

# Statement of Cost of Activities – Planning and Policy

For the Year Ended 30 June 2006

Actual 30-Jun-05 Cost of Services \$		Actual 30-Jun-06 Cost of Services \$	Community Plan 30-Jun-06 Cost of Services \$	Variance \$
	<b>GROSS COST OF ACTIVITIES</b>			
1,066,628	Resource management planning	989,536	1,081,512	91,976
443,870	Public communication and education and environmental awards	602,556	597,623	(4,933)
315,720	Land transport management	394,116	485,970	91,854
<u>1,826,218</u>	<b>TOTAL GROSS COSTS</b>	<u>1,986,208</u>	<u>2,165,105</u>	<u>178,897</u>
	<b>LESS REVENUE</b>			
82,463	Resource management planning	1,888	5,000	(3,112)
343	Public communication and education and environmental awards	3,860		3,860
119,335	Land transport management	96,263	121,875	(25,612)
<u>202,141</u>	<b>TOTAL REVENUE</b>	<u>102,011</u>	<u>126,875</u>	<u>(24,864)</u>
<u>1,624,077</u>	<b>NET COST OF SERVICES FUNDED BY RATES AND INVESTMENT INCOME</b>	<u>1,884,197</u>	<u>2,038,230</u>	<u>154,033</u>
	<b>CAPITAL EXPENDITURE</b>			
		11,302	12,350	(1,048)

# Planning and Policy Group of Activities

## Resource Management Planning

The Community Outcomes this activity primarily contributes to are Environmental Quality and Coastal Management.

### LEVEL OF SERVICE

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

#### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Maintain an operative Regional Policy Statement, Regional Coastal Plan, Regional Water and Soil Plan and Regional Air Quality Plan, including development of implementation strategies.
- Develop and implement a regional strategy for managing wastewater treatment systems (including septic tanks), in priority areas.
  
- Undertake an annual review of the implementation of the Regional Policy Statement and plans.
- Prepare a report on the efficiency and effectiveness of the policies and methods within the Regional Policy Statement in 2004.
- Complete proposed changes to the Regional Coastal Plan for Northland providing for:
  - the establishment of Aquaculture Management Areas (subject to the necessary legislative changes being in place).
  - improvements to moorings and marinas management.
  - improvements to mangrove management.

#### Service Performance

- Implementation strategies are in place for each plan.
  
- Regional strategy commenced by:
  - placing greater emphasis on requiring upgrades to sewerage systems;
  - commencing a survey of the effectiveness of septic tank management;
  - agreeing to prepare an infrastructure strategy for Northland.This is a multi-year project to be completed by 2009.
- In 2005/2006, a five-yearly efficiency and effectiveness review of the Regional Policy Statement was commenced (as required under the RMA). The annual implementation review was therefore unnecessary.
- Internal efficiency and effectiveness report has been prepared and approved by the Council. The report is being used as a basis for external input into an efficiency and effectiveness review.
  
- Final Draft Plan Change 4 was further developed through public comment and technical workshops.
  
- Proposed Plan Change 1: Hearing of submissions were held in November 2005. Decisions released in December 2005 and appeals were progressed.
- Proposed Plan Change 3 was notified in June 2005. Submissions received and hearing scheduled for February 2006. Decisions released and appeals were progressed.

## Planning and Policy Group of Activities continued

- Undertake other plan changes as and when required by Council resolution.
- Prioritise and develop harbour management plans for specific areas and/or communities.
- Complete and implement an air quality management strategy for Marsden Point.
- Assist with funding for iwi resource management plans.
- Evaluate the costs and benefits of sub-regional coastal planning using Mangawhai Harbour as a case study.

### Contribution to community well-being

### Changes in service level

- Regional Water and Soil Plan Change 1 was publicly notified 18 March 2006.
- Background work was completed for Mangawhai Harbour pilot study. Meeting held with Mangawhai Harbour Restoration Society.
- Marsden Point Air Quality Strategy was adopted for implementation in November 2005.
- No applications received. Funding under review.
- Mangawhai Harbour case study completed. Report to Council August 2006.

The service performance detailed above contributed to the protection, enhancement and well-being of the Northland community's natural environment. Owing to the nature of changes in the state of the environment, any identified effects may be measured over decades.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

## Public Communication and Education

**The Community Outcomes this activity primarily contributes to are Environmental Quality, Coastal Management, Indigenous Biodiversity and Hazard Management.**

### LEVEL OF SERVICE

The Council will work to increase public awareness of, responsibility for, and involvement in sustainable environmental management in Northland.

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

The following was carried out in accordance with the Council's Environmental Education Strategy and associated annual programme:

- Provide educational material and opportunities to the general public and sector groups on the importance of wise environmental management by organising:
  - Exhibits on Council activities at five shows and field days.
  - Four seminars and workshops on regional environmental matters.

### Service Performance

- Exhibited at six farm field days, Northland Agricultural Field Days (March 2006), Seaweek (March 2006) and Lifestyle Blockholder's Field Day (April 2006).
- Pest and Predator Seminar held in Kaitaia (July 2005), Visual Soil Assessment Seminars held in Whangarei and Kaikohe (December 2005), Waimate North Wetland Workshop (May 2006) and Lake Omapere Workshop (June 2006).

- Provide information to schools about the importance of environmental issues and the role of the Regional Council by:
  - Distributing education information on topical issues to Northland schools.
  - Conducting a minimum of 40 school visits.
  - Organising two seminars for teachers on Regional Council activities and providing associated educational resources.
  - Organising one Youth Summit.
- To keep the Northland public informed of Council issues and activities by way of:
  - Regular media releases.
  - The distribution of a regular newsletter to ratepayers.
- The distribution of a minimum of six publications on environmental issues.
- The maintenance, promotion and enhancement of the Council's website.

