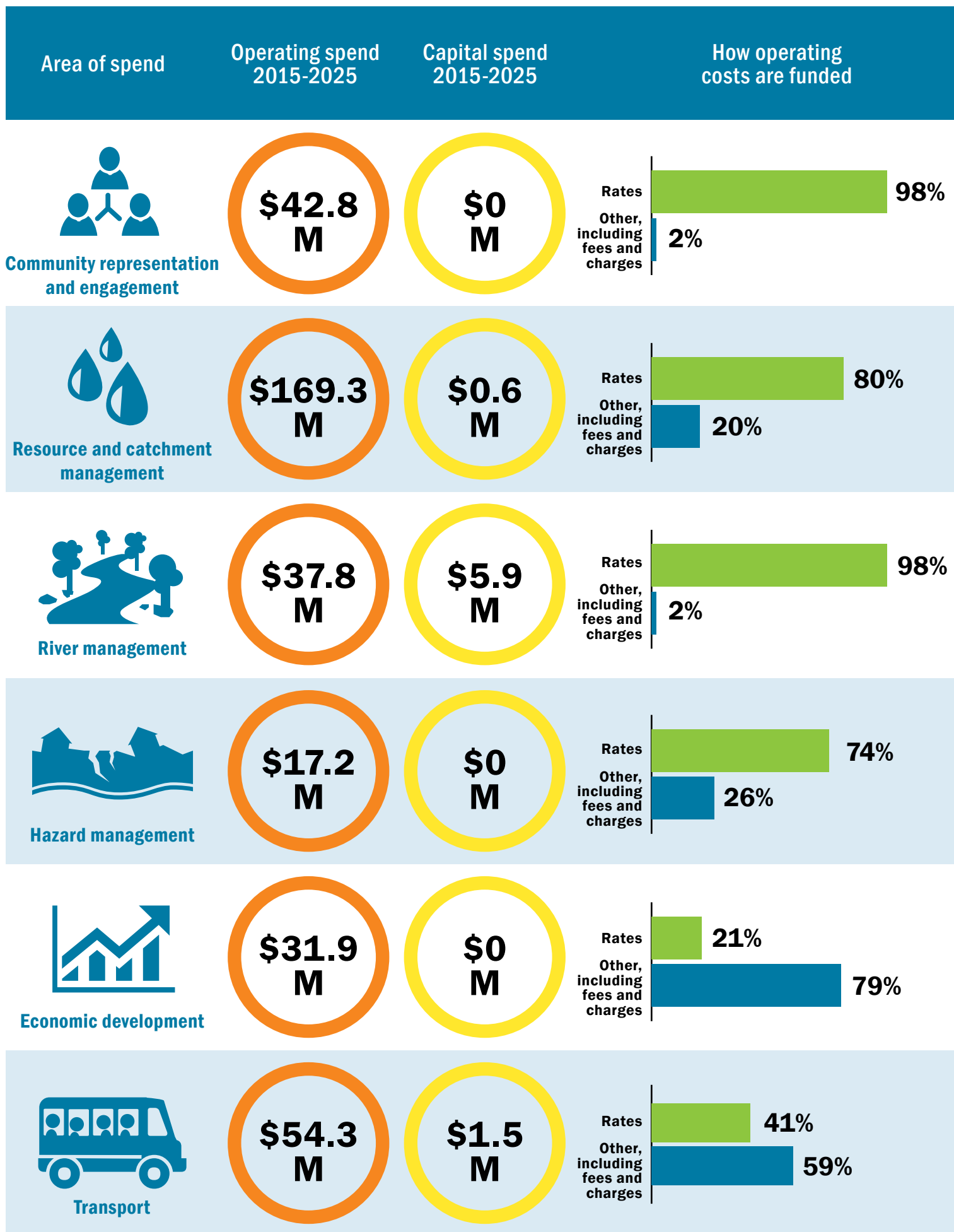
In 2014 we started the process of developing a new regional plan (for air, water, soil and coastal resources) and regional pest management plan – both of which were due for an update – and that work will continue over the next couple of years.

## Improving community resilience

Over the next decade we will continue to support our communities' ability to identify, understand and cope with natural hazards.

A new mapping project will enable more informed decision-making about coastal hazards; new flood protection infrastructure is proposed for several communities; route resilience is a high priority for regional transport planning; and a Civil Defence group review will look at how we can make our communities more resilient in response to these hazards.

# SUMMARY OF ACTIVITY AND SPENDING



Proportion of your rates spent on this area (per \$100 of rates paid)

What will be delivered

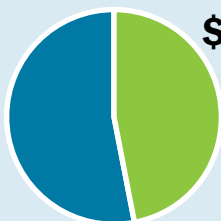
Proposed changes



\$15.10

- Community engagement, environmental education and advocacy on regional issues
- Funding for community projects
- Contestable fund for emergency services

- Replacement of rescue helicopter rate with contestable emergency services fund
- Establishment of non-contestable community funding, including existing funding for arts sector support



\$47.10

- Resource consent processing and advice
- Environmental monitoring, promoting sustainable land management, protection of regionally significant spaces, pest management
- Planning and policy development

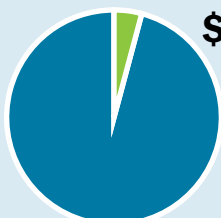
- More monitoring of soil quality and lakes ecology
- Increase in Environmental Hotline targets
- Increase in Environment Fund grant funding pool
- More biosecurity protection for regionally significant lakes and forests
- Increase in scope of pest management work at Whāngārei Heads



\$17.90

- Flood protection and risk reduction
- Water quality and water quantity management

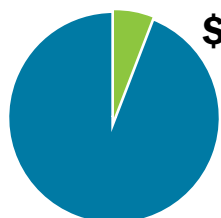
- Increased flood protection in Whāngārei, Kerikeri-Waipapa and Awanui through new infrastructure
- Previous plans for further flood protection work in Kaeo on hold
- Improved hydrology information to enable better decision-making



\$4.40

- Civil Defence and emergency management
- Natural hazard assessment and information provision
- Oil pollution response

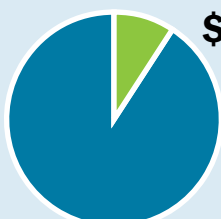
- No significant changes to levels of service



\$6.10

- Investing in projects, tracking regional economic performance and trends, and building a business-friendly council environment

- No significant changes to levels of service
- Regional Infrastructure Rate to be extended for two years
- Potentially enable further investment in sports infrastructure through Sports Infrastructure Rate
- Proportion of investment income used for economic development held at current levels (instead of planned increase)



\$9.40

- Road safety, public transport and regional transport planning
- Harbour safety and navigation, safe pilotage services in the Bay of Islands, and moorings management

- Bus service trial for mid-North area

# KEY ISSUES FOR FEEDBACK



This is a summary of the big issues that we need your feedback on, but you can also have your say on anything else we do (or don't do).

## 1. YOUR RATES

**We held off putting up our targeted region-wide rates (that is, our council services and land management rates) last year. Another zero increase is unsustainable if we're to do the things we need to do.**

Last year we kept our targeted region-wide rates to a nil increase – contrary to the 7.2% rise projected under our last Long Term Plan – in acknowledgment of the financial climate of the region at the time. However, we knew at the time it was a one-off.

To go beyond our current levels of service and make some important improvements, as outlined on the next page, our targeted region-wide rates will need to go up.

Affordability remains a major concern for this council, so we've worked hard to keep the rate increase to a minimum by:

- Drawing \$275,000 a year for the next three years from our Land Management Reserve. The reserve

has provided a buffer in the event of an emergency (such as urgent flood protection infrastructure repairs). Given the council's current strong financial position, we want to use some of the reserve to help keep rates down and deliver more environmental initiatives.

- Using a big proportion of our investment income to effectively subsidise rates. Plans under the previous council were to eventually divert all our investment income into economic development activities. We now want to hold the distribution of our investment income at current levels (about \$1.7M a year into the economic development fund and the remaining \$5M into rates subsidies).

In this way we can deliver what's in our proposed plans while keeping the increase in targeted region-wide rates to 5%.

If you think we should be doing more or less (and spending more or less as a result), please let us know what it is you'd like to see us doing differently.



### OPTION 1: RATES INCREASE TO DELIVER ON PROPOSED PLANS

#### APPROACH

Rates increase (targeted region-wide rates) of 5% for the coming year (an average of \$8.70 per rating unit). Increases for subsequent years held at inflation adjustment levels.

