

**To the readers of  
Northland Regional Council's Long-term Plan Statement of Proposal  
for public consultation for the ten years commencing 1 July 2012**

The Auditor-General is the auditor of Northland Regional Council (the Regional Council). The Auditor-General has appointed me, F Caetano, using the staff and resources of Audit New Zealand, to report on the Long-term Plan Statement of Proposal (LTP Statement of Proposal) for public consultation on her behalf. We have audited the Regional Council's LTP Statement of Proposal dated 6 March 2012, for public consultation for the ten years commencing 1 July 2012.

The Auditor-General is required by section 84(4) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP Statement of Proposal complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP Statement of Proposal.

## Opinion

### *Overall Opinion*

**In our opinion the Regional Council's LTP Statement of Proposal dated 6 March 2012 provides a reasonable basis for long term integrated decision-making by the Regional Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Regional Council.**

In forming our overall opinion, we considered the specific matters outlined in section 84(4) of the Act which we report on as follows:

### *Opinion on Specific Matters Required by the Act*

#### **In our view:**

- **the Regional Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**
- **the underlying information and assumptions used to prepare the LTP Statement of Proposal provide a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 6 March 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

## Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP Statement of Proposal does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP Statement of Proposal. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP Statement of Proposal. In making those risk assessments we consider internal control relevant to the preparation of the Regional Council's LTP Statement of Proposal. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council's internal control.

Our audit procedures also include assessing whether:

- the LTP Statement of Proposal provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision making processes;
- the Regional Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP Statement of Proposal;
- the presentation of the LTP Statement of Proposal complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP Statement of Proposal are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP Statement of Proposal is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP Statement of Proposal;
- the Regional Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP Statement of Proposal are based on best information currently available to the Regional Council, and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the Regional Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP Statement of Proposal.

We do not guarantee complete accuracy of the information in the LTP Statement of Proposal. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP Statement of Proposal and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

### **Responsibilities of the Council**

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal controls as it determines is necessary to enable the preparation of a LTP that is free from material misstatement.

The Council's responsibilities arise from section 93 of the Act.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the LTP Statement of Proposal and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 84(4) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP Statement of Proposal.

### **Independence**

When reporting on the LTP Statement of Proposal we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the annual audit, we have no relationship with or interests in the Regional Council or any of its subsidiaries.



F Caetano  
Audit New Zealand  
On behalf of the Auditor-General  
**Auckland, New Zealand**

# Financial Overview

This section provides a brief overview of the expenditure, sources of funding and rate projections for the council over the life of the plan.