**Contribution to community well-being**

**Changes in service level**

- Distribution of educational information and resource packs.
- 56 school visits carried out.
- Two teachers' seminars were held in May and June 2006.
- Youth Summit held in October 2005.
- 74 media releases were prepared and circulated to local and national media, as well as regular features published in Rural Advocate and Shoreline.
- Two Regional Reports distributed December 2005 and April 2006 (summary of LTCCP).
- The new or updated brochures produced to date include Farm Dairy Effluent - Stormwater, Farm Dairy Effluent - Treatment Ponds, Keep Stock out of the Tide, Household Sewerage Treatment Systems, Dead Stock Disposal, Clean Streams Accord, Dust Suppression, Save our Groundwater and Well Water.
- Visitor numbers and usage of the NRC website have increased. Promotion of the NRC website on all printed publications and vehicle signwriting. Online payments facility launched June 2006.

The service performance detailed above contributed to the protection, enhancement and well-being of the Northland community's natural environment. Owing to the nature of changes in the state of the environment, any identified effects will be measured over decades.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

## Planning and Policy Group of Activities continued

### Environmental Awards

The Community Outcomes this activity primarily contributes to are Environmental Quality and Indigenous Biodiversity.

#### LEVEL OF SERVICE

The Council will work to increase knowledge, awareness, and recognition of environmental management in Northland; and increased support for, and voluntary involvement in, maintaining and enhancing Northland's natural environment.

Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Provide scholarships or awards in the education sector, as follows:
  - University Master's degree students – two Sustainable Management Scholarships.
  - Northland Polytechnic students – two Environmental Management Scholarships.
  - Schools Environmental Curriculum Awards.
- To recognise, in conjunction with representative groups, good environmental management practices in business, through the presentation of an Environmental Management in Business and Farm Awards.

Contribution to community well-being

Changes in service level

#### Service Performance

- By Council resolution, the two scholarships were merged into one, and awarded in March 2006.
- Two scholarships were awarded in December 2005.
- Environmental Curriculum Awards were judged and awarded in June 2006.
- Presented NRC Sustainable Development Award at the Northland Chamber of Commerce Business Excellence Awards in September 2005.
- Regional Partner of the Northland Balance Farm Environment Awards and sponsor of Water Quality Enhancement Award. Awards ceremony held April 2006.
- Sponsorship of the "Top of the North" Sharemilker of the Year and Environment Award. Awards ceremony held in March 2006.
- Weedbuster Award Ceremonies held in Whangarei and Kerikeri during June 2006.
- Environment Fund 10 year celebrations for previous recipients held in Whangarei, Dargaville, Kaiwaka, Kerikeri and Kaitaia in May/June 2006.

The service performance detailed above contributed to the protection, enhancement and well-being of the Northland community's natural environment. Owing to the nature of changes in the state of the environment, any identified effects will be measured over decades.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

# Land Transport

The Community Outcomes this activity primarily contributes to are Infrastructure Development and Regional Growth.

## LEVEL OF SERVICE

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

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Complete relevant actions set out in the Regional Land Transport Strategy for Northland 2003 (RLTS).
- Prepare annual reports on the implementation of the RLTS.
- Review the Regional Land Transport Strategy for Northland in 2006.
- Complete, in association with RoadSafe Northland, the road safety projects listed for Northland in the annual New Zealand Road Safety Programme.
- In conjunction with the New Zealand Police, the Land Transport Safety Authority [subsequently reformed as 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.
- Administer the Total Mobility Scheme to the satisfaction of the Total Mobility Working Group while remaining within the budget set for the financial year.
  
- Administer the long-term contract for the subsidised bus service for the Whangarei urban area.
- Subject to the confirmation of funding, re-tender the contract for the subsidised Whangarei urban bus service in 2006.
- Undertake an annual review of the Regional Transport Plan, which sets out regional development (forestry) roading priorities for Northland.

### Contribution to community well-being

### Changes in service level

### Service Performance

- Progress reports submitted to the Regional Land Transport Committee as and when required.
- Completed and submitted in August 2005. Next annual report due in September 2006.
- Presently underway. To be completed by November 2006.
- In progress. Monthly progress reports on all road safety programmes have been received.
  
- Regional Road Safety Plan 2004-2010 in operation. This plan is to be reviewed, along with present road safety administrative structures, in 2006.
  
- Bi-monthly meetings with the Working Group continue to be held. Actual expenditure exceeded budget due to a 20% in taxi fare prices as a result of petrol price rises. Whangarei District Council and Land Transport NZ have agreed to increase the budget to cover this and also adjusted the budget for the coming 2006-07 year.
- Ongoing. Reported monthly to Council on revenue and patronage levels. Service adjustments made as and when required.
- Undertaking a study into the feasibility of expanding the present service. New service will be offered for contract in the 2006-2007 year.
- Annual review completed October 2005. The agreed priority roading projects were submitted by district councils to Land Transport NZ in December 2005.

The service performance detailed above contributed to the development of the Northland community's social and economic environment and regional growth. The identified effects are reflected in the Council and Government funding allocated to transport projects, road safety and transport support for disadvantaged residents.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

# Statement of Cost of Activities – Consents

For the Year Ended 30 June 2006

Actual 30-Jun-05 Cost of Services \$		Note	Actual 30-Jun-06 Cost of Services \$	Community Plan 30-Jun-06 Cost of Services \$	Variance \$
	<b>GROSS COST OF ACTIVITIES</b>				
1,060,839	Consents applications	A	1,001,041	1,109,046	108,005
860,566	Consents advice & information	B	994,171	787,483	(206,688)
<u>1,921,405</u>	<b>TOTAL GROSS COSTS</b>		<u>1,995,212</u>	<u>1,896,529</u>	<u>(98,683)</u>
	<b>LESS REVENUE</b>				
828,550	Consents applications	C	805,974	629,100	176,874
1,054	Consents advice & information		688		688
<u>829,604</u>	<b>TOTAL REVENUE</b>		<u>806,663</u>	<u>629,100</u>	<u>177,563</u>
<u>1,091,801</u>	<b>NET COST OF SERVICES FUNDED BY RATES AND INVESTMENT INCOME</b>		<u>1,188,549</u>	<u>1,267,429</u>	<u>78,880</u>

- Notes: A Consulting and legal fees underspent by a total of \$95,000.  
 B Higher level of demand for free technical advice than anticipated in the budget.  
 C Additional revenue attributable to one major industrial consent application.