#### ADVANTAGES

We are able to maintain what we deliver on behalf of the community, plus deliver important improvements in several key environmental areas.

#### DISADVANTAGES

Small increase in annual rates bill.

### OPTION 2: DO MORE OR LESS, AND ADJUST RATES ACCORDINGLY

#### APPROACH

Deliver more or less than proposed and adjust rates levels accordingly.

#### ADVANTAGES

We deliver what the community wants.

#### DISADVANTAGES

Depends on the level of change resulting from public feedback.

Rates examples for a range of property types can be found on pages 20-21. More detail on rates is available in our supporting information document – see [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)



## YOUR RATES: NEW SPENDING

Increased resources for freshwater management and better digital services are among proposed new initiatives affecting our targeted region-wide rates (that is, our council services and land management rates) for the next 10 years.

These initiatives largely account for the rates increase outlined on the previous page.

### Freshwater management

It's a top priority for us, so we want to put more resources into this area of work. An extra \$74,900 a year has been budgeted to support the work we do with collaborative catchment groups to improve the way freshwater is managed (under our Waiora Northland Water programme).

To increase our hydrology monitoring and enable more informed decision-making on the region's freshwater resources, we also want to do more ecological flow assessments and add extra recorder sites to our rivers and rainfall programme (\$100,000 a year).

### Biodiversity and pest management

An additional \$100,000 a year has also been budgeted to help manage pests which threaten Kai Iwi Lakes and to increase awareness of Kauri dieback disease among private landowners.

### Community project funding

We're proposing to provide funding support to three community projects that we believe provide benefits to the wider community and align with our core objectives.



- Sea Cleaners – \$25,000 a year to enable coastal clean-up work to be expanded.
- Whāngārei Native Bird Recovery Centre – \$6,000 a year to help treat injured and ill native birds so that they can be returned to the wild.
- Support for economic growth in the arts sector (delivery organisation to be determined) – \$59,000 a year to support economic growth and business capability in Northland's arts sector.

### Better digital services and customer research

With demand for digital accessibility increasing, we want to make it easier for people to use our services online and from mobile devices. We're proposing to fast-track our planned projects for improving digital access (\$161,000 a year) and use a new online platform for getting feedback from the public (\$20,000 a year).

New customer research (\$25,000 a year) will help us understand how we can better communicate and engage with our communities.

## KEEPING RATES DOWN: NEW SPENDING FROM LAND MANAGEMENT RESERVE

To help deliver important new environmental work, while still keeping rate increases affordable, we plan to fund the following initiatives from our Land Management Reserve for the next three years.

### More funding support for landowners' environmental work

To enable us to work with more landowners and accelerate the rate of environmental works, we want to increase our Environment Fund by \$125,000. This would take the total fund to \$800,000 a year, to be allocated to projects that improve or protect the quality of Northland's environment.

### Lakes and soil monitoring

We're proposing to expand our lake monitoring programme (\$24,600 a year) to help understand water quality and biodiversity in our lakes. We also want to expand our soil monitoring programme (\$5400 a year) to enable better understanding and management of metal-contaminated sites in Northland.

### Flood hazard webcams and land surveys

To better manage flooding hazards, we want to install extra river webcams (\$20,000 a year) and update our land elevation data (\$100,000 a year).

The Kaeo River webcam has been extremely useful for people to assess flooding in real time ([www.nrc.govt.nz/kaeowebcam](http://www.nrc.govt.nz/kaeowebcam)). We want to extend this to other priority areas. Updating our land elevation information will replace outdated data and, in new areas, enable flooding hazards to be assessed and mapped.

## 2. WHĀNGĀREI HEADS PEST MANAGEMENT

With funding support from local ratepayers, the successful community-led pest management programme at Whāngārei Heads could continue.



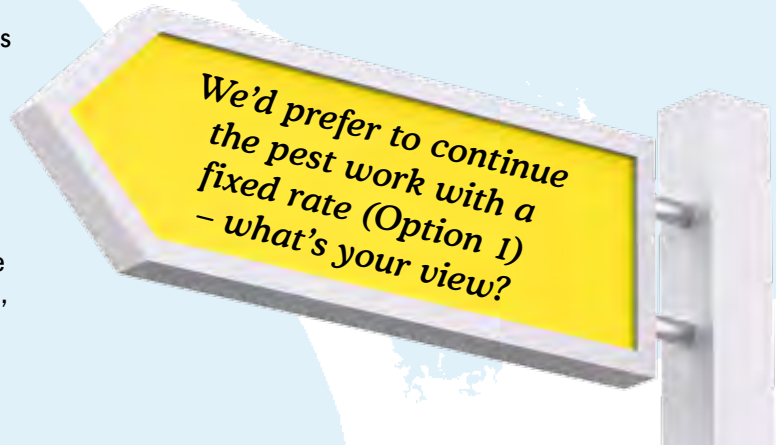
For over a decade, a network of community volunteers has been trapping pests that kill kiwi and reducing the impact of weeds on Whāngārei Heads' unique environment.

Our council has financially supported the community's work, primarily through a five-year Community Pest Control agreement with Whāngārei Heads Landcare Forum and Bream Head Conservation Trust.

The five-year agreement – which is paid for through region-wide rates and used for kiwi predator control and weed eradication – is set to expire in 2016. While the volunteer effort is essential and likely to continue, our proposal is that the contract work needed to support these activities should now be funded by the local community.

Additionally, managing the spread of weeds (which invade native forest) is an ongoing issue for the Whāngārei Heads community. It often requires specialist assistance to ensure the weeds are properly eradicated – and that comes at a cost.

We estimate that the funding needed to continue targeting kiwi predators and eradicate selected weeds at Whāngārei Heads is about \$85,000 a year.



### OPTION 1: FIXED RATE ON LOCAL PROPERTIES

#### APPROACH

New targeted rate on properties in Whāngārei Heads (including Parua Bay and Pataua South). Rate set at \$50.00 a year per rating unit.

#### ADVANTAGES

Creates certainty of funding. Enables pest control work to continue. With fixed rate, everyone knows what they're paying.

#### DISADVANTAGES

Cost to local ratepayers. Fixed rate potentially unfair to those with smaller/lower-value properties.

### OPTION 2: RATE BASED ON LAND VALUE OF LOCAL PROPERTIES

#### APPROACH

New targeted rate on properties in Whāngārei Heads (including Parua Bay and Pataua South). Annual rate set at \$19.72 per \$100,000 of land value.

#### ADVANTAGES

Creates certainty of funding. Enables pest control work to continue. Those who benefit more (large properties) pay more.

#### DISADVANTAGES

Cost to local ratepayers. Affordability issues for those with large, high-value properties.

### OPTION 3: NO SPECIFIC FUNDING FOR WHĀNGĀREI HEADS PEST CONTROL

#### APPROACH

Once current funding agreement finishes in 2016, no funding is specifically earmarked for Whāngārei Heads pest control work.