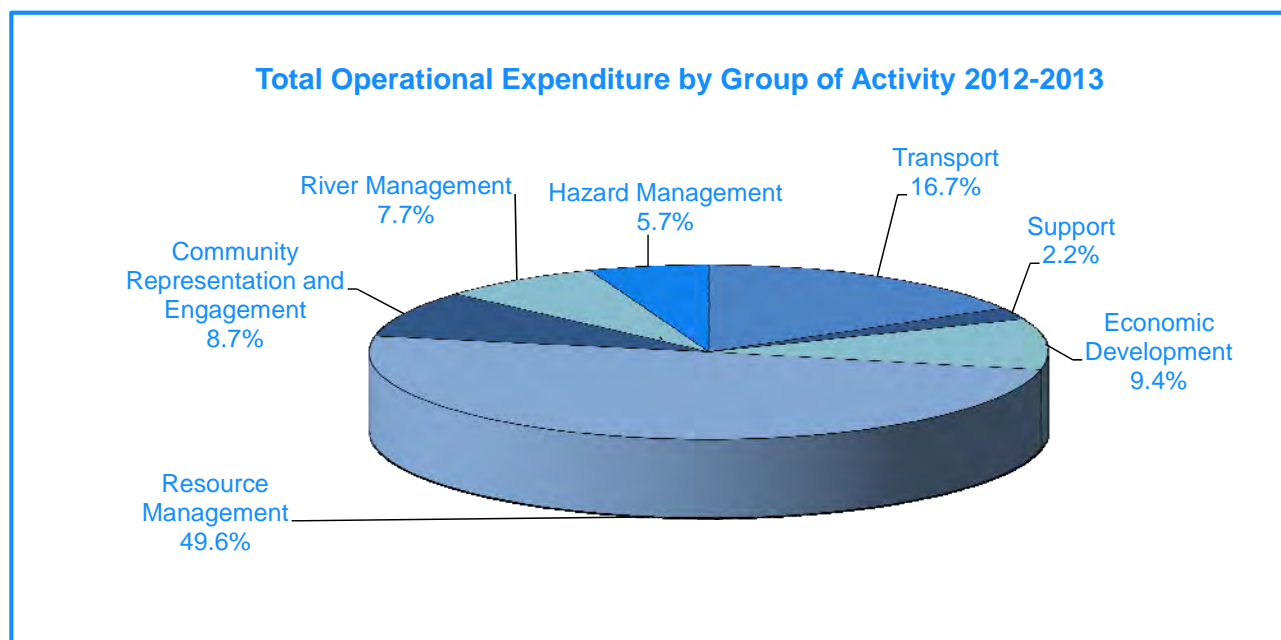
## Operational spending

The financial forecasts signal \$27.8 million of operating expenditure to support service delivery in 2012-2013. The Resource Management group of activities accounts for the largest portion (49.6% of \$27.8 million in 2012/13). The activities within the Resource Management group include: Consents; Monitoring, Land and Biodiversity, Planning and Policy and Biosecurity.

The operating expenditure for each activity group and the proportion that this comprises of the total operating expenditure in Year 1 of the plan is set out in the table and graph below.

## Operating funding requirements (excluding GST)

Group of activities	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Resource Management	13,812	13,821	14,175	14,793	15,326	15,730	16,156	16,330	16,998	17,350
Economic Development	2,622	2,642	2,665	2,544	2,540	2,580	2,610	2,588	2,561	2,618
Transport	4,635	4,745	4,895	5,043	5,590	5,409	5,542	5,637	5,795	5,870
Hazard Management	1,589	1,541	1,575	1,601	1,645	1,692	1,739	1,793	1,849	1,899
River Management	2,147	1,605	1,668	1,776	1,820	1,885	1,940	1,982	2,058	2,111
Community Representation and Engagement	2,417	2,629	2,553	2,593	2,820	2,732	2,802	3,064	2,973	3,047
Support	614	657	586	650	551	293	335	306	359	366
<b>Total</b>	<b>27,836</b>	<b>27,640</b>	<b>28,117</b>	<b>29,001</b>	<b>30,292</b>	<b>30,321</b>	<b>31,123</b>	<b>31,700</b>	<b>32,593</b>	<b>33,260</b>