# Consents Group of Activities

## Consent Applications

The Community Outcome this activity primarily contributes to is Environmental Quality.

### LEVEL OF SERVICE

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

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

Follow statutory procedures and time requirements to process applications for consents by:

- Processing at least 98% of applications within statutory time lines as indicated by the Council's consents database.
- Ensuring no successful appeals against the Council's statutory processes.
- Carrying out an annual survey of new consent holders to assess their customer satisfaction with consent processing performance and with the aim of showing improving trends in satisfaction by applicants.

### Contribution to community well-being

### Changes in service level

### Service Performance

- The Council has achieved 98.3% compliance with the statutory timeframes for the year.
- There have been no successful appeals against the Council's statutory processes.
- The annual customer survey of consent applicants showed an 8% increase in the combined ranking of "good" / "very good" categories, compared to the previous year. There was also a corresponding increase in the assessments for overall performance of Council in consent processing in the "very good" / "outstanding" categories compared to the previous year. Other categories of performance showed no statistical difference from the previous year. There was however a 15% increase in the number of applicants disagreeing with the need for a resource consent for their proposed activity.

The service performance detailed above contributed to the promotion of the well-being of individuals and communities within Northland.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.



## Consents Group of Activities continued

### Information and Advice

The Community Outcome this activity primarily contributes to is Environmental Quality.

#### LEVEL OF SERVICE

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

**Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.**

- Provide advice in a way that results in no justifiable complaints against the accuracy and timeliness of the advice given.

**Contribution to community well-being**

**Changes in service level**

#### Service Performance

- No justifiable complaints have been received against the accuracy or timeliness of advice given during the year.

The service performance detailed above contributed to the promotion of the well-being of individuals and communities within Northland.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.



Significant progress was made during the year on collaborative efforts to improve the health of the region's biggest lake – the 1200 ha Lake Omapere near Kaiokohe. The Council, Lake Omapere Trustees, catchment landowners, the Department of Conservation and an army of volunteers continued to work together to carry out riparian planting and fencing.

# Statement of Cost of Activities – Environmental Monitoring

For the Year Ended 30 June 2006

Actual 30-Jun-05 Cost of Services \$		Note	Actual 30-Jun-06 Cost of Services \$	Community Plan 30-Jun-06 Cost of Services \$	Variance \$
	<b>GROSS COST OF ACTIVITIES</b>				
1,324,129	State of the environment monitoring		1,471,989	1,382,764	(89,225)
1,044,990	Compliance monitoring & enforcement		1,097,725	1,104,960	7,235
570,681	Environmental incidents		620,664	532,653	(88,011)
336,867	Hazardous waste management		288,995	368,328	79,333
243,566	Oil pollution response		203,136	385,869	182,733
1,080,388	Harbour safety and navigation		1,176,651	1,106,736	(69,915)
<u>4,600,621</u>	<b>TOTAL GROSS COSTS</b>		<u>4,859,160</u>	<u>4,881,310</u>	<u>22,150</u>
	<b>LESS REVENUE</b>				
97,126	State of the environment monitoring		73,683	40,000	33,683
860,189	Compliance monitoring & enforcement		883,430	920,000	(36,570)
41,889	Environmental incidents		97,114	70,000	27,114
72,754	Hazardous waste management		88,678	97,000	(8,322)
116,502	Oil pollution response	A	120,581	112,468	8,113
392,228	Harbour safety and navigation		420,240	389,000	31,240
<u>1,580,688</u>	<b>TOTAL REVENUE</b>		<u>1,683,727</u>	<u>1,628,468</u>	<u>55,259</u>
<u>3,019,933</u>	<b>NET COST OF SERVICES FUNDED BY RATES AND INVESTMENT INCOME</b>		<u>3,175,433</u>	<u>3,252,842</u>	<u>77,409</u>
	<b>CAPITAL EXPENDITURE</b>		473,188	400,200	(72,988)
	Budget of \$9,380 carried forward				

Note: A Training that was initially budgeted for was cancelled and there were no major shipping oil spills.  
A lower number of minor oil spills occurred - 29 compared with 35 in the 2005 year.

# Environmental Monitoring Group of Activities

## State of the Environment Monitoring

The Community Outcomes this activity primarily contributes to are Environmental Quality, Coastal Management, Indigenous Biodiversity and Hazard Management.

### LEVEL OF SERVICE

The Council will identify significant environmental issues and trends in the region and promote informed decision-making.

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

Continue to develop and implement a prioritised State of the Environment monitoring programme based on the Regional Policy Statement and Regional Plans, by:

- Monitoring ambient air quality; including monitoring background levels of dust and sulphur dioxide in the Whangarei urban area.
- Operating a region-wide hydrometric network for the measurement, recording and reporting of rainfall, river flows, lake, groundwater and tide levels.
- 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.
- 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.
- Providing an annual report to the Council on environmental monitoring activities carried out during the year within six months following the end of the year.
- Updating the Regional State of the Environment Report as new information becomes available.

### Service Performance

- Ambient air quality monitoring is ongoing. Results are reported on the Council's website.
- This work is ongoing. A description of the network can be found on the Council's website.
- This work is ongoing. A description of the network can be found on the Council's website.
- The Catchment Management Plan for Lake Omapere will be finalised in August 2006. All monitoring in 2005-2006 has been completed in accordance with this strategy.
- This work was carried out from the end of November 2005 to mid February 2006 and the results are reported on the Council website.
- Liaison and provision of advice was continued with communities affected by coastal erosion at Ahipara and Omapere. Beach profile monitoring was continued at the network of monitor beaches throughout Northland, including additional monitoring of sites affected by erosion. Baseline tsunami hazard assessment investigations were completed. NRC's Coast Care Co-ordinator continued to liaise with community groups.
- The 2005-2006 Annual Environmental Monitoring Report will be reported to the Council in September of 2005 and will be published on the Council website by the end of the month. The provision of this report was brought forward to be in line with Council Annual reporting timeframes.
- This is to be carried out next year.