#### ADVANTAGES

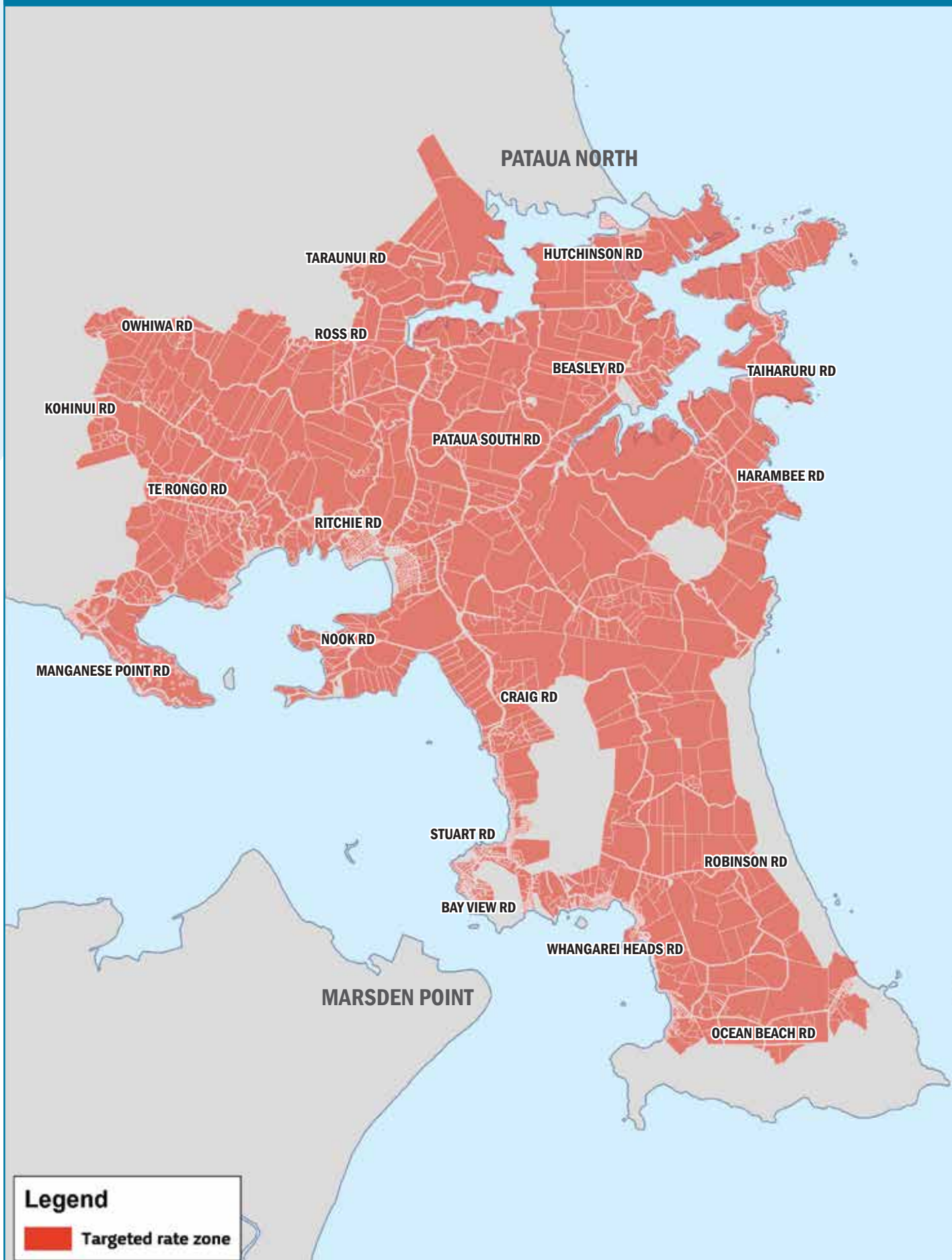
No additional rates cost for local households.

#### DISADVANTAGES

No certainty about what (if any) funding will be available. Current levels of pest control work unable to be sustained by volunteers alone.

More detail about this proposal to establish a targeted rate for Whāngārei Heads pest control work can be found in our supporting information document – see [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)

# TARGETED RATE ZONE FOR WHĀNGĀREI HEADS PEST MANAGEMENT



# 3. FUNDING FOR EMERGENCY SERVICES

An \$800,000 fund to support Northland's lifesaving organisations would create a consistent process for accessing council funds, and provide more funding certainty for the organisations involved.

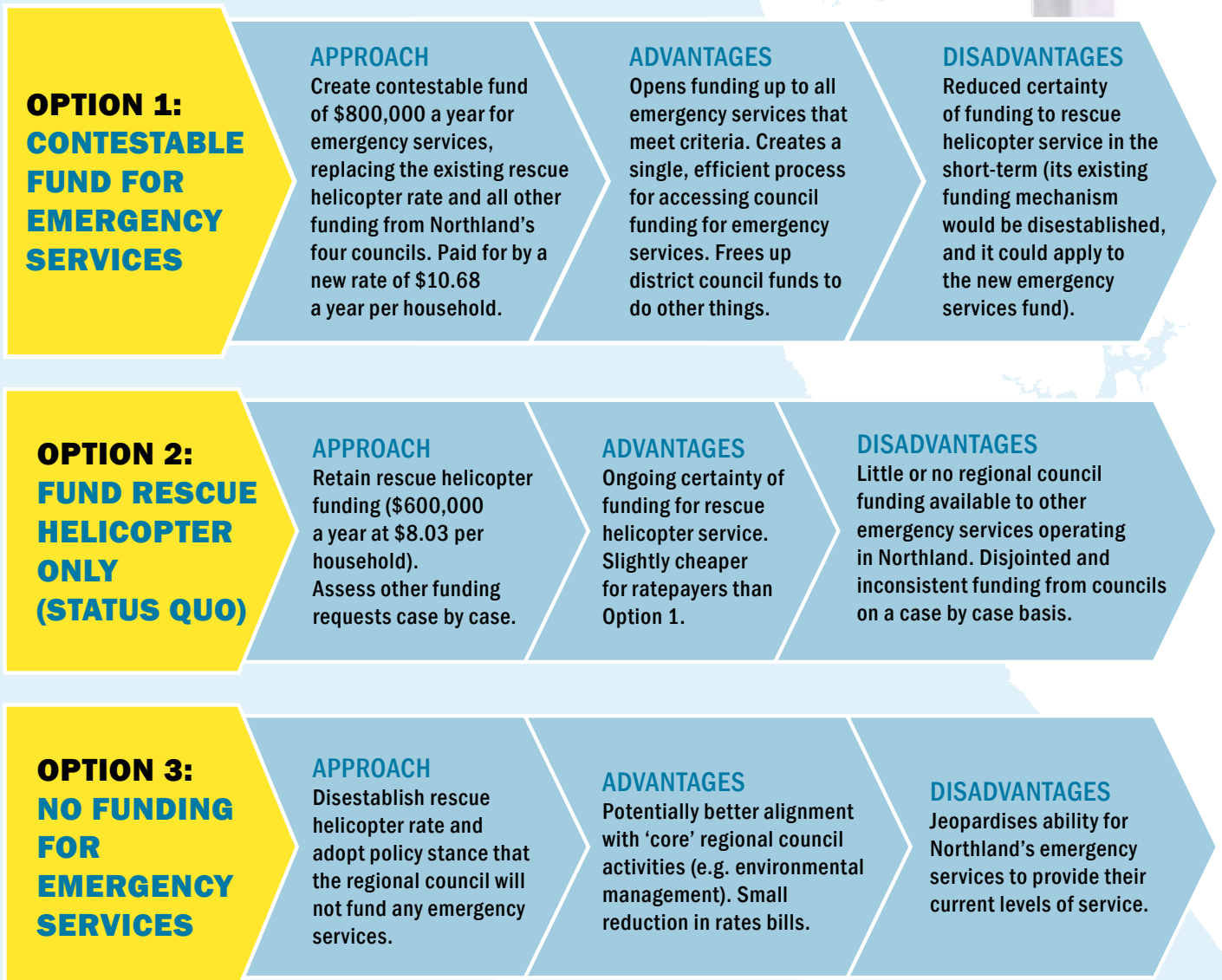


Many emergency services – like the rescue helicopter, surf lifesaving, Coastguard and St John – are not fully funded by central government or the public health system. They rely on funding from other sources, including councils, to keep operating.

The regional council currently gives \$600,000 a year to support Northland's rescue helicopter service (via a targeted rate of \$8.03 a year per household). All four of Northland's councils also get funding requests from other emergency service organisations.

However, there's no consistency to how the funding requests are dealt with (for example, sometimes several councils provide funding to the same organisation), and no clarity for the organisations about what funding is available.

As agreed with the district councils, we propose changing the way that council funding is allocated to emergency services in Northland. This would disestablish the existing rescue helicopter rate (and replace funding from the district councils) and instead create a single, contestable fund that's open to all eligible emergency services.