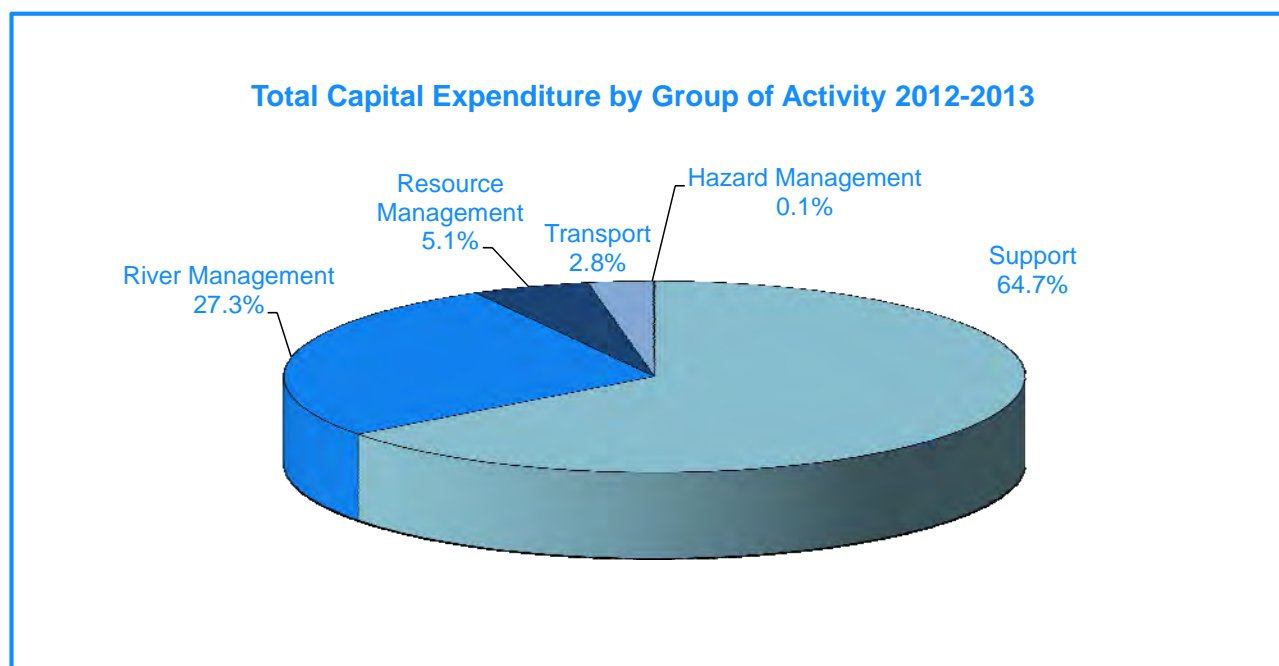
### Capital spending

The total capital expenditure funding requirement anticipated for 2012-2013 is \$3.1 million. The largest share of capital expenditure in Year 1 is for Information Technology (\$1.6 million) which comes under the Support Services Activity. Included within the \$1.6 million of Information Technology capital expenditure is \$1.4 million of unspent capital expenditure originally budgeted in the 2011-2012 that has been deferred into 2012-2013.

The capital expenditure for each activity group and the proportion that this comprises of the total capital expenditure in Year 1 of the plan is set out in the table and graph below.

### Capital funding requirements (excluding GST)

Group of Activities	2012/13 (\$000)			2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
	New	Proposed carry forward	Total									
Resource Management	161	-	161	89	90	120	52	58	56	137	64	62
Transport	89	-	89	287	112	100	52	253	97	108	85	294
Hazard Management	2	-	2	2	-	-	-	-	-	-	-	-
River Management	853	-	853	6,930	6,051	667	59	64	67	64	69	74
Support	628	1,397	2,025	880	936	819	916	866	1,021	1,056	829	1,003
<b>Total</b>	<b>1,732</b>	<b>1,397</b>	<b>3,130</b>	<b>8,188</b>	<b>7,189</b>	<b>1,706</b>	<b>1,080</b>	<b>1,241</b>	<b>1,240</b>	<b>1,365</b>	<b>1,048</b>	<b>1,432</b>



### Sources of funding of council activities

Council funds its activities based on the Revenue and Financing Policy set out on pages 206-215 of this Plan. The overall funding requirement consists of the operating expenditure (less depreciation) and capital expenditure as set out in the preceding tables, plus principle repayments towards any internal borrowing and the funding of any contributions to councils reserve funds. Refer to page 68 for a breakdown of council's funding sources.

### **Rate requirements**

Under the proposed plan, general rates will typically increase by 6% to 8% annually over most of the next 10 years. On averages that's about \$11 to \$15 including GST a year. The policy of transferring our investment income from subsidising rates and into economic development commenced in 2011-2012, and although it is proposed to slow the transition period (over 10 years instead of 5); it is still the biggest driver behind the rates increases signalled in the plan.

Inflation is another contributor to our rate increases. Unfortunately, the inflation rate is completely outside our control but it is necessary to budget for the impact of inflation upon council's future costs.

A new targeted river management rate is being proposed for properties situated in the Kerikeri, Waipapa and Wairoa river catchments. Initially the proposed targeted rate would be \$48.90 including GST a year increasing to \$74.10 including GST from 2014-2015. The funds collected from this rate will contribute to river maintenance and flood reduction work to reduce flood risks in the Kerikeri Waipapa and Wairoa river catchments.

The existing targeted river management rates remain unchanged in 2012-13 (year 1 of the plan), with proposed increases in the latter years scheduled to coincide with any flood protection capital work programmes.

The key forecasting assumptions and risks underlying the financial information presented throughout the plan are provided on pages 164-173.

# Rating Funding Impact Statement

The prescribed funding impact statement required by section 15 of schedule 10 of the Local Government Act 2002 and the Local Government (Financial Reporting) regulations 2011 is set out on pages 86-89.

The following table shows total gross expenditure and lists by rate and income type the funding derived from each source for easy reference.