## Environmental Monitoring Group of Activities continued

- Increase resources for water quality monitoring particularly for marine farming catchments and lakes, and for at risk groundwater resource investigations.

### Contribution to community well-being

### Changes in service level

- Two new staff members were employed during the year to facilitate lake monitoring and riparian management in marine farming catchments. A lake monitoring network has been established and has been implemented. Additional monitoring of at risk aquifers has been implemented over the last year and contractors have been engaged to undertake sustainable yield assessments on four at risk aquifers in the Region.

The service performance detailed above mainly contributed to the protection, enhancement and well-being of the Northland community's natural environment. Owing to the nature of changes in the state of the environment, any identified effects will be measured over decades.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

## Compliance Monitoring and Enforcement

The Community Outcomes this activity primarily contributes to are Environmental Quality and Coastal Management.

### LEVEL OF SERVICE

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

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

Monitor compliance with, and the effects of, the exercise of resource consents, Regional Plans, and statutory environmental standards by:

- 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 and carrying out surveys of the coast where there is sand mining activity.

### Service Performance

Resource consent compliance monitoring is ongoing and reported to consent holders and to the Council each month.

Enforcement action is taken as appropriate and a summary reported to the Council each month.

- 71 consent compliance assessments for major industrial discharges to the air were carried out in this period.
- 442 consent compliance assessments were carried out in this period.
- 213 consent compliance assessments were carried out in this period.
- 312 consent compliance assessments were carried out in this period.
- 432 consent compliance assessments were carried out in this period.

- Ensuring that all moorings are registered and plotted on accurate plans, and that each mooring has a certificate of inspection not more than three years old.
- 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 at least annually to consent holders.

## Farm Dairy Effluent

### Detailed Actions Undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

To monitor compliance with farm dairy effluent discharge standards, by:

- Inspecting all farm dairy effluent treatment and discharge systems that received adequate to poor grades (grades 3, 4 or 5), and half of those that received good grades (grades 1 or 2), for their last inspection, record inspection details and report these to the farmers responsible and to the Council.
- Testing effluent and receiving water quality for systems with resource consents to discharge directly to streams.
- Follow up on all systems with poor grades or non-complying, requiring maintenance or upgrades when needed.

### Contribution to community well-being

### Changes in service level

- 595 consent compliance assessments were carried out in this period.
- Enforcement action is taken in cases of significant non-compliance and reported to the Council monthly. 158 abatement notices and 119 infringement notices have been issued, prosecutions have been completed or are proceeding in 11 cases.
- 2054 compliance assessment events were reported to Council over the 2005- 2006 year.

### Service Performance

- All dairy farms discharging to land, regardless of grades, were inspected during the 2005 and 2006 season, this entailed 301 inspections. These were reported to the Council's monthly meeting and to individual farmers.
- Testing effluent and receiving water quality has been carried out at 747 farms with resource consents to discharge directly to streams.
- Council carried out 257 follow-up actions as a result of significant non-compliance. This constituted 100% of farms with poor performing or non complying systems.

The service performance detailed above mainly contributed to the protection, enhancement and well-being of the Northland community's natural environment. Owing to the nature of changes in the state of the environment, any identified effects will be measured as improving water quality over the long term. In some cases, the recovery of an area can be measured soon after removing significant pollutants.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

## Environmental Monitoring Group of Activities continued

### Environmental Incidents

The Community Outcomes this activity primarily contributes to are Environmental Quality, Coastal Management and Indigenous Biodiversity.

#### LEVEL OF SERVICE

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

#### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

To investigate and take 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, by:

- Providing a 24-hour, everyday environmental incident reporting, recording and response system.
- Reporting the response to incidents received to the incident reporter (as and when the follow up action is completed) and to the Council in the following month.
- Taking appropriate enforcement action in cases of significant non-compliance with statutory requirements.

#### Contribution to community well-being

#### Changes in service level

#### Service Performance

- Twenty four hour/seven day cover was provided for the Council's environmental hotline system by staff during office hours and a call centre/on call staff after office hours. There were 1028 environmental incidents reported in the reporting year.
- Incidents and outcomes have been reported to the Council monthly and to incident reporters as they have been completed.
- Enforcement action is taken in cases of significant non-compliance and reported to the Council monthly. 158 abatement notices and 119 infringement notices have been issued, prosecutions have been completed or are proceeding in 11 cases.

The service performance detailed above mainly contributed to the protection, enhancement and well-being of the Northland community's natural environment. Owing to the nature of changes in the environment, identified effects will be measured over decades.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

# Hazardous Waste and Contaminated Sites Management

The Community Outcome this activity primarily contributes to is Environmental Quality.

## LEVEL OF SERVICE

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

### Detailed actions undertaken during 2005-06 to progress towards achievement of the 2004-07 agreed Level of Service.

Facilitate the collection, transport, re-use, storage, treatment and disposal of redundant agrichemicals and other small quantities of waste hazardous chemicals, where there is no appropriate alternative service provided, by:

- Operating, in conjunction with Wrightson, waste agrichemical collection facilities at Whangarei, Dargaville, Waipapa and Kaitaia.
- Operating a facility in Whangarei for the short-term storage of hazardous chemicals awaiting transport.
- Providing a collection, transport and disposal service for the other quantities of waste hazardous chemicals.
- Exporting for safe destruction, the intractable waste hazardous chemicals that the Council has in long-term storage.

Facilitate the management of contaminated sites in Northland, by:

- Maintaining and updating a database of potentially contaminated sites, related site assessments and remediation.
- Promoting the assessment and remediation of significant contaminated sites.
- Promoting the availability of contaminated site information through the LIM and PIM systems by providing the District Councils with the database of potentially contaminated sites, related site assessments and remediation.
- Introduce a trial hazardous substances compliance monitoring and incident response service.

