

Kōrero mai

Let's talk, Taitokerau!

Help us plan a strong future for Northland - give us your feedback by Friday 16 April 2021

Long Term Plan 2021-2031 Consultation Document

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An aerial photograph showing a dense, vibrant green forest on the left, which meets a rugged, dark brown rocky coastline. The water is a brilliant turquoise color, with some white foam from waves visible near the rocks at the bottom. The overall scene is a beautiful natural landscape.

Tihewa mauri ora

Tukuna te reo mihi ki te atua i
hanga nei te taiao, te aorangi,
te ao nei

Rerea te mihi mōteatea ki te iwi
wairua, i tānikohia e rātou te
kahu tapu

Ā, ka whai ake ngā mihi ki a tātou
te hunga kikokiko o
Te Taitokerau Whānui

E te tī, e te tā, e tā mara mā

Mauri tū

Mauri roa

Mauri ora

Kia tupu ake te manawaroa me te kotahitanga

Building resilience and partnerships

We live in an unpredictable world. Lately in Northland we've faced flood events, water shortages, the Covid-19 pandemic, legislative changes and more.

As well as dealing with these issues, we're continuing to focus on protecting our region's environmental, social, economic and cultural wellbeing so future generations can thrive.

Our plan for the next 10 years is to keep on:

- » Addressing complex water issues, from droughts and floods to cleaning up our waterways.
- » Working with mana whenua and the community on important mahi, from large projects such as the Kaipara Moana remediation programme to targeted biodiversity work.
- » Partnering with tangata whenua by formally introducing Māori representation on the council, and building meaningful relationships at iwi/hapū level.

» Managing pest animals and weeds, and supporting our communities to do the same, so our native ecosystems flourish.

» Adapting to and preparing for climate change and extreme weather events.

Our proposed new work, along with inflation and previously approved work that kicks in over the next few years, would mean an extra \$70.69 (a 19.8% increase) per ratepayer on average for the coming year – and a total amount of \$6,173,365. Our new work is outlined in this document, and accounts for 15.9% of the 19.8% increase.

We've made some great progress in the past few years, and there are still big opportunities ahead for Te Taitokerau. Investing in major infrastructure and large-scale projects will mean increased rates, of course. But the result? A thriving natural environment, resilient communities and more chances to fulfil our region's potential.

That's the kind of future we want for Northland. Now it's time to let us know what you think.

Your regional councillors



Penny Smart – Chair
Kaipara



Justin Blaikie – Deputy Chair
Hokianga-Kaikōhe



Joce Yeoman
Coastal North



Marty Robinson
Coastal North



Amy Macdonald
Coastal Central



Rick Stolwerk
Coastal South



Colin 'Toss' Kitchen
Te Hiku



Jack Craw
Whangārei Urban



Terry Archer
Whangārei Urban

Me mōhio ai koe

A few things you should know

Explaining costs and how they affect rates

When we talk about costs, we'll either refer to capital expenditure (typically one-off costs associated with major purchases or infrastructure assets, which are funded from various sources and don't directly affect your rates), operating expenditure (ongoing costs of a project, usually funded directly by rates), or a mixture of both.

Projects with high capital cost will have a relatively reduced direct impact on rates, as the cost is spread over multiple years. Projects of similar total cost will impact rates differently based on the mix of operational and capital expenditure. You can see the specifics of each project in the Supporting Information document.

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Other points

- » The average impact on rates quoted here is indicative, and will vary a lot depending on where you live. It also doesn't include targeted rates, for things such as flood infrastructure, unless specified. Check out the rates examples on pages 54 and 55 to see what our proposals will mean for your rates.
- » Spending quoted in this document excludes GST.
- » Rates amounts in this document include GST.
- » Financial forecasts in this document have been adjusted for future inflation, but the cost of our proposals and the impact on rates are based on today's dollar values.

Tēnā whakawhānui tō whakaaro

Responding to the bigger picture

The upheaval of climate change, a global pandemic and economic uncertainty have introduced challenges that continue to keep us on our toes. As we plan for the next 10 years, we must balance long-standing issues with preparing for the unknown.

In this Long Term Plan, we're consulting with you on a number of issues and projects. A lot of this work responds to community calls for action and our obligations under new or upcoming government legislation on carbon emissions, freshwater standards, biosecurity and biodiversity. Other work we're seeking to do capitalises on grants we've received for new and existing projects, such as the Awanui River flood scheme upgrade and the proposed Otiria-Moerewa flood scheme.

Much of what we're proposing is work we need to do now, to respond to pressure and opportunities.

The unpredictable global situation has also affected our financial strategy. Our investment income significantly subsidises the work we do, so changes in the financial

markets affect our funding. On the other hand, we have an opportunity to make the most of low interest rates and borrow more now, to push forward with some amazing projects. Considering how debt will affect future generations is key in making these types of decisions.

You can read more about our financial strategy on pages 52 and 53, and in the Supporting Information document. The document also contains more detail about the projects.

This is our plan to make the most of our resources so we can support our communities and environment to thrive in unpredictable times. It focuses strongly on what Northlanders have told us is most important to them: healthy waters, protecting our native plants and animals, and helping communities become resilient and adaptable.

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Now we want to hear what you think.

Ngā whakataunga ā hapori

Community outcomes

Every project you'll read about in these pages links into one or more of these community outcomes. They underpin the decisions we make as we work in partnership with the community to improve Northland's environmental, social, economic and cultural wellbeing. These outcomes are what we aim to achieve, now and in the future.



I aha Te Mahere Roa o mua?

What's happened since our 2018 plan?

2018

KICKED OFF

freshwater improvement projects in the Northern Wairoa catchment and dune lakes, partnering with tangata whenua and local communities.

STARTED WORK

on the Awanui River flood scheme upgrade, to better protect Kaitaia and Awanui from flooding.

CELEBRATED

100 schools and kindergartens joining the EnviroSchools programme.

BUILT

more biosecurity partnerships with communities, and funded 55 pest-control projects.

COMPLETED

a four-year project to map coastal hazard zones, providing vital information for community resilience.

WORKED

to improve water quality at Otuihau-Whangārei Falls through fencing and planting.

LAUNCHED

the first Northland Walking and Cycling Strategy, to encourage more sustainable ways of getting around the region.

BECAME

a key player in leading the development of an inter-regional marine pathway plan to manage marine pests.

2019

COMPLETED

a four-year Kaipara hill country erosion project, to stabilise land and reduce sediment run-off into the Kaipara Harbour.

LAUNCHED

our annual Environmental Awards, to recognise the people and organisations protecting and enhancing our unique environment.

ESTABLISHED

a collaborative staff working group with other Northland councils to work on a regional climate change adaptation strategy.

SPENT

more than \$1M on flood mitigation projects.

CREATED

more community response plans, bringing the total to 46, to prepare for emergencies such as storms, flooding and tsunamis.

PROVIDED

17,500 plants to protect dunes and coastal areas through the Coastcare programme.

HELPED

implement the Taitokerau Northland Economic Action Plan, focusing on projects to boost the region's prosperity.



2020

SIGNED

a partnership agreement for the landmark Kaipara Moana remediation programme with Kaipara Uri and Auckland Council, aiming to significantly reduce sediment going into the Kaipara Harbour.

PROTECTED

fragile dune-lake ecosystems by employing contractors to remove destructive wilding pines.

SUPPLIED

more than 9000 predator traps and contributed funds to support locals looking after Northland's 76 community pest control areas (which cover 130,393 hectares).

SIGNED

Mana Whakahono ā Rohe agreements with Patuharakeke and Ngāti Rēhia hapū, to provide more opportunities for tangata whenua to be involved in the Resource Management Act process.

LAUNCHED

new bus trials to help communities at Whangārei Heads and Hikurangi access Whangārei more easily.

COMPLETED

the Panguru flood scheme, significantly reducing the number of days that flooding prevents kids getting to school.

GRANTED

\$1.15M to landowners across the region to support water-quality improvement initiatives.

LED

a successful funding application to establish Predator Free Whangārei, a project that aims to eradicate possums from the Whangārei Heads peninsula.

PREVENTED

400,000 cubic metres of floodwater from swamping Whangārei's CBD in the July 2020 storm, thanks to the Hopua te Nihotetea detention dam.

RELEASED

updated river flood maps to identify areas of high risk and plan solutions for communities.

SUPPORTED

projects that contribute to the region's economic development, such as Opononi's Manea – Footprints of Kupe centre.

COMPLETED

the three-year Otuihau-Hātea water quality improvement project, helping to fund 20km of stock exclusion fencing and nearly 23,000 native plants in riparian margins.

01.

Te taiao

Natural environment

Ask any Northlander why they love living here, and chances are they'll talk about nature: the beaches, marine environment, forests, rivers, lakes, and the birds and animals that live alongside us. Helping native ecosystems flourish is a big part of our job, and the work we need to do in this area is growing quickly.

Water quality is a big focus for us. The community tells us it's extremely important to them, and the government continues to introduce regulations to restore and

protect our freshwater ecosystems – this means more support and monitoring work for us. We're also supporting biodiversity by helping to plan and fund planting on an ever-growing scale, and ramping up pest management on land and in the marine environment.