Excluding GST	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Operational Expenditure	23,921,039	26,771,849	26,515,836	26,862,183	27,661,215	28,938,289
Capital Expenditure	4,008,595	3,129,506	8,187,529	7,188,958	1,706,407	1,079,650
<b>Total Gross Expenditure</b>	<b>27,929,634</b>	<b>29,901,355</b>	<b>34,703,364</b>	<b>34,051,141</b>	<b>29,367,622</b>	<b>30,017,940</b>
<b>Funded by</b>						
Council Service Rate	6,966,873	7,279,686	7,855,008	8,525,519	9,204,020	9,960,435
Land Management Rate	4,567,144	5,148,014	5,451,463	5,822,633	6,198,094	6,628,546
Targeted Regional Infrastructure Rate	593,602	593,544	593,602	593,602	593,602	593,602
Targeted Regional Recreational Facilities Rate	1,218,065	1,226,775	1,233,300	1,239,466	1,245,663	1,251,892
Other Targeted Rates	2,255,533	2,494,981	2,613,288	3,136,676	3,198,260	3,266,050
NRC Community Trust Income	-	434,021	387,741	393,789	377,665	372,186
Grants and Subsidies	1,370,884	1,557,323	1,458,125	1,512,750	1,510,612	1,798,068
User charges	3,956,038	4,090,314	4,216,055	4,316,860	4,425,200	4,577,518
Rental Income	3,427,314	3,588,448	3,633,523	3,758,416	3,794,341	3,852,383
Interest Income	1,717,631	1,524,385	1,422,136	1,253,348	1,383,195	1,631,841
Dividend Income	1,328,574	1,439,289	1,439,289	1,439,289	1,439,289	1,439,289
Forestry Income	-	-	-	-	372,205	-
Sundry Income	23,055	122,030	125,935	129,965	134,384	139,087
Cash reserves from/(to)	504,920	402,545	4,273,899	1,928,828	(4,508,909)	(5,492,958)
<b>Total Funding</b>	<b>27,929,634</b>	<b>29,901,355</b>	<b>34,703,364</b>	<b>34,051,141</b>	<b>29,367,622</b>	<b>30,017,940</b>
Excluding GST	Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	
Operational Expenditure	28,938,172	29,711,543	30,260,519	31,125,504	31,774,328	
Capital Expenditure	1,241,476	1,240,048	1,365,140	1,047,625	1,432,334	
<b>Total Gross Expenditure</b>	<b>30,179,648</b>	<b>30,951,591</b>	<b>31,625,660</b>	<b>32,173,130</b>	<b>33,206,663</b>	
<b>Funded by</b>						
Council Service Rate	10,701,893	11,470,791	12,214,228	13,059,408	13,753,573	
Land Management Rate	7,046,051	7,481,271	7,896,079	8,381,316	8,766,616	
Targeted Regional Infrastructure Rate	593,602	593,602	593,602	593,602	593,602	
Targeted Regional Recreational Facilities Rate	1,258,151	1,264,442	279,447	-	-	
Other Targeted Rates	3,267,977	3,270,803	3,272,825	3,275,026	3,277,240	
NRC Community Trust Income	390,224	409,108	416,051	383,608	403,943	
Grants and Subsidies	1,649,558	1,704,849	1,731,187	1,784,852	1,797,102	
User charges	4,695,463	4,812,823	4,934,023	5,070,477	5,207,910	
Rental Income	3,868,734	3,879,422	3,841,681	3,841,681	3,855,725	
Interest Income	1,957,390	2,279,551	2,587,891	3,032,270	3,498,903	
Dividend Income	1,439,289	1,439,289	1,439,289	1,439,289	1,439,289	
Forestry Income	-	-	-	523,037	-	
Sundry Income	143,816	148,562	153,465	158,989	164,554	
Cash reserves from/(to)	(6,832,499)	(7,802,921)	(7,734,108)	(9,370,427)	(9,551,795)	
<b>Total Funding</b>	<b>30,179,648</b>	<b>30,951,591</b>	<b>31,625,660</b>	<b>32,173,130</b>	<b>33,206,663</b>	

# Rates

## Uniform Annual General Charge

The council does not assess a Uniform Annual General Charge.

## Targeted General Rates

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

## TARGETED COUNCIL SERVICES RATE

### What it funds

The council will fund activities which are carried out pursuant to the Resource Management Act 1991, the Local Government Act 2002, the Maritime Transport Act 1994 and Maritime Bylaws and any other activities which are not covered by any other funding source, by a targeted council services rate. This rate will fund the costs remaining after appropriate user fees and charges and a share of investment income, where available, have been taken into account.