More detail about this proposal to establish a contestable fund for emergency services, including criteria and eligibility, is in our supporting information document – see [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)

# 4. BUYING LAND FOR ENVIRONMENTAL BENEFIT

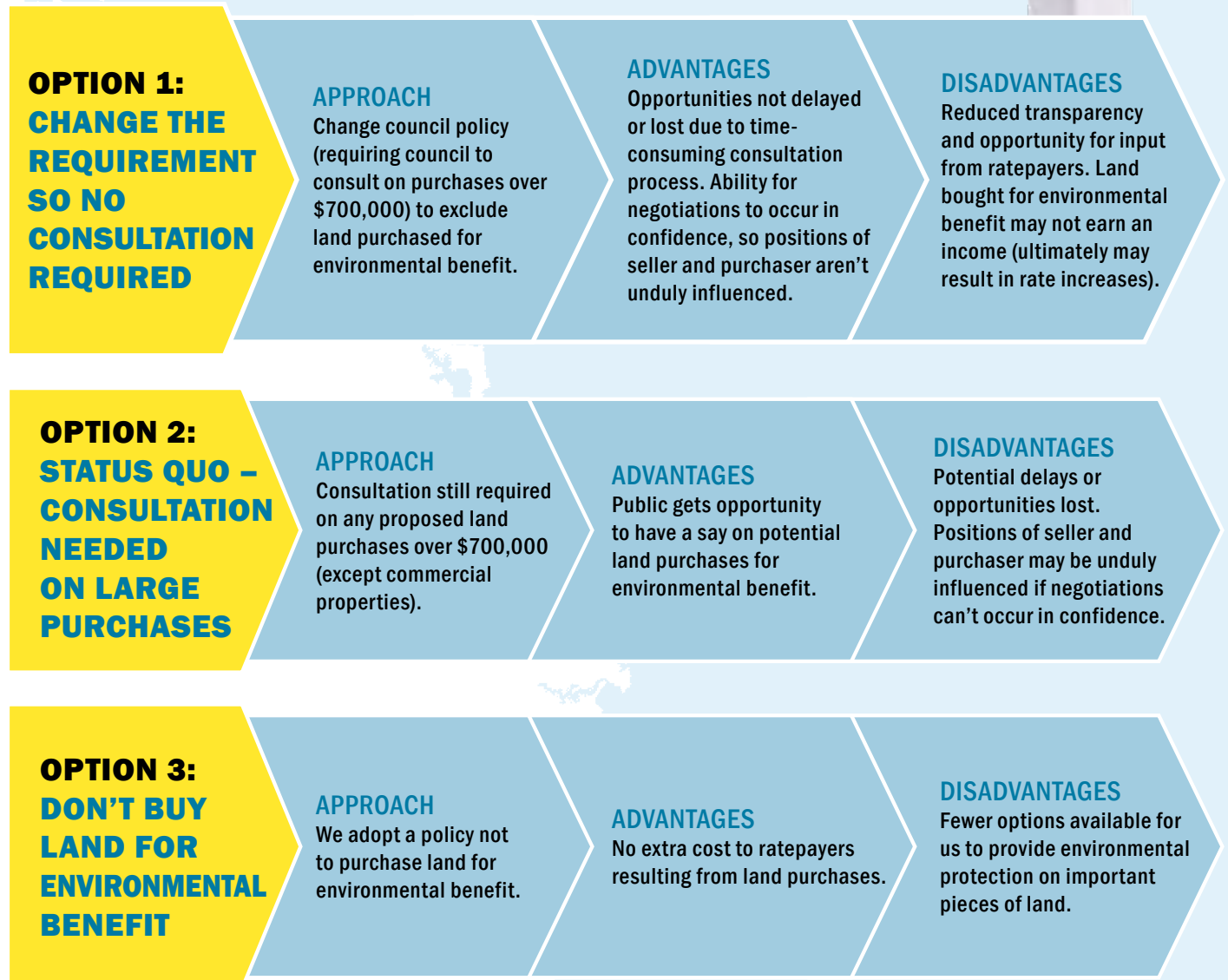
We could help protect valuable environmental land by buying it – but a change in policy may be needed first.



We're proposing to change that policy to exclude land purchased for environmental benefit – for example, protecting or restoring important biodiversity areas. These purchase opportunities often can't wait for consultation to occur or must be undertaken in confidence to prevent unduly influencing the positions of the seller and purchaser.

There can be substantial environmental benefits in the regional council acquiring particular pieces of land from time to time – for example, to improve water quality, conserve soil, or to protect or enhance biodiversity – but potential opportunities may be hindered by the process.

Our current Significance and Engagement Policy requires us to consult with the public on any proposed land purchases over \$700,000 (except commercial properties).



To find out more about our proposal to consider buying land for environmental benefit and the change in policy needed to make it easier, see our supporting information document: [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)

# 5. FLOOD PROTECTION INFRASTRUCTURE

River flooding is the most common natural hazard in Northland, due to extensive development on floodplains and our exposure to high-intensity rainfall. Projected future climate change may worsen our flooding problems.



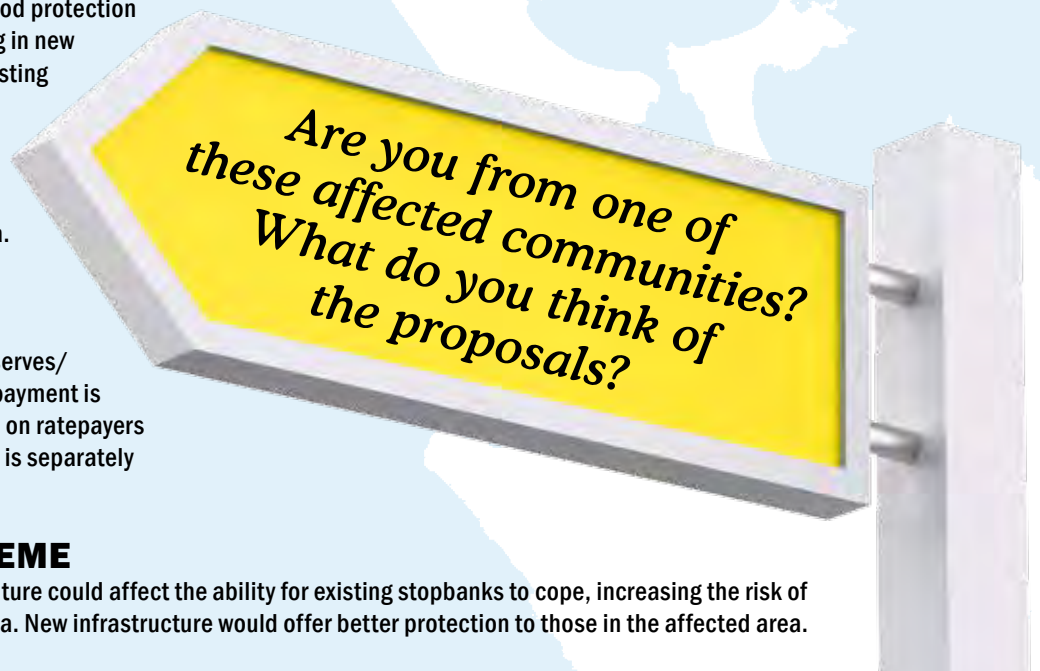
The proposed targeted rates are based on council's internal borrowing interest rate of 7% (equivalent to the long term returns that we earn on our reserves/investments). Where possible council may source the capital externally at a better interest rate than our internal rate. The benefits of any lower interest rate will be returned to the ratepayers in the targeted rate area either through a lower annual rate or a shorter targeted rate timeframe.

As a regional council, we're responsible for delivering flood protection and control works to reduce the impacts of river flooding, protect human life and maximise the region's productivity.

Our 30-year infrastructure strategy proposes to significantly improve the level of flood protection in several priority areas by investing in new infrastructure and/or improving existing infrastructure. Key areas identified are the existing Awanui and Kaeo schemes, Whāngārei's Kotuku detention dam (currently under construction) and Kerikeri-Waipapa.

For more detail on these proposals, or to read the full 30-year flood protection infrastructure strategy, see our supporting information document: [www.nrc.govt.nz/ltfeedback](http://www.nrc.govt.nz/ltfeedback)

Flood protection works are funded initially using borrowed capital, sourced internally (from council reserves/investments) or externally. Loan repayment is made through targeted rates levied on ratepayers in the affected areas. Each scheme is separately accounted for.



## AWANUI SCHEME

Increased flooding in future could affect the ability for existing stopbanks to cope, increasing the risk of flooding in urban Kaitāia. New infrastructure would offer better protection to those in the affected area.

### OUR PREFERRED OPTION: WHANGATANE SPILLWAY IMPROVEMENTS (\$700,000)

#### APPROACH

Increase capacity of Whangatane spillway. Existing rate rises by 45% (eg "Urban A" rate would be \$203.76 a year) and runs for 10 years.

#### ADVANTAGES

More affordable for local community. Further improvements could still be done in future if the community wants it.

#### DISADVANTAGES

Offers less flood protection than the alternative option.

### AN ALTERNATIVE: URBAN KAITĀIA IMPROVEMENTS (\$8.2M)

#### APPROACH

As above, plus flood scheme improvements in urban Kaitāia – total \$8.2M. Existing rate increases by 158% (eg "Urban A" rate would be \$375.37 a year) and runs for 30 years. Excludes \$10M of bank stability works, which council has not yet resolved to consult over.