Local communities and tangata whenua are often at the forefront of environmental protection, putting in hours of work with support from our staff and creating strong social connections along the way. Large-

scale ecological restoration projects, such as the landmark Kaipara Moana remediation programme, demonstrate how building enduring partnerships and managing land sustainably can restore the mauri (spiritual life force) of our precious natural environment.

There are several areas in which we need to make decisions.

Overall, we're planning to spend around \$45M a year on our natural environment activities (on average over the first three years), including the work we're proposing here.



Addressing water health

Being able to safely swim in our rivers and lakes is something we once took for granted, but after decades of degradation, it's not always possible. The state of our waterways is a huge issue for Northlanders, and there's a raft of new policy direction and requirements coming out of central government for freshwater. This means we need to grow the knowledge and science to develop new approaches that support the work everyone's doing in this area.

We need to increase monitoring to better understand the state of our water, from groundwater and lakes to rivers and coasts. There will be a greater emphasis on data processing and quality, so we can make the best decisions possible for our freshwater resources. Setting goals and rules through our plans, and ensuring activities are consistent with these plans through the resource consent process, will ensure these natural resources are well governed.

We'll also put into practice Te Mana o te Wai – a Māori concept underpinning the government's new freshwater reforms – which prioritises the health and wellbeing of the water over all other uses. This shift also means we must more actively involve tangata whenua in freshwater management.

This work also supports our catchment management work (more about that on the next page).

We have a plan to do more, and we'd like your opinion.

OUR **PROPOSED** OPTION

Do the essentials

We need to build our capacity to deal with the increase in programmes and legislative changes. This money will go towards projects such as: implementing Te Mana o te Wai; more resourcing for lake monitoring and water analysis; modelling and mapping groundwater, land use and swimming sites; creating systems to manage the increasing quantities of data we must gather; and contributing to the Far North Te Hiku water project.

Rates impact in the first year: an average of \$9.20 per rates bill, which equates to a 2.5% increase in rates.

\$730K of this would be capital spend, and the rest would be operational.

\$5.4M

over the next 3 years

ANOTHER OPTION

Do the essentials + some extra

If the community is willing to pay more, we could do the work outlined in our proposed option, while investing even more (\$500,000 a year) in implementing Te Mana o te Wai. This means we could provide even more support to the community and tangata whenua for freshwater management.

All extra spend would be operational (no capital spend).

Rates impact in the first year: an average of \$15.10 per rates bill, which equates to a 4% increase in rates.

\$6.9M

over the next 3 years

Managing our water catchments

The areas of land (catchments) around Northland's rivers and harbours have a huge impact on the health of our waterways. We're working to maintain and improve these ecosystems, to improve freshwater quality. Through partnerships with landowners, iwi/hapū and other agencies, we're running planting programmes, managing wetlands and lakes, and tackling soil erosion on hills by providing advice and trees from our poplar nursery.

There's lots of change happening at a national level, so we're responding to the likes of new standards for freshwater and regulations around stock exclusion. We're moving from providing water-quality

planning and support on an individual farm basis to working with groups of people so we can better protect the most at-risk catchment areas.

A significant portion of our planned work is part of the Kaipara Moana remediation programme, a \$300M, decade-long project to restore the health and mauri of the harbour. The ambitious programme is an equal partnership between Kaipara Uri and councils. As part of securing central government money (\$100M) for the project, we need to increase our contribution, as does Auckland Council. That's in addition to the work we already do around the Kaipara catchment.

This work creates a need to ramp up other services. We plan to continue expanding our Flyger Road poplar nursery so it can supply more trees for erosion control. More soil monitoring, wetland and land-use mapping, and providing support for landowners around the upcoming compulsory freshwater farm plans are also on the cards.

While this major work is going on, we want to increase our Environment Fund to provide greater assistance for restoration projects in other Northland harbour catchments.

We have a plan to do more, and we'd like your opinion.

OUR PROPOSED OPTION

Do all this work

Fund our share of the Kaipara Moana Remediation Programme, continue expanding our Flyger Road poplar nursery, do more soil monitoring and mapping, support landowners around upcoming compulsory freshwater farm plans, and increase our Environment Fund to support landowner efforts to protect our waterways. Our funding of the Kaipara Moana remediation programme includes borrowing, which will be paid back via rates.

Rates impact in the first year: an average of \$10.90 per rates bill, which equates to a 2.9% increase in rates.

\$1.8M of this would be capital spend, and the rest would be operational.

\$5.28M

over the next 3 years

\$6.8M

over the next 3 years

ANOTHER OPTION

Do the work and make extra funding available

In addition to all the work proposed, we could also increase funding via our Environment Fund and our contribution to the Kaipara Moana remediation programme to support landowners carrying out sediment control and water protection work across the region.

This cost depends on the level of extra support provided. \$500,000 of extra operational spend added to the proposed option would have an overall rates impact in the first year of \$16.90, or a 4.5% rates increase.

All extra spend would be operational (no capital spend).

Biodiversity

Northland is home to a particularly rich array of plants and animals, with many unique ecosystems found nowhere else. But these wonders are coming under increasing pressure from human use, land intensification, pests, new diseases and climate change.

In partnership with iwi/hapū, landowners and organisations, we're working to restore and improve coastal, freshwater and land habitats. We provide expert biodiversity

advice and assistance to partners, as well as monitor and report results to support future activities.

The government is developing new directions for indigenous biodiversity. We need to respond to that with a regional biodiversity strategy, then develop and implement a biodiversity action plan.

We also plan to channel extra resources into our CoastCare programme, to help local communities restore sand dunes, install fencing and signage, manage weeds, educate the public, run beach clean-ups and much more. All of this means more people working on the ground to protect coastal biodiversity, and healthier beaches for us all to enjoy.

We have a plan to do more, and we'd like your opinion.

OUR PROPOSED OPTION

Do the essentials

Develop a regional biodiversity strategy (as required by government) and action plan; employ new staff to implement this, as well as monitor biodiversity and do work in the community.

Rates impact in the first year:
an average of \$2.00 per rates bill,
which equates to a 0.5% increase
in rates.

\$2K of this would be capital spend,
and the rest would be operational.

\$567K

over the next 3 years

ANOTHER OPTION

Do the essentials + some extra

Do the proposed work, plus start funding iwi-based kaitiaki rangers to work in their own rohe. They could patrol coastal areas and educate visitors and locals, undertake monitoring, and encourage respect for the environment and cultural heritage.

Rates impact in the first year:
an average of \$6.20 per rates bill,
which equates to a 1.7% increase
in rates.

\$2K of this would be capital spend,
and the rest would be operational.

\$1.6M

over the next 3 years



Biosecurity land

Introduced pest plants and animals threaten our native forests and waterways – but managing them well means there’s room for our native plants and animals to flourish. It also enriches people’s lives, by creating stunning habitats to explore and connecting people as they come together to protect what they treasure. To control and remove introduced pests, we work closely with tangata whenua, communities, landowners and other agencies.

After stepping up the pace on pest control in the 2018 Long Term Plan, we want to keep up the momentum on this critical activity. Meanwhile, there are also emerging challenges and opportunities for pest management that we want to be able to respond to, from growing support for community pest management to better approaches to tackling kauri dieback.

The reality is, pest management in Taitokerau is a massive ongoing job and there’s always more work that could be done. We must balance what our community wants – and can afford – to invest in managing pests, alongside all the other work we need to deliver as a regional council.

We have a plan to do more, and we'd like your opinion.

OUR PROPOSED OPTION

Do the essentials

Fund the top priorities to tackle growing and long-standing biosecurity issues by: establishing a low-incidence pest plant programme; supporting our community pest-control groups with more resources; investing more in possum control through the Predator Free Taitokerau programme and our other pest work; tackling the issue of feral deer; and contributing new funding to tackle kauri dieback in Northland.

Rates impact in the first year:
an average of \$3.10 per rates bill,
which equates to a 0.8% increase
in rates.

\$9K of this would be capital spend,
and the rest would be operational.

\$2.5M

over the next 3 years

ANOTHER OPTION

Do the essentials + some extra

There's potential to do even more in this area. If enough people support the idea, we could do all the proposed work, plus boost funding to develop and maintain more high-value areas (such as Mid North/Bay of Islands, where high biodiversity and recreational values meet strong community interest in pest control), put more resource into growing our community-led pest-control programmes, and begin to establish a pest-free corridor between Mangawhai and the Kaipara Harbour by expanding on our existing work.

Rates impact in the first year:
an average of \$6.00 per rates bill,
which equates to an 1.6% increase
in rates.

\$9K of this would be capital spend,
and the rest would be operational.

\$3.7M

over the next 3 years

Biosecurity marine

Marine pests are far less visible than their land-based counterparts, yet are an increasing risk with each passing year. Though we've made progress on our marine biosecurity programme, and we're a key leader in developing an inter-regional marine pathway plan, we want to do more.