### Service Performance

- Ongoing operation. 5.2 tonnes of chemicals were collected over the reporting year.
- A new facility has been established at the Whangarei District Council Resource Recovery Centre.
- Regional collection centres operate at Kerikeri, Kaitaia, Dargaville and Waipapa, and a new one is to open in Kaikohe.
- 5.2 tonnes of intractable chemicals were exported this year to Europe for safe destruction.
- The existing database is to be migrated to Council's Worksmart system to provide improved data integration, recording, and reporting.
- As appropriate. Council staff have been working with the owners and prospective purchasers of the Kaitaia Timber Site in relation to site contamination.
- The planned migration of the potentially contaminated sites database to Worksmart will facilitate with the provision of information to District Councils.
- The trial contract with the Department of Labour to undertake inspections of workplaces storing and using hazardous substances ended in June 2006. This proved to be successful and a new contract has been signed between the respective parties for a period of three years. Over the past year a total of 150 inspections were undertaken.



## Environmental Monitoring Group of Activities continued

### Contribution to community well-being

### Changes in service level

The service performance detailed above mainly contributed to the protection, enhancement and well-being of the Northland community's natural environment. Owing to the nature of changes in the state of the environment, any identified effects will be measured over decades. Identified effects are the mitigation of damage arising from pollution incidents.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

## Oil Pollution Response

The Community Outcomes this activity primarily contributes to are Environmental Quality and Coastal Management.

### LEVEL OF SERVICE

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

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

To maintain and implement the Marine Oil Spill Contingency Plan for the region, by:

- Having in place a team, trained in accordance with Maritime New Zealand standards, and available to respond to oil spills at any time.
- 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 transfer sites (Tier I sites) for compliance with spill prevention and response requirements.

### Contribution to community well-being

### Changes in service level

### Service Performance

- The oil spill response system has been maintained in accordance with the Contingency Plan, which is approved by Maritime NZ.
- A Ro-boom deployment exercise was successfully carried out at Marsden Point, jointly with NZ Refining Co and Maritime NZ. An equipment deployment exercise was held at Tutukaka Marina refuelling facility (NRC). A table top exercise was carried out in the Whangarei Incident Command Centre, in response to a fictitious incident on Whangaroa Harbour (joint NRC and NZRC).
- 29 oil spills were reported, recorded and responded to in line with the Contingency Plan and reported to the Council monthly.
- As above.
- Monitoring of oil transfer sites led to continued work with their operators to reduce the risk of oil spills.

The service performance detailed above mainly contributed to the protection, enhancement and well-being of the Northland community's natural environment. Owing to the nature of changes in the state of the environment, any identified effects will be measured over decades. Identified effects are the minimisation of damage arising from oil pollution incidents.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

# Harbour Safety and Navigation

The Community Outcomes this activity primarily contributes to are Infrastructure Development and Coastal Management.

## LEVEL OF SERVICE

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

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- 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.
- Provide pilotage services for vessels calling into the Bay of Islands.
- 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.
- To implement the New Zealand Port and Harbour Marine Safety Code, safety management system development for Whangarei Harbour and the Bay of Islands, and code application assessments for other Northland harbours.

### Contribution to community well-being

### Changes in service level

### Service Performance

- Ongoing. 35 days of harbour patrols were carried out during the busiest part of summer.
- Ongoing.
- There are 17 harbour wardens provided, and harbour safety and navigation patrols were carried out in the busiest areas during the summer.
- Pilotage services are available, with 13 cruise ships piloted safely into the Bay of Islands during the year.
- 278 incidents have been reported, recorded, responded to and reported to the Council during the year.
- Whangarei Harbour risk assessment approved by Maritime New Zealand. Bay of Islands risk assessment nearing completion. Code application assessments for other Northland harbours are in progress and will be completed by 30 June 2007.

The service performance detailed above mainly contributed to the protection and safety of the Northland community's natural environment and associated coastal facilities. Owing to the nature of changes in the state of the environment, any identified effects will be measured over the longer term.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

# Statement of Cost of Activities – Land Operations

For the Year Ended 30 June 2006

Actual 30-Jun-05 Cost of Services \$		Note	Actual 30-Jun-06 Cost of Services \$	Community Plan 30-Jun-06 Cost of Services \$	Variance \$
	<b>GROSS COST OF ACTIVITIES</b>				
655,838	Hazards & emergency management	A	934,908	1,363,845	428,937
712,920	Sustainable land management	A	1,118,160	733,108	(385,052)
2,045,581	Biosecurity management	B	1,531,359	1,947,840	416,481
<u>3,414,339</u>	<b>TOTAL GROSS COSTS</b>		<u>3,584,427</u>	<u>4,044,793</u>	<u>460,366</u>
	<b>LESS REVENUE</b>				
14,150	Hazards & emergency management		10,418	70,000	(59,582)
47,222	Sustainable land management		12,249	26,360	(14,111)
266,123	Biosecurity management		158,221	84,500	73,721
<u>327,495</u>	<b>TOTAL REVENUE</b>		<u>180,888</u>	<u>180,860</u>	<u>28</u>
<u>3,086,844</u>	<b>NET COST OF SERVICES FUNDED BY RATES AND INVESTMENT INCOME</b>		<u>3,403,539</u>	<u>3,863,933</u>	<u>460,394</u>
	<b>CAPITAL EXPENDITURE</b>				6,801,655
	Includes unbudgeted fair value of Awanui River protection scheme assets vested by Far North District Council of \$6,925,283		7,106,430	304,775	
	Capital Projects in Progress carried forward		202,619		

Note: A Net variance in Activities to 2006 Annual Plan = \$43,885 owing to changing work programmes.  
 B The variance results from establishing Community Pest Control Areas in 2005/06; contractor costs have been replaced by landowners doing the work with product costs met by the Council.

# Land Operations Group of Activities

## Hazards and Emergency Management

The Community Outcomes this activity primarily contributes to are **Regional Growth, Infrastructure Development and Hazard Management.**

### LEVEL OF SERVICE

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.