#### ADVANTAGES

Offers a better level of flood protection to urban Kaitāia.

#### DISADVANTAGES

This option is significantly more expensive for the local community.

We're also proposing to extend the rating area for the Awanui Scheme to include Paparore Banks (which currently benefits from the scheme but doesn't pay for it). Under our preferred option above (spillway improvements), these properties would pay the 'B2' class rate of \$17.61 including GST per hectare.



## KOTUKU DETENTION DAM (WHĀNGĀREI)

Due to design variations, ground condition issues and programme extension timeframes, the cost to complete this detention dam – which will help reduce flood risk and associated damage to Whāngārei’s CBD – has increased to \$11.42M (from the 2014/15 Annual Plan estimate of \$8.48M).

### OUR PREFERRED OPTION: A HIGHER INCREASE, PAID OVER THE SAME PERIOD

#### APPROACH

Rate increase of 40% on current year (e.g. rate for residential non-CBD properties would be \$51.56 a year). Rate continues for 25 years as planned.

#### ADVANTAGES

Cheaper in the long run, as the dam is paid off sooner than the alternative option below.

#### DISADVANTAGES

Increase in rates bill for those within the affected area.

### AN ALTERNATIVE: A LOWER INCREASE, PAID OVER A LONGER PERIOD

#### APPROACH

Rate increase of 35% on current year (e.g. rate for residential non-CBD properties is \$49.49 a year). Rate period extended to 30 years.

#### ADVANTAGES

Lower immediate impact on rates bill.

#### DISADVANTAGES

Ratepayers pay more in the long run.



## KAEO-WHANGAROA

Stage 1 flood protection works for Kaeo are now complete. The local river liaison committee wants to monitor performance before a decision is made on whether to proceed with Stage 2.

### OUR PREFERRED OPTION: MONITOR EXISTING INFRASTRUCTURE

#### APPROACH

Postpone decision on whether to proceed with Stage 2 works. Current rate of \$74.53 a year continues.

#### ADVANTAGES

Enables performance of Stage 1 to be monitored and assessed before further decisions are made.

#### DISADVANTAGES

No further increase in level of flood protection in immediate future.

### AN ALTERNATIVE: GO AHEAD WITH STAGE 2 (\$1.5M)

#### APPROACH

Proceed with Stage 2 as originally planned. Rate increases (\$152.43 per property, paid back over 20 years).

#### ADVANTAGES

Increased level of flood protection.

#### DISADVANTAGES

Stage 1 wouldn't be properly assessed before embarking on Stage 2. Increase in rates bill for local community.



## KERIKERI-WAIPAPA

Detailed investigations into flood risk reduction options for the Kerikeri-Waipapa area are complete – it is time to make decisions about infrastructure construction.

### OUR PREFERRED OPTION: CONSTRUCT SPILLWAY (\$2.13M)

#### APPROACH

Construct \$2.13M spillway to divert Kerikeri River flow to Rainbow Falls. Existing rate rises to \$80.04 (currently \$49.96) a year for 10 years.

#### ADVANTAGES

Reduced flooding on properties downstream of SH10.

#### DISADVANTAGES

Less effective flood protection than alternative option (dam construction).

### AN ALTERNATIVE: DAM CONSTRUCTION (MORE THAN \$13.8M)

#### APPROACH

Construct multi-purpose dam in Kerikeri catchment for flood risk reduction and water supply. Cost estimates for construction alone are \$13.8M.

#### ADVANTAGES

Offers a better level of flood protection, including the Waipapa Industrial Estate area. Also provides additional water supply opportunities.

#### DISADVANTAGES

Affordability – this option would be significantly more expensive for the local community.

## 6. MID-NORTH BUS SERVICE TRIAL

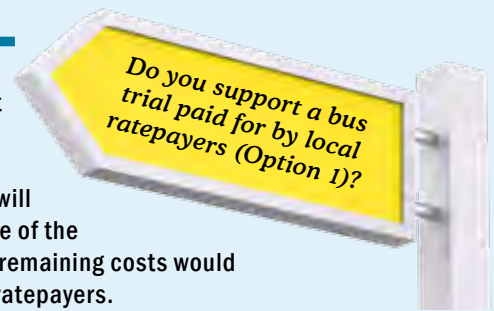
A public bus route could help better connect mid-North residents with essential services – so is it worth trialling?



We've been asked to look at trialling a bus service to link our mid-North communities, including Kaikohe, Okaihau, Ohaeawai, Moerewa, Kawakawa, Paihia, Haruru, Kerikeri and Waipapa (see proposed route map below).

The bus service could improve these communities' connectivity to employment, health, cultural, educational and training opportunities, plus help support tourism.

Such a service wouldn't qualify for central government funding, and bus fares alone will likely only cover some of the operating costs. The remaining costs would need to be paid for by ratepayers.



The rating options below are based on a daily four-trip timetable (two in the morning and two in the afternoon) with total annual operating costs of around \$250,000. If there's sufficient local support to trial the bus service, we'll work with the community to refine the route and timetable. The trial would start in 2016 and be reviewed after a year. Long-term viability would depend on sufficient passenger numbers.

### PROPOSED ROUTE AND RATING AREA

The proposed rating area includes properties within urban boundaries of towns along the route, plus any other property within approximately 400 metres of the route.

— Proposed route  
 ■ Proposed rating area



## 7. OTHER PROPOSALS

These are some of the other changes proposed for our upcoming Long Term Plan. Find out more at [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)

### Keeping the Kaitiāia bus service running

We're proposing to continue the Kaitiāia public bus service, which plays an important role in helping locals to access services, shop, and participate in their community. Passenger numbers are currently stable at around 8000 a year.

The bus service costs around \$140,000 a year to run, with half coming from local ratepayers (through a targeted rate of about \$70,000 a year on properties in the area) and the other half from ticket sales.

### Extending the Regional Infrastructure Rate

We're proposing to continue this rate – which has been primarily used to secure land for a potential rail link to Marsden Point – for up to two years.

KiwiRail is expected to release its 30-year strategy during 2015, which will set out its rail infrastructure priorities for the coming decades. We will then be in a better position to consider options for the rail link and consult with the community about the way forward.

### Total Mobility administration costs

We administer the Total Mobility scheme in Whāngārei, which provides subsidised taxi fares to eligible people with disabilities so they can access services.

Annual administration costs (\$35,000) currently come from targeted region-wide rates. Instead, we want to pay this cost by increasing the Whāngārei Bus Rate (by \$0.90 a year per property) and renaming it the Whāngārei Transport Rate.

### Supporting sports infrastructure

In 2018/19 we'll have finished paying off the Northland Events Centre in Whāngārei (via the Regional Recreational Facilities Rate) – we're seeking your views on whether to support the development of other sporting facilities in Northland.



### **OPTION 1: LOCAL AREA PAYS FOR LOCAL BUS SERVICE TRIAL**

#### **APPROACH**

Establish new targeted rate (starting 2016/17) on properties near the route (see map). Based on the proposed route/timetable, with a commercial differential of 2:1, the rate would be \$28.92 a year for residential and \$57.84 for commercial.

#### **ADVANTAGES**

The area that benefits from the service is the area that pays for it.

#### **DISADVANTAGES**

Cost to local ratepayers.

### **OPTION 2: WIDER AREA OF BENEFIT PAYS A PUBLIC TRANSPORT RATE**

#### **APPROACH**

Establish a new targeted rate over a larger area of benefit.

#### **ADVANTAGES**

More affordable for those within bus service areas as costs shared by more ratepayers.

#### **DISADVANTAGES**

Those further away from the bus route may not use the service.

### **OPTION 3: NO BUS SERVICE FOR MID-NORTH**

#### **APPROACH**

No bus service trialled for the mid-North area.

#### **ADVANTAGES**

No extra cost to ratepayers.

#### **DISADVANTAGES**

No improved connectivity to services for locals.

More detail about the proposal to trial a bus service for the mid-North area can be found in our supporting information document – see [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)

NOTE: Northland Regional Council is waiting on public feedback before including any option on a mid-North bus service in its financial modelling.

Sport Northland is working on identifying the priorities for sports infrastructure development in the region. Once the Events Centre is paid off, we could help pay for other sports infrastructure priorities via a new rate paid by households across Northland.