We plan to respond to growing marine threats – everything from introduced crabs to seaweeds – while dealing with incursions

that we already face. Our proposal is to further develop inter-regional partnerships (as part of the Clean Hull Plan, formerly known as the Inter-regional Marine Pathway Plan), and invest in developing a marine-vessel database so council and boaties can easily share information to help us track and assess risk. We also want to boost funding to eradicate Mediterranean fanworm.

For the past few years, some of our marine biosecurity funding has come from a charge paid by the owners of moorings, marina berths, boatsheds and ports. We're now proposing to fund new incursion work – where a new pest pops up – through rates for the first year of this plan. (Boaties will still contribute to the cost of inspections and monitoring).

We have a plan to do more, and we'd like your opinion.

OUR **PROPOSED** OPTION

Do this work, funded by rates

Boost our marine biosecurity work as described, and fund the full cost of new incursions through rates.

Rates impact in the first year:
an average of \$4.90 per rates bill,
which equates to a 1.33% increase
in rates.

All extra spend would be
operational (no capital spend).

\$712K
over the next 3 years

OTHER OPTIONS

Do this work, partly funded by user charges

Boost our marine biosecurity work as described, but fund new marine incursion work through an increased charge paid by the owners of moorings, marina berths and ports. This would equate to a 0.3% increase in rates, or about \$1.20 on the average rates bill, and would equate to a charge of around \$70 per mooring, marina berth or boatshed.

Don't fund this work

Not doing this work would mean risking years of work on inter-regional marine pest management, and would reduce our ability to respond to marine incursions and, in some cases, the opportunity to nip them in the bud. This wouldn't have any additional impact on rates or user charges.

02.

Manawaroa te hāpori

Community resilience

Although no-one can predict the next challenge Northland will face, being proactive is vital. The more we prepare now, the better placed our communities are to understand, plan for and manage risks – whether that's a sudden event or the growing effects of climate change.

We want to continue working together with communities and other councils to build a resilient region. When plans are in place and infrastructure is strong, this brings greater certainty to communities and improved confidence for local economies. This will allow Northland to grow in a

sensible, sustainable way, while navigating the uncertainties that are present in today's world.

The emergency services rate is another way we keep the community safe. A small portion of your rates (approximately \$12 a year) goes towards supporting life-saving services in Northland: Northland Rescue Helicopters, Surf Life Saving, St Johns and Coastguard. That's something we'll continue to do.

The projects we'd like your input on cover working with communities to protect life and property through flood schemes, and

coordinating planning for climate change and adaptation. We also want to create a more resilient, low-carbon transport network, and safely manage maritime activities and navigational safety.

This section sets out the new flood protection work we're planning to fund in this Long Term Plan. There's other work that's ongoing or planned for further in the future. Our 30-year infrastructure strategy sets out our big decisions and funding options for flood protection work across the region.

Read the strategy in our supporting information. Visit nrc.govt.nz/futureplan

Overall, we're planning to spend around \$24M a year on our community resilience activities (on average over the first three years), including the work we're proposing here.



Flood protection

Predictions of sea-level rise and increased rainfall intensity are putting extra pressure on our communities. We need to build, monitor and maintain flood protection systems that preserve human life and minimise damage to property and infrastructure.

We're striving to get the work done as quickly as we can, as that means vulnerable communities can adapt to changing conditions sooner. But we need to balance the pace of work with the cost to our communities.

An extra consideration we have this time is how to make the best use of government funding that has been approved for two of our schemes, via the shovel-ready infrastructure fund (the Awanui scheme received \$8.5M, and the proposed Otiria-Moerewa project received \$2.89M).

We borrow to fund these projects, so we plan to use this funding to pay off the work more quickly, significantly reducing the overall cost.

How we pay for our flood schemes

When we consulted on our previous Long Term Plan in 2018, we had lots of support for a new region-wide flood infrastructure rate, to share the cost of new flood work in Northland. This rate funds 70% of the capital cost of new flood projects, and the local targeted rates, which only apply to the affected areas, cover the remaining 30% plus all ongoing operational and maintenance costs. When you see costs relating to the flood infrastructure rate and a targeted rate, this is how it's divided.

Awanui River flood scheme upgrade

The Awanui River flood scheme upgrade will reduce damage to the Kaitia community by providing flood protection for 1:100-year flood events, up from 1:30-year events. The project is already well underway, with \$15M of funding approved through our previous Long Term Plan. However we recently secured \$8.5M from central government for this project, greatly reducing the project cost for ratepayers. The overall project will cost \$15.7M, and ratepayers will now only need to contribute \$7.2M to the project.

Thanks to the central government funding, we can complete the project in three years instead of eight. We will also be able to pay off our contribution in 12 years instead of 30, which will save ratepayers a substantial amount in interest. The cost of this project is split across the region-wide flood infrastructure rate and the Awanui River management rate. These rates won't increase as a result of accelerating this work.

New flood work and a new rate for Otiria-Moerewa and Kawakawa

We're planning new flood mitigation work in two areas where floods are known to occur, and have been successful in securing central government funding for some of this. While these are two separate pieces of work, they're both located within the same catchment and we're proposing to set one new targeted rate (the Taumārere rivers management rate) to help fund the work.

Otiria-Moerewa flood mitigation spillway

Moerewa and Otiria are frequently flooded when heavy rain occurs. Our goal is to reduce that risk to Otiria and Moerewa by constructing a spillway that diverts floodwater away from the town, with work starting in 2021. The total cost of the project is approximately \$5M, but with \$2.89M coming from central government, less than half of the cost will need to be covered by ratepayers. This portion will be split, with \$1.5M coming from the region-wide flood infrastructure rate and \$630,000 from the new targeted Taumārere rivers management rate. Our usual method of funding this work is to fund 30% from targeted rates, however, with the central government funding (\$2.8M) taken into account, this means only about 13% of the total cost of works will need to be funded by the targeted (local community) rate.

For the average rates bill, this adds about \$1.45 on the region-wide flood infrastructure rate, and will be an extra \$57.50 (including GST) for those in the targeted rate area, for a 12-year period.

Kawakawa flood mitigation stopbank

There has been a call to reduce the flood risk along Old Whangae Road in Kawakawa. This would involve building a stopbank to deflect the floodwater away from local businesses. The stopbank work could begin in 2024 and cost around \$1.5M. For rates, this means about \$1 on the region-wide flood infrastructure rate, and \$29.40 (including GST) on the targeted rate, from 2024. For the proposed works to be effective, Far North District Council would also need to install a stormwater pump to remove stormwater trapped behind the stopbank during a flood.

Doing the work in Otiria-Moerewa and Kawakawa

This work will add about \$1.45 extra a year on the region-wide flood infrastructure rate, increasing to \$2.45 a year from 2024.

The new Taumārere rivers management rate would add an average of \$57.50 (including GST) to each rates bill in the targeted catchment, increasing to \$86.90 in 2024. Our proposed option is to repay the Otiria-Moerewa work in 12 years, meaning that the \$57.50 rates contribution would stop in 2033. You can see if you fall into the Taumārere rivers management rating area in the rates section of our supporting information.

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Whangārei flood mitigation project – Tarewa Road flood wall

We plan to build a flood wall into the footpath, and an earth bund into the existing landscape area, along Tarewa Road to reduce flooding of the road and shops. The cost over the next three years will be \$251,000. The overall project has been underspent, so even with this proposed new work, the average cost to the ratepayer will decrease.

**Our proposed option
is to do this work.**

What if we don't do this work?

Not doing these projects means our communities will continue to be hit hard every time there's a flood – and Northland experiences heavy rain on a fairly regular basis.

Upgrading our tsunami warning system

The Northland tsunami siren network is reaching the end of its lifespan, and we want to replace and upgrade the network to make sirens more easily heard and reduce confusion with other alarms. The new sirens can also communicate specific verbal messages, and cover a wider area so we won't need as many.

This new tsunami siren network will serve Northland's coastal communities for the next 20-30 years. We're budgeting on a district council contribution of \$1M a year for the first two years.



OUR PROPOSED OPTION

Do this work

Start replacing the current sirens now with verbal communication electronic sirens, to futureproof the network for the next few decades.

\$2.02M

over the next 3 years

Rates impact in the first year: an average of \$1.20 per rates bill, which equates to a 0.3% increase in rates.

\$2M of this would be capital spend, and the rest would be operational.

ANOTHER OPTION

Don't upgrade the sirens

We could just continue expanding and maintaining the current system. This creates a risk of ongoing confusion with new fire-alert systems, meaning the sirens will be less effective and our resilience to tsunamis will be reduced. This wouldn't have any additional impact on your rates.

New emergency coordination centre

Recent emergency events in New Zealand have highlighted the need for purpose-built, multi-agency coordination centres that are set up with technology and software to enable quicker responses to support affected communities.

While most regions now have a dedicated multi-agency emergency coordination centre, there's no facility like this in Northland. Fire and Emergency New Zealand (FENZ) own land in central Whangārei that would be an ideal site, and we're proposing to build a modern emergency coordination centre.

This would be the central point for emergency responses and would also provide office space for the daily operations of our civil defence emergency management staff, as well as some Fire and Emergency New Zealand and NZ Police staff. The building would need to meet Building Code Importance Level 4, and construction is planned to kick off in 2022.