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Adopt and implement a Civil Defence Management Group Plan for Northland in consultation with District Councils, emergency services, lifeline utility managers and health services.
- Investigate the Awanui River and its catchment, and prepare a comprehensive flood management plan. Gain required resource consents, introduce a suitable funding mechanism, and implement the Management Plan.
- Implement a comprehensive flood management plan for the Kaihu River catchment, including gaining resource consents, and introducing a suitable funding mechanism.
- Maintain telemetered rain gauges and telemetered river flow gauges within the Awanui River catchment as part of a flood warning system for Kaitaia.
- Develop and implement the management plans for the Waima, Waimamaku, Waihou, Otaua and Mangakahia Rivers and the Otaika, Tauranga Bay and Taupo Bay Streams.

### Service Performance

- Plan adopted 7 December 2004. Priority work being carried out on tsunami and storm surge. Benchmarking survey of household and business risk awareness, self-readiness and knowledge completed in November 2005. Seven Emergency Operating Procedures were developed. Regional Training Programme adopted and implemented. Overview of Weather and Coastal Hazards in Northland Region completed; contingency plan for cyclones completed.
- Plan adopted in April 2005 and implemented. Interim funding mechanism established. Submissions received on resource consent application and pre-hearing meetings held.
- Draft Interim Kaihu River Management Plan publicly notified for submissions. Submissions to be heard on 11 August 2006. Funding mechanism for 2006-07 agreed. The Interim Plan provides for maintaining the as-built channels for the next three years while a better understanding is gained of the dynamics of the Kaihu River flooding.
- Maintained and operating efficiently. Extra gauging equipment installed at Unahi and other sites downstream of Kaitaia to monitor the impact of the tide on river flows.
- Comprehensive management plans were developed for Waima and Waimamaku Rivers and Taupo Bay Stream but not implemented as public consultation is continuing. Plans for remedial works were developed and implemented for Waihou River (Rahiri), Mangatawa Stream (Otaua), Te Ngaire and Tauranga Streams. Survey and flood modelling data for the Mangakahia River was provided to Whangarei District Council and its roading consultants to enable design and construction of road through flood-prone areas. Work on management plan for Otaika Stream deferred to enable resources to be devoted to higher priority work (Landcare Committee October 2005). Consent applications made for Tauranga Stream but permitted activity works undertaken by Far North District Council in the meantime (June 2006). Awaiting response from Far North District Council on Taupo Bay Stream. Otaika Stream project deferred until 2006/2007. Flood model on Mangakahia River completed and data supplied to Whangarei District Council for designing roadworks in flood-susceptible areas.

## Land Operations Group of Activities continued

- Investigate and prepare hazard management plans for rivers, areas of unstable land, sections of coastline, or land threatened by other natural hazards as identified in the Northland Civil Defence Emergency Management Plan.
- Commence work under the Awanui River Flood Management Plan, funding scheme works, scheme maintenance and supervision by way of a targeted differential rate.
- Develop an indicative map of Northland showing land and communities at risk from tsunami and promoting an appropriate response to tsunami warnings.

### Contribution to community well-being

### Changes in service level

- Coastal hazard inundation investigations for selected Far North settlements completed and forwarded to Far North District Council. Beach profile monitoring continued at a network of beaches in Northland, including additional monitoring of sites affected by erosion. Liaison commenced with communities affected by coastal erosion at Ahipara, Omapere and Rangiputa.
- Contract works started in January 2006. Substantial progress made on channel clearance through Kaitaia, which will be completed in 2006-2007. Waihoe floodgates have been repaired and safety equipment installed.
- Indicative map prepared by NIWA for a CDEM Exercise held in May 2006. Draft report on Tsunami Source Study for Northland, Waikato and Bay of Plenty Regional Councils completed June 2006.

The service performance detailed above contributed to the protection, enhancement and well-being of the Northland community's economic, natural and built environment. Identified effects are the avoidance and mitigation of damage arising from natural and man-made hazard.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014 except to the extent that the Council became more actively involved in river management works.

# Sustainable Land Management

The Community Outcomes this activity primarily contributes to are **Regional Growth, Environmental Quality and Coastal Management**.

## LEVEL OF SERVICE

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

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Work with representatives of the dairy industry to promote sustainable land and water management practices on dairy farms in Northland and meet the targets set down in the Industry Accord.
- Work with the marine farming industry and coastal communities to improve coastal water quality.
- Work with the representatives of other primary industry sector groups to promote sustainable land and water management practices in exotic forests, on beef and sheep farms, in orchards, on arable land and in market gardens to meet environmental performance standards set down in industry accords, codes of practice and best practice guidelines.
- Promote sustainable land management practices by providing advice on land use alternatives, land development techniques, soil conservation and drainage within 20 days of receipt of requests.
- Provide advice to roading authorities on the design and implementation of measures to stabilise land on or adjoining roads.
- Work with the Department of Conservation, the District Councils, adjoining landholders and the National Institute of Water and Atmospheric Research to develop a strategy for improved management of Northland lakes.

### Contribution to community well-being

### Changes in service level

### Service Performance

- Supplier survey and audit of results in May 2005 showed that Northland dairy farmers had made progress towards achieving the objectives of the Northland Regional Action Plan. The 2006 survey showed significant progress in each area of activity under the Accord.
- New staff member appointed to work with marine farming industry and landowners in identified estuarine catchments.
- Council staff have made submissions on draft codes of practice for exotic forestry and Pork Industry Board. Agreement was reached with Meat and Wool New Zealand to assist with plans for the three Northland Monitor Farms. NZ Deer Farmers' Association Environmental Code of Practice made operative in May 2005.
- 326 enquiries and requests for assistance were received and advice provided in the year to 30 June 2006. Compliance with 20 day response time difficult due to inadequate database until June 2006.
- No requests for advice have been received this year.
- Survey of Northland lakes by NIWA, Council and DOC completed in November 2005. Northland Regional Pest Management Strategy for Aquatic Pests adopted as part of the management strategy for lakes.

The service performance detailed above mainly contributed to the protection, enhancement and well-being of the Northland community's economic and natural environment. Owing to the nature of changes in the state of the environment promoted as sustainable land management, many identified effects will be measured over decades.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

## Land Operations Group of Activities continued

### Biosecurity Management

The Community Outcomes this activity primarily contributes to are Regional Growth, Environmental Quality and Indigenous Biodiversity.