#### **Public transport options for Dargaville and Hokianga**

Three years ago we asked the Dargaville community (via our Draft Long Term Plan) if they'd be willing to pay for a local bus service – the feedback to us was largely unresponsive. We're now keen to hear whether there's any new appetite for local services.

We will also continue to work with the people of Hokianga to identify and, where possible, assist in introducing public transport services if there's sufficient community support.

#### **Changes to fees and charges**

We're proposing to increase our fees and charges –

including our Navigation Safety Bylaw fees – by 2.5% a year to keep up with inflation-related cost increases.

To better reflect actual costs, we're also proposing changes to five of our resource consent charges and four of our Navigation, Water Transport and Maritime Safety Bylaw charges. For details, see our supporting information document: [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)



# MANAGING OUR FINANCES

This section sets out how we plan to sustainably finance our services and activities in the long term, and the effect that has on your rates.



## OUR FINANCIAL STRATEGY

We want to maintain the balance between affordability of rates and delivering a high level of service across our various activities.

We take pride in using our rates and non-rates income carefully, so our financial position remains strong. We operate a balanced budget where operating expenditure is fully funded by operating revenue. Our rates continue to be low compared to other councils across the country. We currently have no external debt, though we may consider borrowing if it's more cost-effective than using our own investment funds. Income from our investments helps pay for what we do.

There are, however, challenges ahead. Northland's GDP is the lowest of any region in New Zealand, and as a council we consider it important to take an active role in supporting and encouraging the economic development of our region.

Our growing workload as central government passes more responsibilities on to councils (particularly around freshwater management), along with an increasing risk of river flooding in Northland, puts more pressure on us to find efficiencies and savings.

To respond to these challenges and deliver quality services while keeping rates affordable, we plan to:

- Deliver our services as efficiently as possible
- Maintain a strong financial position (with a strong balance sheet and balanced budget), and remain a net investor
- Maximise returns to the regional community from funds invested and effective use of assets
- Improve flood protection infrastructure to reduce the impact of flooding in priority areas
- Continue directing a portion of our investment income to support economic development, while still using the remainder to subsidise rates.

### Policy changes

Our Revenue and Financing Policy sets out the funding sources we use to pay for our various activities. It remains largely the same as in previous years, aside from minor changes to our activity groupings (commercial activity now sits under 'Economic Development' and funding for community projects sits under 'Community Representation and Engagement'). You can read the full policy in our supporting information document:

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

## PROPOSED LIMITS ON RATES, INCREASES AND DEBT

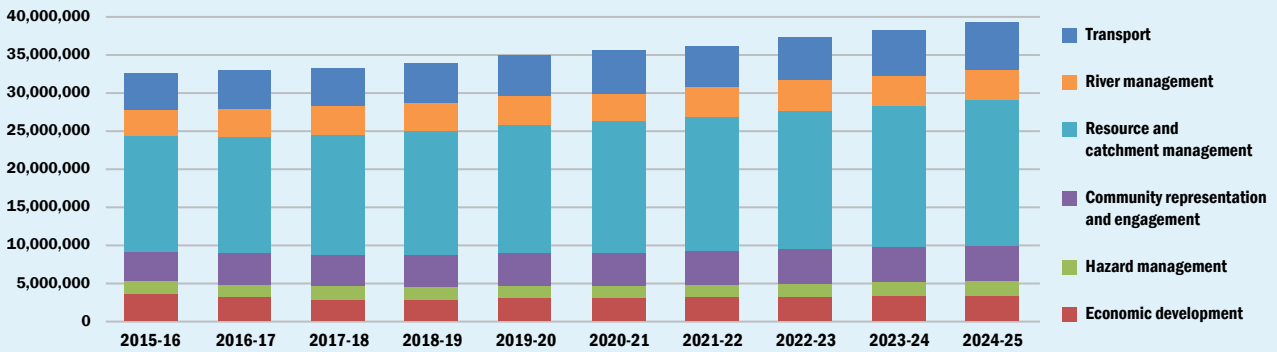
|                        | LIMIT  |
|------------------------|--|
| <b>RATES</b>           | Total rates will not exceed 65% of total revenue.  |
| <b>RATES INCREASES</b> | Rates increases will not exceed 5% in any one year.  |
| <b>DEBT</b>            | Net debt will not exceed 175% of total revenue, nor will net interest cost exceed 10% of total revenue. Liquidity will be greater than 110%. |

For more detail on our finances, see our supporting information document: [www.nrc.govt.nz/ltfeedback](http://www.nrc.govt.nz/ltfeedback)

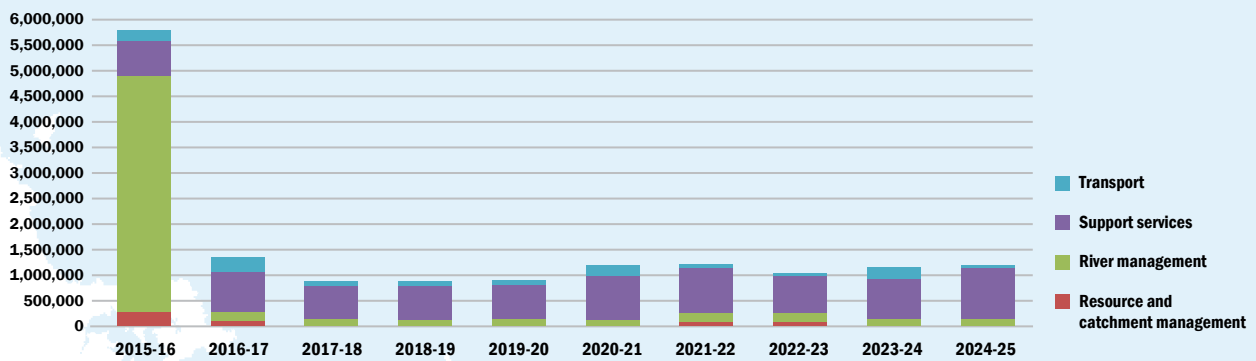
# PLANNED SPENDING

These graphs show our planned operational and capital spending over the next decade.

### Operational spending by activity



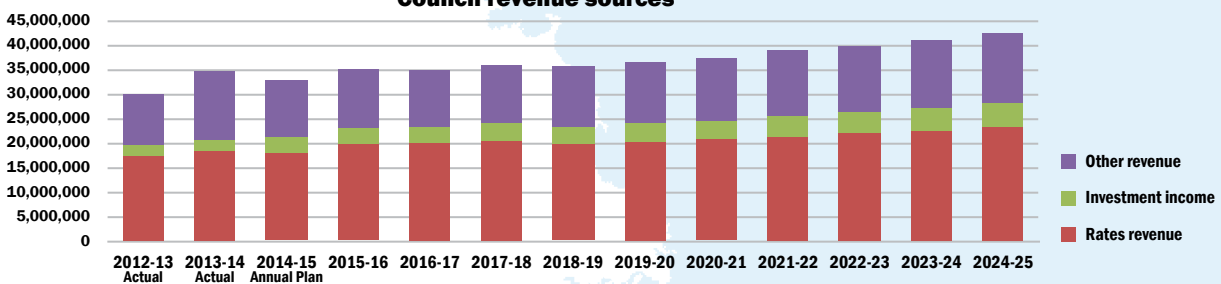
### Capital spending by activity



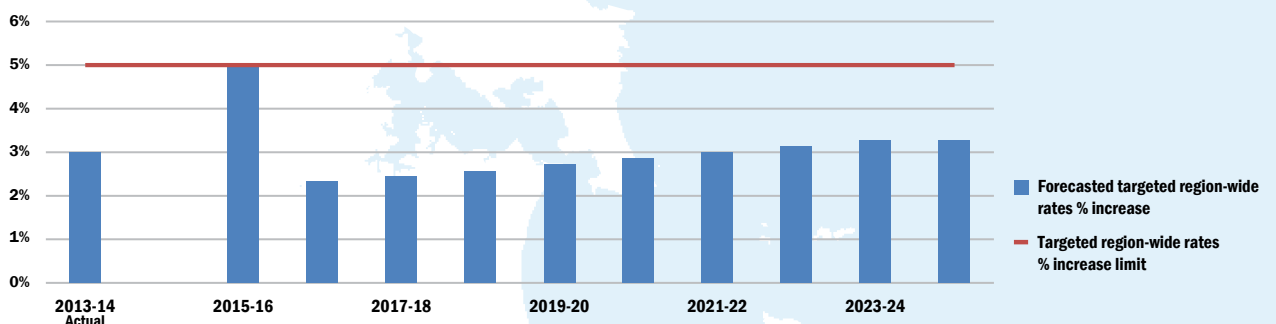
# HOW WE'LL PAY FOR IT

The following graphs show where our revenue is planned to come from over the next 10 years, plus the projected impact on targeted region-wide rates (council services and land management rates).