OUR PROPOSED OPTION

Do this work

Build a multi-agency emergency coordination centre for the region in 2022. We'll borrow to fund the building of the centre, and repay the borrowing via rates.

ANOTHER OPTION

Don't build the centre

If we don't build the new emergency coordination centre as proposed, our capacity to coordinate during emergency responses will be limited. We may also lose the opportunity to partner with FENZ, and may not find another suitable site for several years. This wouldn't have any additional impact on rates.

This project has no impact on your rates for the first year because the cost won't kick in until year two. Then it will be \$501,890 a year, adding \$6.00 to the average rates bill, which equates to a 1.6% increase in rates.

\$5.5M of this would be capital spend, and the rest would be operational.

\$5.68M

over the next 3 years

Climate change resilience

Climate change is heightening the impact that natural hazards, such as flooding, drought and coastal erosion, have on Northland. But we don't know when the next big weather event will strike, or how quickly factors such as sea-level rise will affect communities – and there's currently no coordinated strategy to address this.

We're already doing a lot of work to help our communities prepare for the effects of a changing climate. Our scientists are mapping vulnerable areas of Northland, and developing rules and projects to protect at-risk land. We provide funding and support

for large-scale tree planting, and invest in research so we can plan for different climate scenarios.

Working with district councils, tangata whenua and affected communities is crucial to making us better prepared for climate change. We want to create three adaptive pathways plans to cover how to manage larger population centres when they're threatened. For smaller coastal communities, we want to create a toolkit that communities and hapū can use to develop their own adaptive pathways plans.

The Climate Change Response Act 2002 (and 2019 amendment) is prompting us to create a zero-carbon transition plan, outlining how we intend to achieve net-zero carbon emissions by at least 2050. We're also investigating replacing our ageing harbour boat with an electric or hybrid vessel (see Harbour safety and navigation, page 32), and moving to electric buses (see box page 34).

We have a plan to do more, and we'd like your opinion.

OUR PROPOSED OPTION

Do this work

Undertake adaptive pathways planning, with a dedicated programme for hapū and community-led adaptive planning. Write and begin implementing a zero-carbon transition plan.

Rates impact in the first year: an average of \$6.90 per rates bill, which equates to a 1.8% increase in rates.

\$11K of this would be capital spend, and the rest would be operational.



\$2M

over the next 3 years

ANOTHER OPTION

Don't do this work

Only assist district councils with technical advice on climate change, and don't put extra resources towards reducing our carbon footprint. This wouldn't have any additional impact on rates.

Improving water resilience

Water is a crucial resource, and access to safe drinking water is also a fundamental right of all New Zealanders. Recent drought conditions led to severe water shortages and prolonged restrictions in Northland, exposing our lack of water resilience.

The drought also exposed significant water poverty issues, particularly in remote communities that couldn't access public water-supply schemes and lacked water storage infrastructure.

Due to climate change, droughts are expected to become more frequent and severe. We're proposing to provide funding and grants to those most in need so they can buy water tanks, guttering and spouting, in partnership with other funders.

Do you support the scheme or not, and why?

OUR PROPOSED OPTION

Set up and fund the scheme

Put \$500,000 a year into this scheme.
We could also fund the scheme to a greater or lesser extent. Tell us what you think.

Rates impact in the first year:
an average of \$6 per rates bill,
which equates to a 1.6% increase
in rates.

This would all be operational spend.

\$1.5M
over the next 3 years

ANOTHER OPTION

Don't support the scheme

Only respond to this issue on an emergency basis. This wouldn't have any additional impact on rates.

Harbour safety and navigation

We use our existing maritime vessel as a pilot boat, to maintain buoys and beacons, and to respond to oil spills. It's critical to the safe running of our maritime operations. But it's 20 years old and now we need a replacement vessel. This is something we must do.

A new maritime vessel will mean gains in efficiency, design and technology. Having a purpose-built boat will increase our capacity for an oil-spill response in Northland, so we've budgeted \$1.6M

of additional capital to get a new boat designed and built, offsetting the project cost by selling our current boat. We're looking into the option of an electric/hybrid vessel too, and will consult with you again if the feasibility study shows this is a viable option involving more cost.

We also need to replace 11 fixed steel beacons, which are old and time consuming to maintain, with 14 relocatable, more durable plastic buoys.

Abandoned vessels are a growing issue in our coastal waters, which cost money to deal with, despite our best efforts to charge the owners. We're proposing to add an extra charge to our mooring fees to cover much of this cost, but want to split the cost so 35% is covered by general rates (a total cost of \$14,175 per year).

We have a plan to do more, and we'd like your opinion.

OUR PROPOSED OPTION

Do all this work

Replace our harbour boat and ageing beacons – something that we must do to ensure the safe running of our maritime operations – and share the cost of dealing with abandoned boats, with rates covering 35% and 65% covered by users via a charge on moorings.

Rates impact in the first year: an average of \$0.17 per rates bill, which equates to a 0.04% increase in rates.

\$1.67M of this would be capital spend, and the rest would be operational.

\$1.75M

over the next 3 years

\$1.7M

over the next 3 years

ANOTHER OPTION

Do the work but don't share the cost of abandoned boats

Go ahead with the essential boat and beacons work, but don't share the cost of dealing with abandoned boats, and leave this to be covered 100% by users via a charge on moorings.

Rates impact in the first year: this would have no impact on rates, as the cost of abandoned boats would be covered by users via charges on moorings.

\$1.67M of this would be capital spend, and the rest would be operational.

See page 5 for further explanation on how costs affect rates.

Increasing CityLink services

Prioritising public transport instead of personal car use reduces traffic congestion and pollution, and carbon emissions – which makes for a cleaner, greener Northland. We're proposing more frequent buses on main arterial routes once bus lanes have been added and upgraded (by Whangarei District Council) to encourage people to

move from cars to buses. During peak hours, buses would run every 15 minutes instead of every 30 minutes, and off-peak buses would run every 30 minutes instead of once an hour.

Increasing these services will cost approximately \$4.2M over three years, but with a 54% subsidy from Waka Kotahi NZ Transport Agency. The cost to the ratepayer is significantly reduced, totalling \$437,000 in 2022/23 and \$644,000 and \$851,000 in the two subsequent years.

JUST A HEADS UP

Electric buses on CityLink service

As part of working toward a cleaner environment, one of our long-term goals is to have a carbon-neutral bus fleet operating the CityLink services. We're beginning to investigate the possibility of replacing the existing diesel-motor bus fleet with electric buses when the contract with the current bus operator comes up in 2027.

This project would take several years to implement and is likely to cost around \$15M. We'll come back to you in the next Long Term Plan (in 2024) to let you know how we're getting on with this.

We have a plan to do more, and we'd like your opinion.

OUR PROPOSED OPTION

**Increase the frequency
of bus services
from 2022/23**

Rates impact in the first year: this project has no impact on rates in the first year because the project won't kick off until year two. The cost will be targeted to apply to the Whangārei district only. In year two, it will add \$11.40 to rates bills in the Whangārei district.

\$1.1M

over the next 3 years

ANOTHER OPTION

**Maintain bus services
at current level**

This wouldn't have any additional impact on rates.



03.

Hautūtanga ā rohe

Regional leadership

As a regional council, we continually advocate for region-wide projects that have a significant impact on Northland's wellbeing.

Making decisions in partnership with Māori is a central part of that goal. Building enduring relationships between iwi/hapū and council means we can help nurture strong Māori communities, and incorporate their values into Northland's

future. That covers everything from honouring Treaty of Waitangi obligations to working in partnership on environmental projects such as dune-lake protection and freshwater management.

The more Northland grows, and the more work we need to do, the greater our need for resources. We're continuing with the targeted regional sporting facilities rate, which goes towards developing new

sporting facilities that have a regional benefit. We want to make council services more accessible, manage our money well, and promote sustainable economic development. Expanding our team, having efficient systems and updated IT will make that possible. Let's see how it breaks down.

Overall, we're planning to spend around \$35M a year on our regional leadership activities (on average over the first three years), including the work we're proposing here.



Māori partnerships

Mirimiria
Romiromia
Ngā ringa e rua

*Both hands are significant
When working together*

Likened to Iwi Māori and council

Approximately one-third of Northlanders identify as Māori, compared with one-sixth of the national population. We see creating and sustaining meaningful partnerships with Māori as key to a thriving Northland.

We've been actively working to identify and implement meaningful opportunities for Māori to have a voice of influence within council. The Te Taitokerau Māori and Council Working Party (TTMAC), established in 2014, advises council on governance, environmental and strategic matters that are relevant to tangata whenua. We're also part of two co-governance partnerships:

Te Oneroa-a-Tōhe Board, and Kaipara Moana Remediation Joint Committee. In October 2020, council voted to introduce dedicated Māori seats from the next local-body election in 2022. That process is still underway. Issues such as land use, water quality and allocation and poverty mean it's vital we work in true partnership with iwi/hapū.

The projects we propose are seeking to support greater Māori representation and leadership, and enable tangata whenua to participate more fully in decision making. We recently signed Mana Whakahono ā

Rohe agreements with two hapū, to give tangata whenua more opportunities to be involved in Resource Management Act decisions, and plan to roll these out more widely. As part of this, a fund will enable hapū members to train in resource consents, planning and decision making.