#### LEVEL OF SERVICE

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.

#### Insects and Diseases

Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Promote pest management options for guava moth and tropical grass webworm in association with HortResearch Limited, representatives of fruit growers and the Tree Crops Association, and with the Tropical Grass Webworm Task Group and the Northland Kikuyu Management Group.
- 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.

#### Pest Animals

Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Reduce possum numbers to no more than a 20% residual population index over 39,400 hectares in the Ruapekapeka, Karetu, Waikare, Kohukohu and Spirits Bay areas.
- 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.

#### Service Performance

- Pamphlets on guava moth management and control measures promoted. Media release on tropical grass webworm and weekly monitoring results posted on Council website during risk season from December 2005 to April 2006.
- Advice provided within 48 hours on all requests for identification of insects, plants and diseases of plants.

#### Service Performance

- Programme shown is for 2004/2005 year during which 65,000 hectares were treated for possums. At least 20% reduction in residual population index achieved in all cases as pest control contractors paid only when they achieved or bettered the required level.
- Community Pest Control Areas established at four sites, involving 39 landowners and 6,840 hectares of land. All these areas were treated for pest animals during 2005-2006.

## Pest Plants

### Detailed actions undertaken during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Control by spraying, all regrowth Manchurian rice grass sites outside the major Northern Wairoa River and major tributary infestations.
- Control by spraying, all regrowth of African feathergrass on Pouto Peninsula, at Rahiri Settlement and Tamahere, 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.
- Carry out a spraying of regrowth 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 the Hokianga and Whangaroa districts. Promote the identification, introduction and release of an appropriate biological control agent for lantana to achieve control of the Hokianga and Whangaroa infestations.
- Enforce rules in the Northland Regional Pest Management Strategies, which require landholders to manage declared pest plants and animal pests.
- 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.
- Review the management of Manchurian ricegrass within the major Northern Wairoa River infestation and prepare a new Manchurian Ricegrass Management Plan and if necessary, a proposed Pest Management Strategy.

### Contribution to community well-being

### Changes in service level

## Service Performance

- All sites on 36 properties sprayed by December 2005 and re-sprayed during the autumn. One new site, near Whangarei, sprayed for the first time during autumn, 2006.
- Of the 63 sites recorded on the Council database, regrowth had to be sprayed at only 30 sites. This work was completed by 20 December 2005.
- All 39 properties previously listed as nassella sites were ranged and any plants found grubbed before 20 December 2005. 33 plants were found, which is 50% less than 2004-2005.
- All 32 sites in Kaipara Harbour were checked during January 2006. 12 sites were clear, 13 had minimal regrowth and were sprayed, and 7 sites were helicopter sprayed. After the third spraying in Parengarenga Harbour, plant density reduced by 95% in most of the 50 patches, that originally occupied 26 hectares. Smaller infestations have been sprayed in Whangaroa, Rangaunu and Mangonui Harbours and in the Bay of Islands and Taipa Estuary. Approximately 50% of the estimated 40 sites, totalling 30 hectares in the Hokianga Harbour have been sprayed for the first time.
- Ongoing programme with active control at 200 sites around Whangarei, Onerahi and Whangarei Heads. A large number of small areas in gardens were removed or sprayed in Dargaville and Te Kopuru. A further 18 larger sites were sprayed in the northern Kaipara District Council roading network.
- Rules enforced as required. No formal instructions to clear pest plants were issued, with landholders responding to verbal requests, followed by a letter confirming instructions and setting dates by when compliance was required.
- Advice provided in response to 1031 enquiries.
- Draft Management Plan Prepared in October 2005.

The service performance detailed above mainly contributed to the protection, enhancement and well-being of the Northland community's natural and economic environment. Owing to the nature of changes in the state of the environment, many identified effects will be measured over decades.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.



# Statement of Cost of Activities – Council and Strategic Development

For the Year Ended 30 June 2006

Actual 30-Jun-05 Cost of Services \$		Note	Actual 30-Jun-06 Cost of Services \$	Community Plan 30-Jun-06 Cost of Services \$	Variance \$
	<b>GROSS COST OF ACTIVITIES</b>				
1,622,781	Council and strategic development	A	1,683,974	1,427,918	(256,056)
100,000	Regional economic development	A	100,000	287,395	187,395
<u>1,722,781</u>	<b>TOTAL GROSS COSTS</b>		<u>1,783,974</u>	<u>1,715,313</u>	<u>(68,661)</u>
	<b>LESS REVENUE</b>				
188,912	Council and strategic development		27,101	11,500	15,601
<u>188,912</u>	<b>TOTAL REVENUE</b>		<u>27,101</u>	<u>11,500</u>	<u>15,601</u>
<u>1,533,869</u>	<b>NET COST OF SERVICES FUNDED BY RATES AND INVESTMENT INCOME</b>		<u>1,756,873</u>	<u>1,703,813</u>	<u>(53,060)</u>
	<b>CAPITAL EXPENDITURE</b>		4,896,071	5,084,500	188,429
	Budget of \$194,850 carried forward				

Note: A The net variance is \$70,000 over both activities and results from the cost of the LTCCP programme and Audit fees being over budget by a total of \$75,000.

# Council and Strategic Development Group of Activities

## Regional Economic Development

The Community Outcome this activity primarily contributes to is **Regional Growth and Collaborative Leadership**.

### LEVEL OF SERVICE

The Council will promote a vibrant and growing regional economy.

#### Detailed actions during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Promote regional economic development through the operation of the Northland Regional Council Community Trust (NRCCT), which holds an \$11.4 million fund.
- Support the promotion of Northland as a destination by making a \$100,000 per annum grant to Destination Northland Limited (DNL).
- Work with the three District Councils via Council Committees and the Mayoral Forum to advocate on behalf of Northlanders.
- Co-ordinate and represent a Northland viewpoint at a national level on appropriate issues.
- 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.
- Support regional development by implementing the recommendations of the Integrated Transport Study as they relate to economic development.
- Conduct further investigations into the use, location, funding and ownership management structure of a multi-purpose Regional Events Centre based in Whangarei.