### Council revenue sources



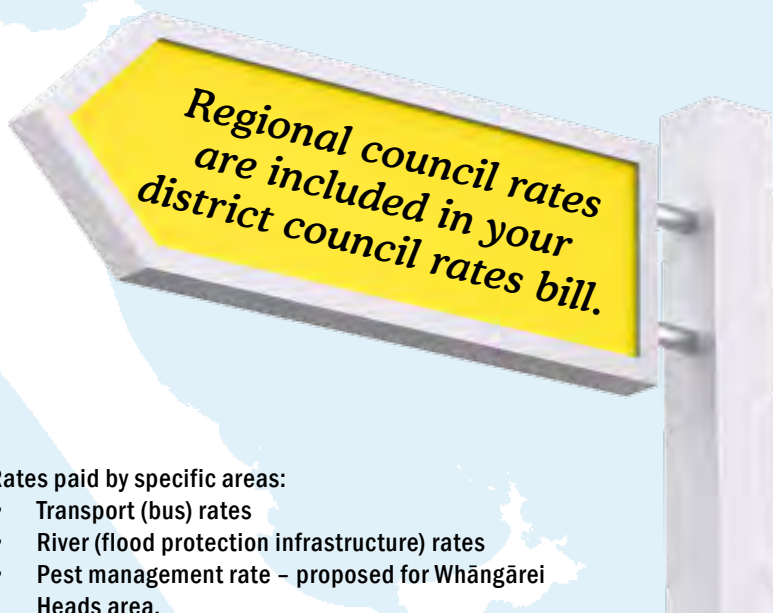
### Targeted region-wide rates increases



# RATES EXAMPLES

To see what our proposals could mean for your rates, we've put together a few examples for different property types.

Bear in mind that rates can vary a lot, depending on where you live and how much your property is worth. The land values given below are not averages – rather, they're intended as simple indicators of typical value.



## How your rates bill is set

There are several components to your rates bill, which are described below (based on what's in our proposed plans).

Rates paid by the whole region:

- Council services rate (differs slightly between districts)
- Land management rate
- Regional recreational facilities rate
- Regional infrastructure rate
- Emergency services funding (this would replace the current rescue helicopter rate).

Rates paid by specific areas:

- Transport (bus) rates
- River (flood protection infrastructure) rates
- Pest management rate – proposed for Whāngārei Heads area.

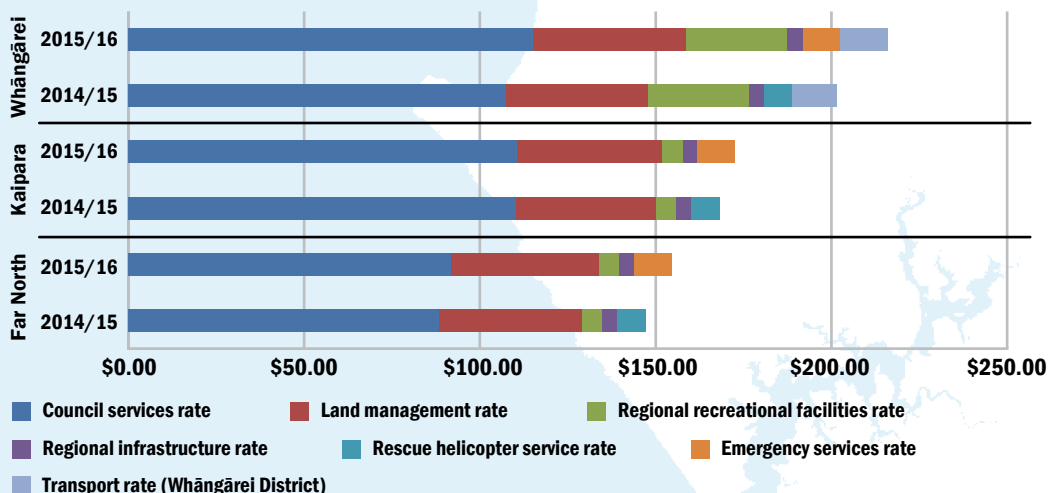
Our rates collection is administered on our behalf by Northland's three district councils. For administration efficiency we adopt the rates remissions and postponement policies used by each of the district councils.

A copy of these policies can be found in our supporting information document – see [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)



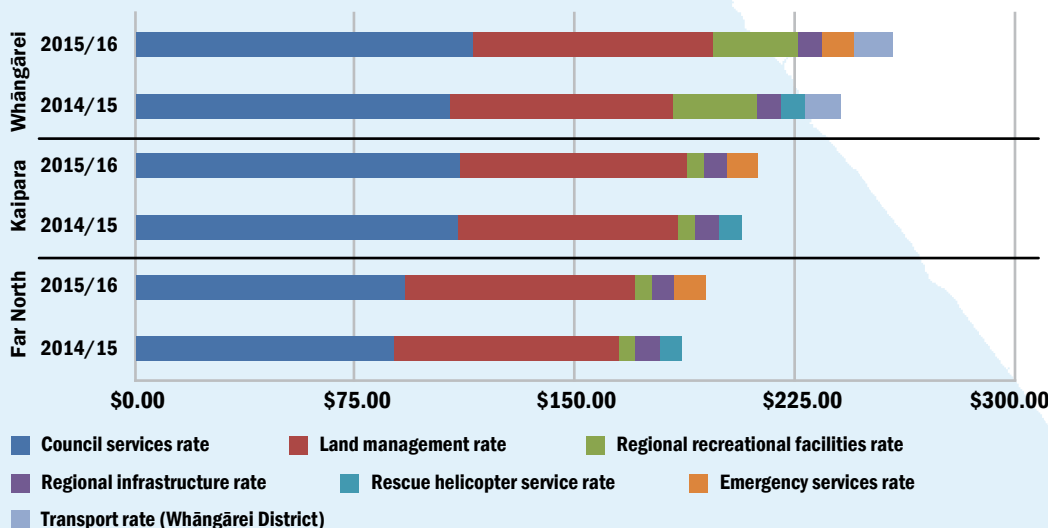
### Urban residential property, land value \$120,000

Excludes targeted Whāngārei Heads pest management rate, targeted Kaitiāia transport rate and targeted river rates.



### Urban residential property, land value \$225,000

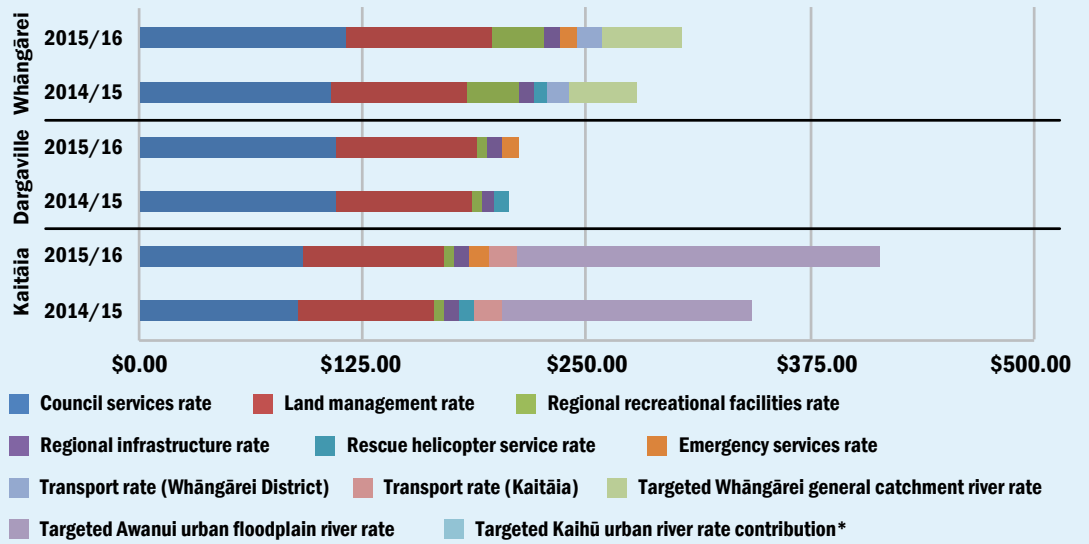
Excludes targeted Whāngārei Heads pest management rate, targeted Kaitiāia transport rate and targeted river rates.