Other planned initiatives include improving council's cultural competency and meeting our Treaty of Waitangi obligations, putting more resources into relationship management, employing Māori technical advisors, and professional development for TTMAC members.

We have a plan to do more, and we'd like your opinion.

OUR PROPOSED OPTION

Do this work

In addition to the work described, create meaningful partnerships with Māori by implementing programmes across council to increase our cultural competency, and provide support to iwi/hapū to build their capacity and capability so they can address opportunities and challenges themselves and engage meaningfully with council activities.

Rates impact in the first year:
an average of \$4.25 per rates bill,
which equates to a 1.1% increase
in rates.

\$4K of this would be capital spend,
and the rest would be operational.



\$1.24M

over the next 3 years

ANOTHER OPTION

Don't do this work.

Not doing this work goes against our values as an organisation representing the people of Northland. This wouldn't have any additional impact on rates.

Supporting the work across council

A lot of work goes on behind the scenes to make council's activities happen. As our region grows and we deliver more large-scale projects, we need more resources to keep council running smoothly. We're planning to spend more money on a variety of behind-the-scenes and public-facing projects, from information technology (IT) and customer services to community engagement and corporate excellence.

Over the past few years in our annual plans, we've talked about the challenge we face with striking the right balance between maintaining efficient, fit-for-purpose IT systems and keeping everything as cost-

effective as possible. We're embarking on a major IT project, which will upgrade and streamline our IT systems into one cloud-based system – this will improve efficiency, security and data management.

To stay connected with our communities, we're planning to expand our network of regional service centres, increase our online services, and work with district councils to develop a regional accessibility strategy. There's also growing demand for the EnviroSchools programme.

As council expands, we want to ensure we keep striving for excellence. This

applies to the way we run our finances, respond to law changes, and deal with major disruptive events such as Covid-19. We need extra resources to increase the capacity of our team, put more money into training and development, and buy more vehicles to support our work in the field.

We have a plan to do more, and we'd like your opinion.

OUR **PROPOSED** OPTION

Do this work

Support our ongoing activities and growth by investing in better IT systems, employing more staff, developing a regional disability strategy, meeting the growing demand for the Enviroschools programme, and much more. The capital cost of the IT project will be funded by borrowings, and repaid via the council services rate.

Rates impact in the first year: an average of \$9.20 per rates bill, which equates to a 2.45% increase in rates.

\$507K of this would be capital spend, and the rest would be operational.



\$7.29M

over the next 3 years

ANOTHER OPTION

Continue with the current level of resourcing. This will have serious consequences, including potentially losing access to government funding for major projects, being unable to properly serve our communities, and inability to operate due to outdated IT systems. It would not have any additional impact on rates in the short term.

Keen to get into the detail?

The specific proposals and their costs are outlined in our Supporting Information document. Visit nrc.govt.nz/futureplan

04.

Ērā atu whakataunga

Other decisions



Oruku Landing conference and events centre

The proposed Oruku Landing development, on Riverside Drive in central Whangārei, is a significant opportunity for local economic development. The proposed development comprises both public and private elements, coming together as a four-star hotel, apartments, restaurants and shops, as well as a conference and events centre that we are considering contributing funding to.

The hotel, apartments, hospitality venues and retail shops will be built by the privately owned Northland Development Corporation. Whangarei District Council (WDC) will be responsible for developing and running the conference and events centre, which it will own. The conference and events centre will tap into the lucrative domestic market for hosting meetings, functions and trade shows, and can host community and performing arts events.

Construction is scheduled to begin in September 2022, and once fully operational, the conference and events centre is expected to employ about 35 people full time.

Central government is prepared to put \$60M towards the conference and events centre, provided that there is also a local share contributed. WDC has asked us to contribute up to \$14M towards a high-quality internal fit-out of the conference and events centre as part of this.

We need to hear what you think before deciding whether to contribute the funding. This financial arrangement also depends on the project being successfully supported through WDC's Long Term Plan.

If we decide to fund the project, we will establish a specific rate in the 2023/24 year to cover our contribution: 80% from ratepayers in Whangārei district, and 20% from ratepayers in the rest of Northland.

OUR PROPOSED OPTION

This project won't affect rates in the first and second years, as a separate targeted rate for this project will be established in 2023/24. Once set up, the new rate would mean an extra \$25.75 on the average rates bill in Whangārei district, and \$5.45 in the Kaipara and Far North districts, for 12 years until the borrowing is repaid.

Contribute to the project

Contribute to Northland's economic development by helping fund the internal fit-out of the Oruku Landing conference and events centre. We would fund the lump-sum contribution via borrowings, which would be repaid via a new targeted rate.

\$1.2M

a year from 2023

ANOTHER OPTION

Don't contribute to the project

Funding economic development

The way we pay for economic development isn't exactly simple, so we're looking to clarify it. This means we're planning to make some changes to rates and reserves.

First, we're proposing to change our regional infrastructure rate, originally set up to fund infrastructure projects beginning with the Marsden Point rail link project. The rates money collected (around \$700K a year) currently goes into the infrastructure facilities reserve. We're proposing to change the name of this rate to the regional economic development rate and apply it to activities that support economic wellbeing and community

infrastructure in Northland, which is a better use for the rate now the joint venture with KiwiRail has concluded.

We're also planning to close our infrastructure facilities reserve, which has fulfilled its purpose of smoothing costs, and is now at zero balance. If this reserve is closed, revenue collected through the new regional economic development rate will be directed into council's investment and growth reserve (IGR), which funds most of our economic development activity (through funding for Northland Inc and other projects).

This will mean the IGR's dependence is funded by revenue from the repurposed rate, investment income, and gains made from our community investment fund. To make it even clearer, we're re-naming the community investment fund the economic development reserve.

The aim of these changes is to phase out the dependence of the IGR on investment income and fund our economic development activity from just two sources: our economic development rate and the income generated by the economic development reserve.

Here are a few of the projects we've supported through the Investment and Growth Reserve:

- » Manea – Footprints of Kupe visitor and education centre, Opononi (\$500,000)
- » Hundertwasser Art Centre, Whangārei (\$1.5M)
- » Te Hononga Hundertwasser Memorial Park, Kawakawa (\$500,000)
- » Pou Herenga Tai – Twin Coast Cycle Trail, Ōpua to Hōreke (\$900,000)



Changes to rates

We're making a few changes to the names and purposes of our rates. These changes won't in themselves affect how much you pay, but in some cases will result in a slight change to what the rate funds.

Firstly, we're looking to combine our land management and freshwater management rates. These rates are both calculated in the same way and fund very similar activities, particularly now that the link between land management and freshwater management is stronger than ever. We've found that in many cases we were splitting the cost of projects across these two rates. The move to combine the rates won't result

in an additional cost, but many proposals outlined in this document would be applied to this new rate. The new rate will be called the land and freshwater management rate.

We also plan to re-name the current civil defence and hazard management rate as the emergency and hazard management rate, to align with changes at central government level. The activities that the rate is applied to will be expanded slightly to include targeted climate change work we're carrying out.

As set out on the previous page, we're also going to re-name the regional infrastructure rate as the regional economic development rate, and there will be a new targeted river management rate for Taumārere (see Flood protection page 24).



Reviewing financial reserves

Reserves help us to have money ready to go when it's needed, and we plan to increase our ability to do this by making some changes to what's currently known as our infrastructure investment fund reserve.

This reserve, with a current balance of \$21M, was set up to help smooth the financial impact of big, irregular infrastructure projects. The current balance is the result of commercial and investment income.

We're proposing to broaden the purpose of the reserve to allow us to be more agile and provide support to projects in the timeliest manner, e.g. co-investment in urgent

infrastructure opportunities. We're planning to set it up so income from the reserve can contribute to operational spend, reducing the impact on future rates, and capital can be used for joint projects with central government, other agencies and the private sector. Council would decide which projects to fund through a formal decision.

As part of these changes, we propose to re-name the reserve to the regional project reserve.

If we don't make these changes, a lack of clarity will remain about the use of the reserve, and we may not be able to take advantage of opportunities or secure shared funding for projects.

We're also making some minor changes to our equalisation fund reserve, which sets aside surplus income from our forestry investments.



Updates to policies

We're consulting on updates to some of our policies as part of this process including:

- » Revenue and financing policy – our policy on how we pay for what we do. We've made some minor changes to more accurately show how we fund monitoring sub-activities.
- » Significance and engagement policy – our policy on how we'll know when an issue is significant and how we'll talk to our communities. The policy has been refreshed and simplified, and includes

reference to our regional projects reserve in relation to consultation thresholds.

- » Policy on fostering Māori participation in council processes. We've made some minor updates.
- » Rates collection, remission and postponement policies.

You can find more detail on the proposed changes and the full policies in our Supporting Information document.

We're also updating our user fees and charges, which we do every year. This year we're proposing a new fee for mooring and marina berths to cover the cost of managing moorings and dealing with abandoned boats, along with other updates and changes. A detailed list of all changes can be found in the front section of the Draft User Fees and Charges document, and we're inviting feedback on these proposals at the same time.