#### Contribution to community well-being

#### Changes in service level

#### Service Performance

- The NRCCT's Annual Statement of Intent negotiated in accordance with the requirements of the Local Government Act 2002. The required five yearly review of the Trust Deed also completed. The Trust fund grew from \$11.3M to \$12.6M during the year. Quarterly and annual reports provided to Council.
- The grant to Destination Northland paid in accordance with the negotiated Terms of Agreement between DNL and the Council. Payments are dependent on quarterly reporting requirements being met. All requirements to date have been met.
- The Mayoral Forum has met four times in the period 1 July 2005 to 30 June 2006.
- Ongoing as required. Matters during 2005-2006 included transport, resource management and biosecurity matters.
- An extensive consultation process with stakeholders was undertaken as part of the Regional Community Outcomes project. Relationship building with district councils and stakeholders as part of the community outcomes process is ongoing, primarily through the Council's membership of the Northland Intersectoral Forum (NIF).
- Forestry roading and rail freight projects were actively promoted.
- Further feasibility studies carried out during 2005-06, resulting in the proposal as part of the Council's Draft Long Term Council Community Plan 2006-2016, to introduce a proposed Regional Recreation Facilities rate. The majority of this proposed new rate is to be used to fund a \$13M contribution to a Regional Events Centre in Whangarei. The Council's contribution to this project is contingent on the establishment of an independent Trust to own and manage the Centre.

The service performance detailed above contributed to the economic and social well-being of Northland.

The only material change in the service level of this activity from those established in the Northland Community Plan 2004-2014 was to publicly consult on the proposed introduction of a Regional Recreation Facilities rate.

# Statement of Revenue and Expenses

## Commercial Property Investments and Forest Management

For the Year Ended 30 June 2006

Actual 30-Jun-05 Cost of Services \$		Note	Actual 30-Jun-06 Cost of Services \$	Community Plan 30-Jun-06 Cost of Services \$	Variance \$
	<b>GROSS COST OF ACTIVITIES</b>				
214,837	Forestry		203,509	217,637	14,128
123,065	Property Investment		191,334	142,695	(48,639)
<u>337,902</u>	<b>TOTAL GROSS COSTS</b>		<u>394,843</u>	<u>360,332</u>	<u>(34,511)</u>
	<b>LESS REVENUE</b>				
501,204	Forestry Revenue	A	0	0	0
2,448,427	Property Rents		2,517,079	2,455,290	61,789
707	Sundry fees		49,241	21,500	27,741
<u>2,950,338</u>	<b>TOTAL REVENUE</b>		<u>2,566,320</u>	<u>2,476,790</u>	<u>89,530</u>
<u>2,612,436</u>	<b>NET REVENUE INCLUDED IN THE STATEMENT OF FINANCIAL PERFORMANCE</b>		<u>2,171,477</u>	<u>2,116,458</u>	<u>55,019</u>
	<b>CAPITAL EXPENDITURE</b>		13,003	25,000	11,997

Note: A The significant variance from last year's result for forestry revenue arises from the Forest Management Strategy which provided for nil harvesting in the 2006 year.

## Commercial Property Investments and Forest Management

The community outcome this activity primarily contributes to is Regional Growth.

### LEVEL OF SERVICE

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

### Property Investments

Detailed actions during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Manage the Council's investment properties to achieve an economic return of at least 6.5% per annum on the overall value of the investment property portfolio.
- Put in place the statutory process to permit Council to sell endowment properties as detailed above.
- Reinvest funds received from the sale of property in accordance with the Treasury Management Policy.

### Forest Management

Detailed actions during 2005-2006 to progress towards achievement of the 2004-2007 agreed Level of Service.

- Maintain the forest to ensure maximum economic return.
- Retire appropriate areas of harvested forest to encourage regeneration of native species.
- Replant harvested areas as required.

### Contribution to community well-being

### Changes in service level and significant assets

### Service Performance

- Target currently exceeded. Return at 30 June 2006 was 8.69%.
- Target achieved. The statutory process for the sale of four properties was completed as part of the 2004-2014 LTCCP process.
- Achieved and ongoing.

### Service Performance

- On-going in accordance with the Forest Management Plan.
- On-going as appropriate in accordance with the Forest Management Plan.
- All harvested areas have been replanted as required.

The service performance detailed above contributed to the Northland community's economic, cultural and social well-being, to the extent that the Council's total investment income has been applied to subsidising the cost of regional rates.

There were no material changes in service levels from those established in the Northland Community Plan 2004-2014.

# Statement of Cost of Activities – Finance and Information Services

For the Year Ended 30 June 2006

Actual 30-Jun-05 Cost of Services \$		Note	Actual 30-Jun-06 Cost of Services \$	Community Plan 30-Jun-06 Cost of Services \$	Variance \$
	<b>EXPENDITURE</b>				
3,210,911	Operating costs		3,311,896	3,154,280	(157,616)
631,148	Depreciation		753,620	787,811	34,191
<u>3,842,059</u>	<b>GROSS COST OF SERVICES</b>		<u>4,065,516</u>	<u>3,942,091</u>	<u>(123,425)</u>
(3,842,059)	Overhead allocated to functional departments		(4,065,516)	(3,942,091)	123,425
<u>0</u>			<u>0</u>	<u>0</u>	<u>0</u>
	<b>LESS REVENUE</b>				
5,261,664	Dividends	A	1,596,264	1,595,669	595
1,465,732	Interest		2,326,977	2,252,845	74,132
6,608	Sundry fees		10,474	8,000	2,474
<u>6,734,004</u>	<b>NET INCOME INCLUDED IN THE STATEMENT OF FINANCIAL PERFORMANCE</b>		<u>3,933,715</u>	<u>3,856,514</u>	<u>77,201</u>
	<b>CAPITAL EXPENDITURE</b>				
			513,615	1,235,195	721,580

Budget of \$474,630 carried forward to the 2006-2007 year.

Note: A The significant variance from last year's result arises from the special dividends paid in the 2005 year.