## Residential property in river rate area

Urban residential property with a land value of \$225,000. Excludes targeted Whāngārei Heads pest management rate.

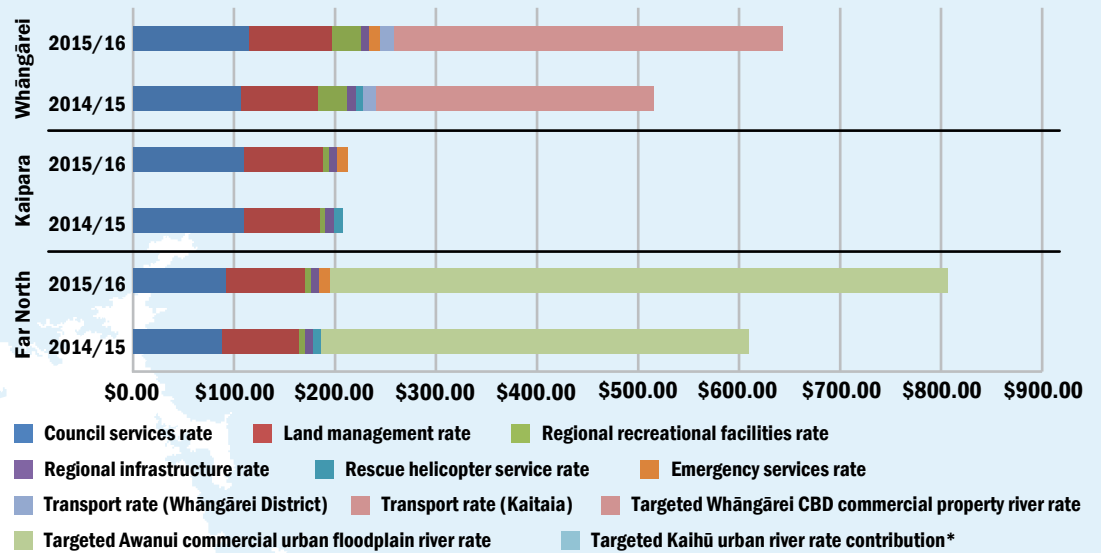


\* Kaipara District Council contributes \$5,694 a year (2014/15 and 2015/16) for urban properties in the Kaihū river catchment rating area



## Commercial property in river rate area

Commercial property with a land value of \$225,000. Excludes targeted Whāngārei Heads pest management rate.

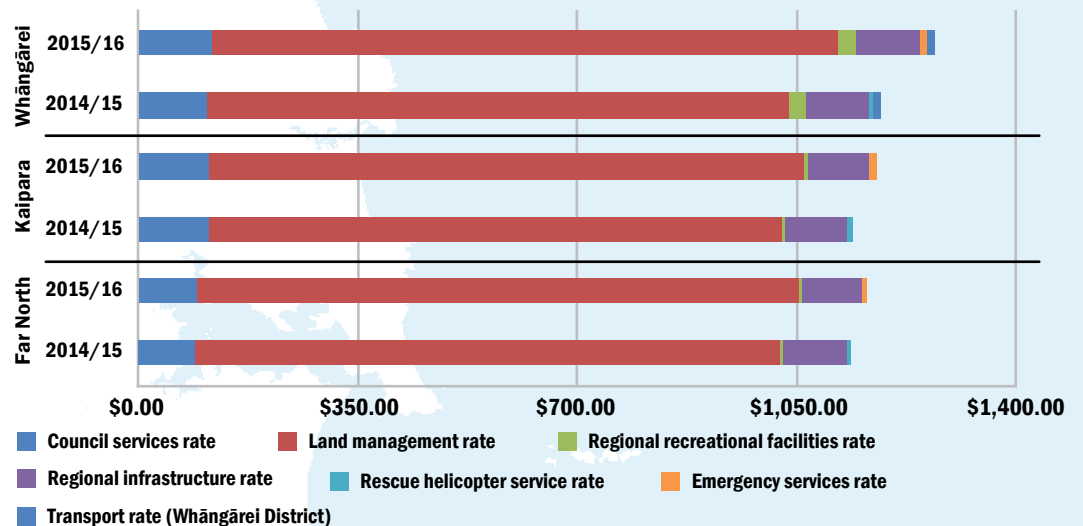


\* Kaipara District Council contributes \$5,694 a year (2014/15 and 2015/16) for urban properties in the Kaihū river catchment rating area



## Farm

Property with a land value \$2,750,000. Excludes targeted Whāngārei Heads pest management rate, targeted Kaitiāia transport rate and targeted river rates.



## Independent Auditor's Report on Northland Regional Council's Consultation Document for its proposed 2015-25 Long-Term Plan

I am the Auditor-General's appointed auditor for Northland Regional Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. I have carried out this audit using the staff and resources of Audit New Zealand. We completed this audit on 17 March 2015.

### Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2015-25 long-term plan, because it:
  - fairly represents the matters proposed for inclusion in the long term plan; and
  - identifies and explains the main issues and choices facing the Council and region, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

### Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.<sup>1</sup>

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

### Responsibilities of the Council and auditor

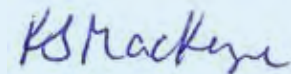
The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

### Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Karen MacKenzie  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand

<sup>1</sup> The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

# HAVE YOUR SAY ON OUR LONG TERM PLAN

Written feedback must be received by 3pm, Friday 24 April 2015

We encourage you to provide feedback online as it reduces our costs. Go to [www.nrc.govt.nz/ltpfeedback](http://www.nrc.govt.nz/ltpfeedback)  
Alternatively, you can complete this form and return it to us as outlined below.

**POST:** Long Term Plan 2015-2025  
Northland Regional Council  
Freepost 139690  
Private Bag 9021, Whāngārei Mail Centre,  
Whāngārei 0148

**EMAIL:** [mailroom@nrc.govt.nz](mailto:mailroom@nrc.govt.nz)  
**FAX:** 09 470 1202

**NEED HELP WITH YOUR FEEDBACK?  
CALL US ON 0800 002 004**

Your name, township and feedback will be published in public documents. All other personal details will remain private.

First name: .....

Surname: .....

Organisation (if applicable): .....

Postal address: .....

.....

Email address: .....

Phone: .....

If you supply an email address, we will use this as our method of communicating with you, to reduce paper use and minimise costs.

Which of these towns is nearest to you?

- Kaitiāia       Kaikohe       Kerikeri  
 Dargaville       Whāngārei       Mangawhai

The following information is optional.

Your gender       Female       Male

Your age group

- Under 15       15-24       25-34  
 35-44       45-54       55-64  
 65-74       75+

Your ethnicity

- NZ European       Māori       Pacific  
 Asian       Other (please specify)

.....

## What's your view on our proposed approach for each of the key issues outlined in our Consultation Document?

Please tick any you'd like to give feedback on – there's space on the next page to write why.

| Key issues – proposed approach  | AGREE                    | DISAGREE                 | OTHER                    |
|---|--------------------------|--------------------------|--------------------------|
| <b>1. Your rates:</b> A 5% increase (\$8.70 on average) in targeted region-wide rates to fund improved freshwater management, flood hazard information, environmental projects, community project support, better digital services and customer research. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>2. Whāngārei Heads pest management:</b> \$85,000 a year of kiwi predator control and weed work, paid for by a fixed rate on local properties of \$50 a year.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>3. Funding for emergency services:</b> A contestable fund of \$800,000 a year, open to all eligible lifesaving organisations in Northland.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>4. Buying land for environmental benefit:</b> Change policy so no public consultation required on large purchases.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>5. Flood protection infrastructure:</b>  |                          |                          |                          |
| • Awanui scheme – increase Whangatane spillway capacity   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Kotuku detention dam (Whāngārei) – increase rate to cover cost increases  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Kaeo-Whangaroa – postpone decision on Stage 2 works   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Kerikeri-Waipapa – construct spillway to reduce downstream flooding.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>6. Mid-North bus service:</b> A trial bus service, paid for by properties near the route.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please note that in accordance with relevant provisions the Local Government Official Information and Meetings Act 1987, your feedback and/or a summary thereof, including your township area, may be made available to the public on request and/or in order to support an open, transparent and accountable local decision-making process. If you consider there are compelling reasons why any part of your feedback should be kept confidential, you should contact the council.