Visit nrc.govt.nz/futureplan

Just a heads up

There are some changes afoot around how we approach regional economic development. Northland Inc Ltd is Northland's economic development agency. It is a council-controlled organisation (CCO) of Northland Regional Council and a limited liability company. We use the investment and growth reserve (the reserve) to fund Northland Inc's operations and support wider regional economic development. Currently, council is the only organisation that puts money into the reserve, and is the 100% shareholder in Northland Inc.

We plan to set up a new structure to run the reserve with Kaipara District Council (KDC) and the Far North District Council (FNDC). Northland Inc would become jointly owned by

Northland Regional Council, KDC and FNDC. Whangarei District Council can join the initiative later if they choose.

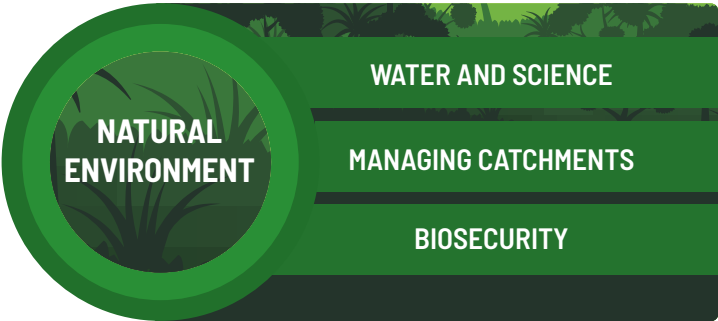
Why are we doing this?

- » Improve Northland Inc's work across all districts in the region.
- » Increase the amount of money we can use to support projects and businesses.
- » Reinforce Northland Inc's regional mandate when discussing matters that affect us all, especially with central government.
- » Efficiently deliver services across Northland Inc and councils, and improve engagement with Māori/iwi organisations, for economic development.

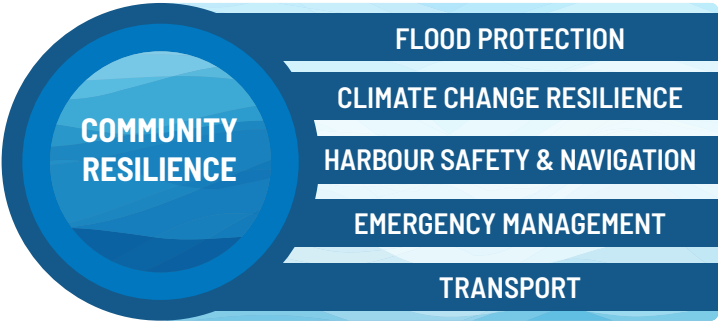
Our contribution to Northland Inc – by way of the reserve – will remain the same whether the district councils opt to join or not, so there's no impact on our budgets as a result of this proposal. If the district councils choose to become joint owners, their contributions will add more to the economic development pot. KDC and FNDC will consult their ratepayers about this proposal during their Long Term Plan consultation periods. If the ratepayers agree, we will become joint owners of Northland Inc, establish a committee and begin working together.

Overview of proposed changes

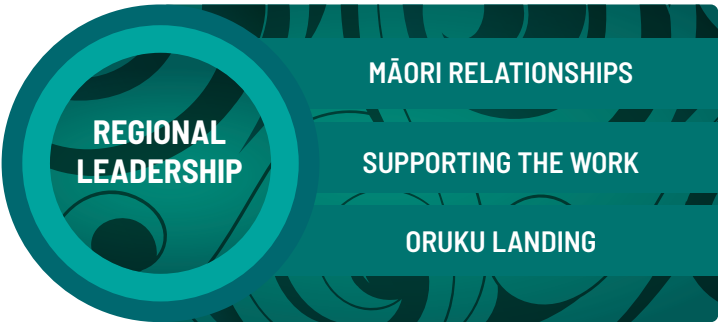
The spend on this page is a mix of capital and operational. Page 5 explains how this relates to rates. The impact on rates shown here is cumulative. In year three, some of our activities have a negative impact on rates – this is because the amount needed for these work programmes decreases, and so does the amount that we need to rate to pay for it.



YEAR ONE		YEAR TWO	
CURRENT BUDGET \$52.9M		CURRENT BUDGET \$53.4M	
SPEND	IMPACT ON RATES	SPEND	IMPACT ON RATES
\$896K	2.44%	\$2.42M	4%
\$1.87M	3.43%	\$1.99M	1.27%
\$679K	2.14%	\$1.17M	1.56%



SPEND	IMPACT ON RATES	SPEND	IMPACT ON RATES
\$6.5M	0.55%	\$10.25M	0%
\$1.08M	3.43%	\$1.1M	0.08%
\$114K	0.04%	\$1.6M	0.06%
\$1M	0.32%	\$5.7M	1.91%
\$0	0%	\$437K	1.39%



SPEND	IMPACT ON RATES	SPEND	IMPACT ON RATES
\$359K	1.13%	\$450K	0.3%
\$839K	2.45%	\$2.74M	3.51%
\$0	0%	\$0	0%

BASELINE RATES INCREASE
(due to inflation and pre-approved projects)

TOTAL RATES INCREASE

3.9%

19.8%

0.47%

14.55%

YEAR THREE

CURRENT BUDGET \$53.6M

SPEND	IMPACT ON RATES
\$2.07M	-0.56%
\$1.98M	-0.06%
\$1.36M	0.62%

SPEND	IMPACT ON RATES
\$5M	0%
\$1.3M	0.64%
\$34K	0%
\$1.22M	0.06%
\$644K	0.66%

SPEND	IMPACT ON RATES
\$430K	-0.06%
\$3.6M	3.79%
\$14M	3.92%

2.29%

11.3%

The work we would do (increasing our levels of service)

We're planning to deliver more for science and catchment management by:

- » building hydrology capacity
- » expanding monitoring programmes
- » improved management of more data
- » Kaipara Moana remediation programme
- » further expansion of Flyger Road nursery
- » increased soil monitoring and mapping
- » more support for landowners through catchment management work.

We're planning to deliver more for flood protection, climate change resilience and transport through:

- » new flood works planned in Otiria-Moerewa and Kawakawa
- » additional work on the Whangārei flood mitigation project
- » adaptive pathways planning for climate change
- » development of risk management plans for hapū and marae communities
- » grant scheme to improve water resilience
- » increasing frequency of CityLink bus services in Whangārei.

We're planning to deliver more for Māori partnerships, community engagement and corporate excellence through:

- » further development of cultural capacity and partnerships with Māori
- » an independent audit of Treaty of Waitangi/ Te Tiriti o Waitangi obligations
- » iwi/hapū environmental management plans
- » increased engagement, communications and online services
- » expansion of Enviroschools programme
- » upgraded IT and support services to support the increase in work across the organisation.

How do we know we're on track?

We have measures and targets for each of our activities. You can find them in the 'Council activities' section of our Supporting Information document at nrc.govt.nz/futureplan

05.

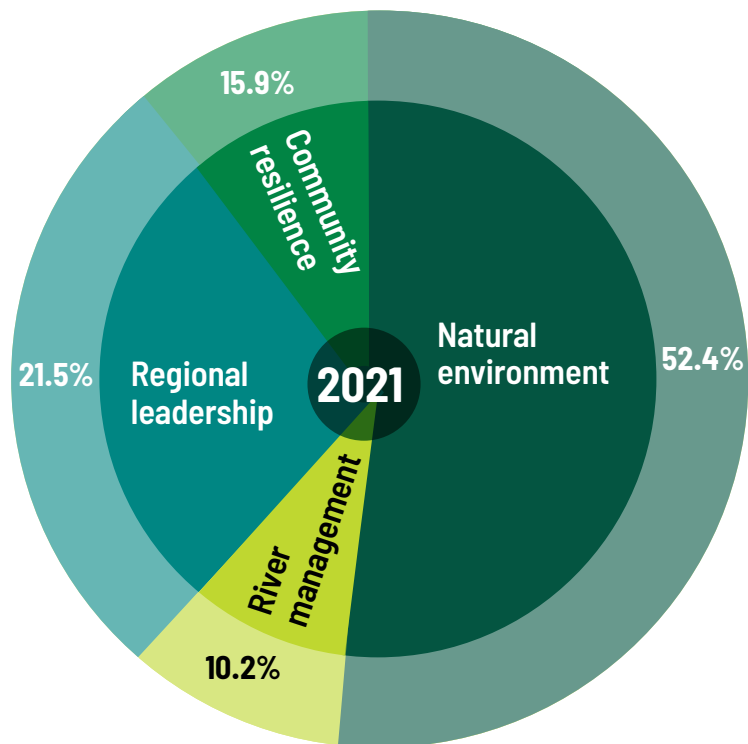
Ka aha te pūtea

What it means for the money



What will it all cost?

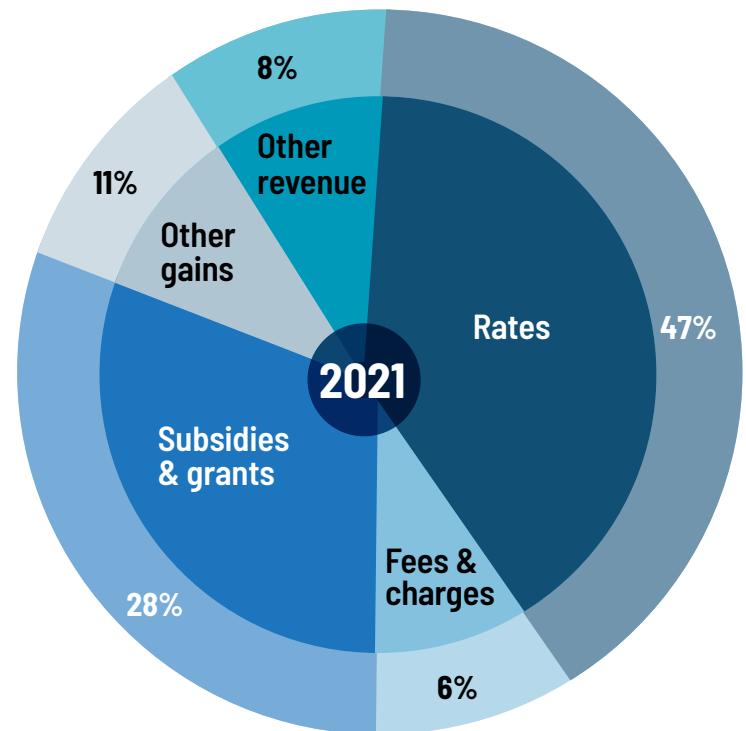
We already do a huge amount of work for the wellbeing of our region's environment and people, and our annual budget is currently about \$52.8M. To meet the requirements and challenges ahead, we'll need to grow the budget by approximately \$21.6M a year on average over the next decade.



Where will the money come from?

We're fortunate to have a number of investments, and we use the income from those investments to heavily subsidise the work we do to help Northland thrive. The flipside is, of course, that when the markets take a hit – such as during Covid-19 – so do our finances. We've also received a significant amount of central government money through Covid-19 recovery funding, and that's being put to work right around the region.

But we're still facing some big costs, and there's always a balance between what mahi needs to be done and what we can reasonably ask our community to contribute.



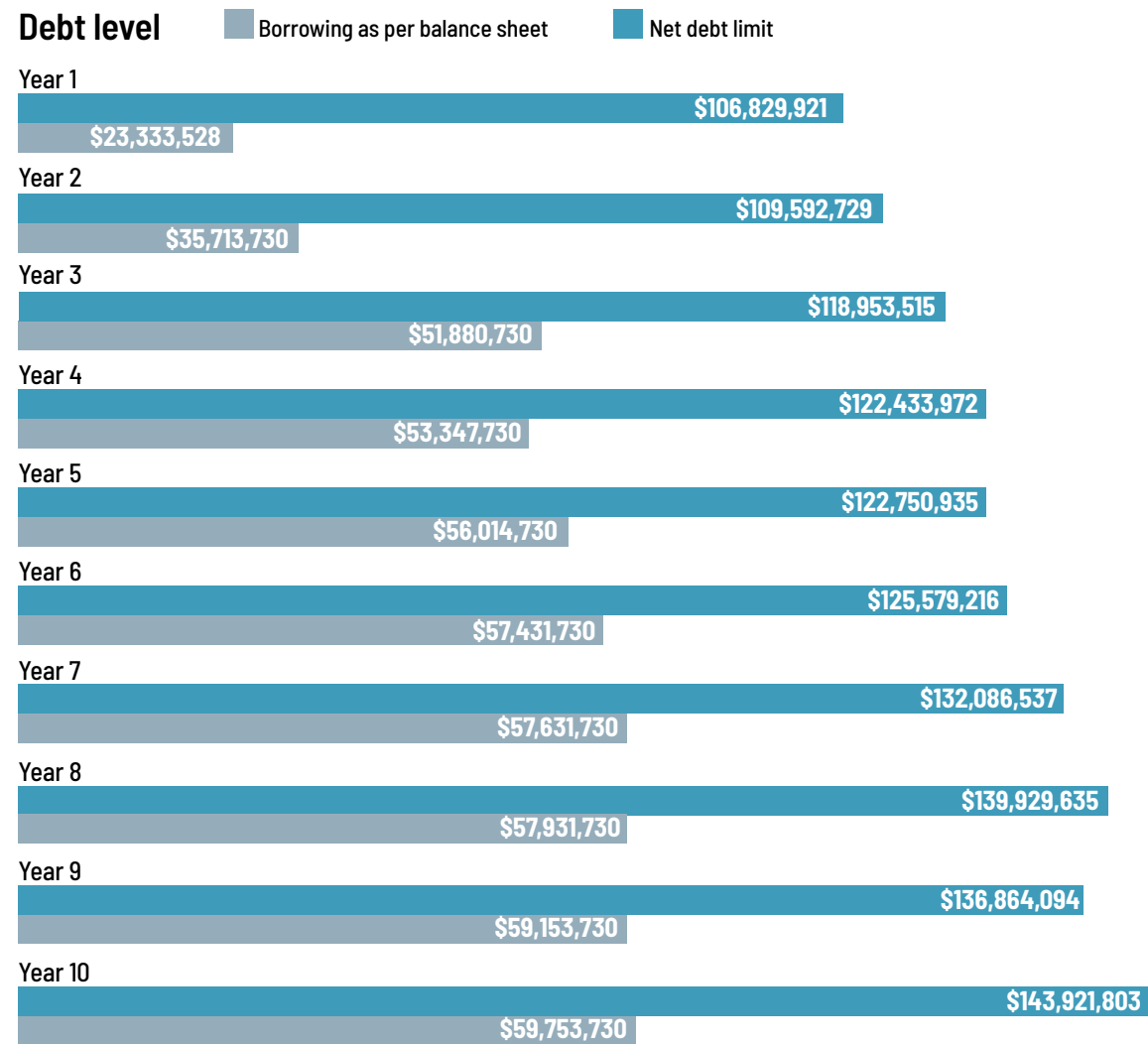
What's the plan for borrowing?

Like all councils, we must set debt limits that cap our total borrowing. Our debt limit is set at 175% of total revenue, though in the past we've kept borrowing well under that level.

To reduce the impact on rates, we're proposing to push forward with some projects through borrowing, making the most of the

current low interest rates. We've noted in this document where we're planning to borrow to fund projects.

The graph below shows our forecast debt levels for the next decade. By keeping our borrowing limit at 175% of total revenue, we'll still be able to draw on these funds if something major comes up in future.



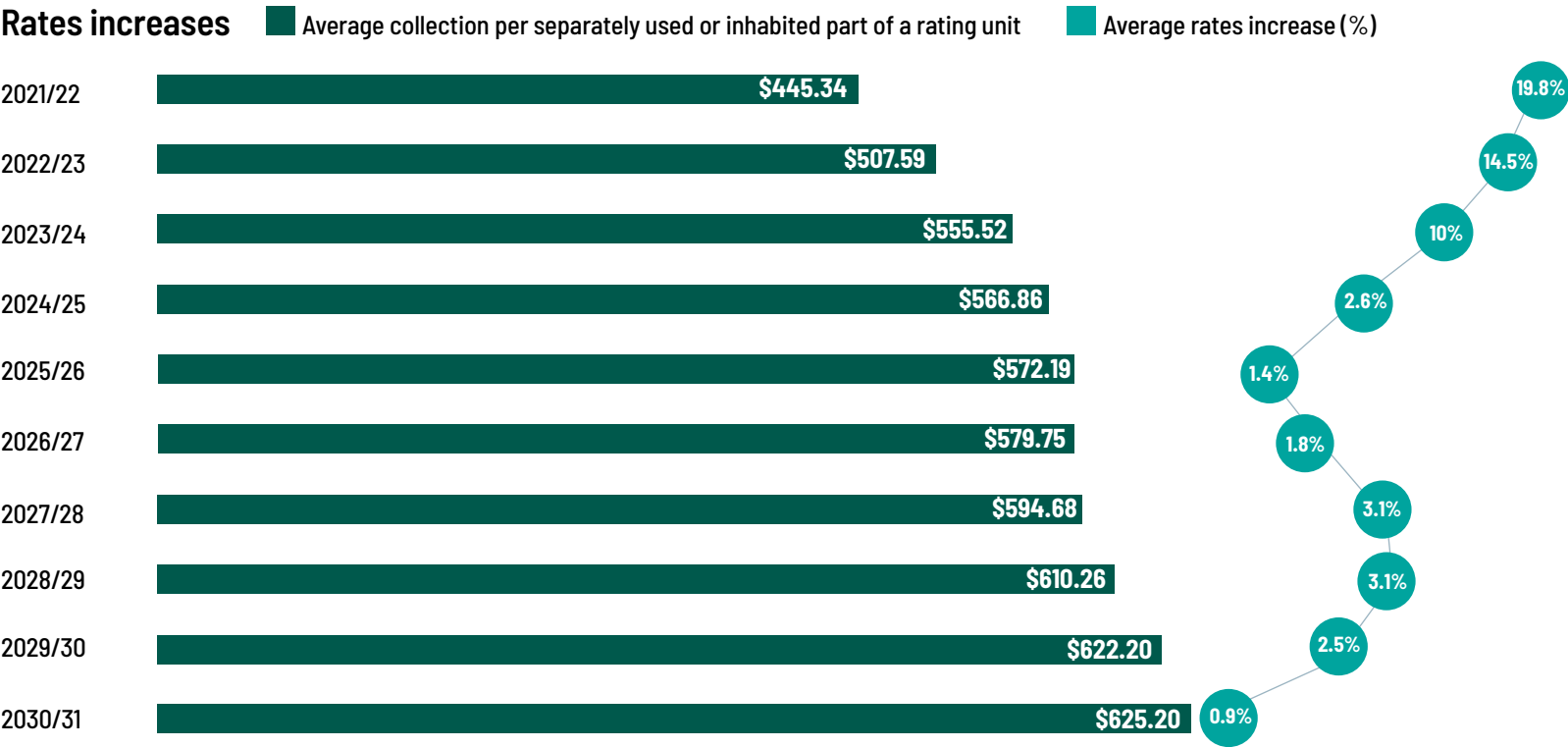
What does it mean for your rates?

With all the new work to be done, there's a growing proportion of the total cost that would need to be covered by rates – so we've tried to smooth the load by spreading the increase over several years where we can, by delaying some projects and funding other activities through borrowing.

As part of this plan, we're proposing to up the limit on our rate increases in any one year from 10% to 15% (see our financial strategy, in our Supporting Information document for more). This is in response to the pressure and opportunities we are facing, and the realistic rate increases we will have to make. We intended to remain below that limit with the exception of the first year, when we're expecting to exceed the 15% to help deal with the extraordinary challenges and opportunities we're facing right now.

We also have a self-imposed limit on the percentage of our revenue that comes from rates, as opposed to other sources of income, which we're proposing to increase from 65% to 75%. There are some big projects proposed in this plan and committing to these projects has an impact on future rates, in order to repay borrowing. Our proposals don't put us over the current 65% cap until year seven of this 10-year plan, and while we know that a lot can happen in that time, we want to ensure that this rating benchmark is reflective of our financial position. On average, that'd mean an extra \$68.80 a year on rates bills for 2021/22 (19.8%), rising another 14.5% in 2022/23 and 11.3% in 2023/24.

In reality, rates will vary a lot depending on where you live and your property value. We've provided examples over the page, to help give you a better steer on how our proposals affect your rates.



Kaipara district rates examples

2021/22 Kaipara district rates examples	Residential/commercial/other with land value of \$225,000	Farm with land value of \$2,750,000	Farm on Kaihū River floodplain (100ha, Class A) with land value of \$2,750,000
Council services rate	\$137.07	\$137.07	\$137.07
Land and freshwater management rate	\$74.81	\$914.38	\$914.38
Pest management rate	\$76.20	\$76.20	\$76.20
Flood infrastructure rate	\$31.98	\$31.98	\$31.98
Civil defence and hazard management rate	\$38.24	\$38.24	\$38.24
Regional sporting facilities rate	\$16.61	\$16.61	\$16.61
Regional economic development rate	\$4.91	\$59.95	\$59.95
Emergency services rate	\$11.61	\$11.61	\$11.61
Kaihu river management rate			\$2,313.00
TOTAL 2021/22	\$391.43	\$1,286.04	\$3,599.04
2020/21 (CURRENT)	\$343.36	\$1,200.11	\$3,513.11

Whangārei district rates examples

2021/22 Whangārei district rates examples	Residential (non-CBD) with land value of \$225,000	CBD residential with land value of \$225,000	CBD commercial with land value of \$2,000,000	Farm with land value of \$2,750,000
Council services rate	\$132.12	\$132.12	\$132.12	\$132.12
Land and freshwater management rate	\$82.01	\$82.01	\$729.00	\$1,002.38
Pest management rate	\$72.49	\$72.49	\$72.49	\$72.49
Flood infrastructure rate	\$31.98	\$31.98	\$31.98	\$31.98
Civil defence and hazard management rate	\$36.38	\$36.38	\$36.38	\$36.38
Regional sporting facilities rate	\$16.61	\$16.61	\$16.61	\$16.61
Regional economic development rate	\$5.38	\$5.38	\$47.80	\$65.73
Whangārei transport rate	\$22.99	\$22.99	\$22.99	\$22.99
Emergency services rate	\$11.61	\$11.61	\$11.61	\$11.61
Whangārei river management rate		\$166.92	\$350.87	
TOTAL 2021/22	\$411.57	\$578.49	\$1,451.85	\$1,392.29
2020/21 (CURRENT)	\$350.68	\$525.59	\$1,258.22	\$1,138.47

Far North district rates examples

2021/22 Far North district rates examples	Residential/commercial/ other with land value of \$225,000	Farm with land value of \$2,750,000	Residential/commercial on Awanui floodplain (class UA) with a land value of \$225,000	Farm on Awanui flood- plain (Class A & B) with a land value of \$2,750,000
Council services rate	\$110.72	\$110.72	\$110.72	\$110.72
Land and freshwater management rate	\$81.63	\$997.70	\$81.63	\$997.70
Pest management rate	\$61.55	\$61.55	\$61.55	\$61.55
Flood infrastructure rate	\$31.98	\$31.98	\$31.98	\$31.98
Civil defence and hazard management rate	\$30.89	\$30.89	\$30.89	\$30.89
Regional sporting facilities rate	\$16.61	\$16.61	\$16.61	\$16.61
Regional economic development rate	\$5.33	\$65.18	\$5.33	\$65.18
Emergency services rate	\$11.61	\$11.61	\$11.61	\$11.61
Far North transport rate	\$8.54	\$8.54	\$8.54	\$8.54
Awanui River management rate			\$310.74	\$2,311.62
TOTAL 2021/22	\$358.86	\$1,334.78	\$669.60	\$3,646.40
2020/21 (CURRENT)	\$287.53	\$1,043.76	\$630.89	\$3,503.94
OTHER FAR NORTH RATES:				
Kāeo-Whangaroa rivers management rate \$52.03				
Taumārere rivers management rate \$57.47				

These examples are for the 2021/22 year only, and are subject to final council decision on Long Term Plan proposals. It is proposed that a new rate (Oruku Landing fit-out rate) would be introduced in 2023/24. To find out more about rates, and to see the 10 year rating funding impact statement, please see the Supporting Information document on our website nrc.govt.nz/futureplan

06.

He aha tō whakaaro?

What do you think?



We need your feedback

by Friday 16 April, 2021

This document gives an overview of key things we're asking for feedback on for our Long Term Plan 2021-2031, but there's heaps more detail in our Supporting Information document at www.nrc.govt.nz/futureplan

Before we go any further, we're keen to hear from you. What do you think about our proposed plans for helping our people and environment thrive?

POST

Fill in the submission form and return it by post (**FREE**) or drop it at one of our offices around the region.

ONLINE

Fill in the online submission form at www.nrc.govt.nz/futureplan
Or email your submission to submissions@nrc.govt.nz

FACE TO FACE

Want to give your feedback in person?

Come and talk to staff and councillors at a Have your say event, and we'll record your feedback. Details over page.

Independent Auditors report



To the reader:

**Independent auditor's report on Northland Regional Council's
consultation document for its proposed 2021-31 Long-Term Plan**

I am the Auditor-General's appointed auditor for Northland Regional Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Deloitte Limited. We completed our report on 9th March, 2021.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 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 the Northland 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 International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate 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.

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

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have carried out engagements with respect to a limited assurance report pursuant to the Council's Trust Deed and maintenance of the register of security stock. We have also performed an agreed procedures report in relation to the Waima Waitai Wairoa project. These engagements are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Regional Council or any of its subsidiaries.



Peter Gulliver
for **Deloitte Limited**

On behalf of the Auditor-General, Auckland, New Zealand
9 March 2021

Kōrero mai – come and talk to us

Keen to talk to councillors and staff?

Come along to a **Have your say** event!

WHANGĀREI	Tue 23 March	4.30-6.30pm	36 Water St (NRC office)
WHANGĀREI	Wed 24 March	9-11am	36 Water St (NRC office)
KERIKERI	Thu 25 March	11am-1pm	Cornerstone, Kerikeri Road
OTIRIA	Thu 25 March	4-6pm	Otiria Rugby Club, Kingi Road
WAIPŪ	Fri 26 March	11am-1pm	Waipu Cove Surf Life Saving Club, Cove Road
DARGAVILLE	Fri 26 March	4-6pm	Town Hall, Hokianga Road
KAITAIA	Sat 27 March	11am-1pm	Te Ahu Centre, corner of SH1 and Matthews Avenue

Please be aware we're not holding formal hearings – so if you want to give face-to-face feedback to councillors, this is your chance.

If you would like to provide your feedback in te reo Māori or New Zealand sign language at one of these events, please contact us on 0800 002 004. If we move beyond Covid Alert Level 1, we'll hold online events.

IT'S TIME
TO HAVE
YOUR SAY.

www.nrc.govt.nz/futureplan