### How it is set

The targeted council services rate is a fixed rate, differentiated by location. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. An additional \$1.73 (including GST) per separately used and inhabited parts (SUIP) of rating units is to be levied across the Whāngārei Constituency to provide \$68,081 to fund the ongoing maintenance needs of the Hātea River channel. This rating policy recognises that a differentiated fixed charge on separately used or inhabited parts (SUIP) of each rating unit or per rating unit (property) links better to environmental planning, strategic planning, education, public advice, the public good elements of issuing resource consents, regional advocacy and transport planning where the link to land value is very weak.

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

### How much is the rate?

The estimated total Targeted Council Services Rate amounts to \$8,371,639 (including GST) for the 2012/2013 financial year.

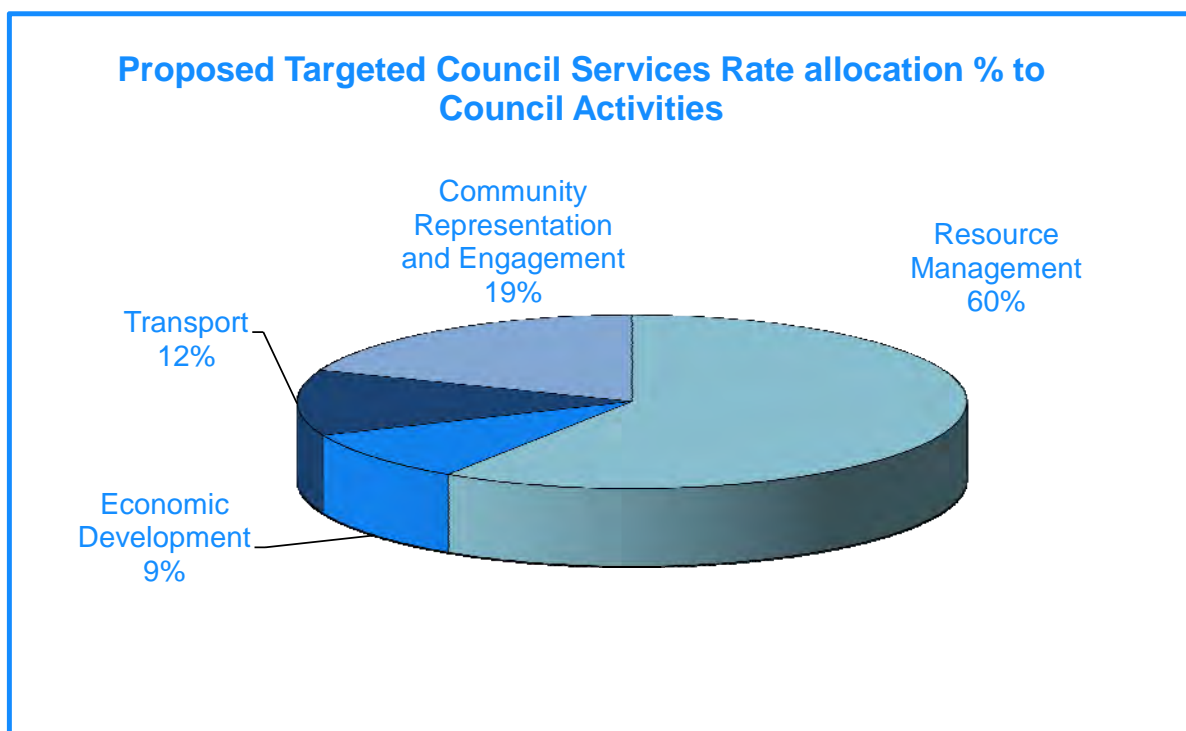
The general rate payable in respect of each rating unit in the Kaipara District, and each separately used or inhabited parts (SUIP) of rating units in the Far North and Whāngārei Districts of the Northland region, will be levied as follows:

District	Excluding GST	Including GST	
Far North constituency	\$73.38	\$84.39	per SUIP
Kaipara constituency	\$89.94	\$103.43	per rating unit
Whāngārei constituency	\$89.81	\$103.28	per SUIP



## How is the rate applied?

### Council Services Rate allocation % to activities



## TARGETED LAND MANAGEMENT RATE

### What it funds

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

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

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

### How it is set

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

### How much is the rate?

The estimated total targeted land management rate amounts to \$5,920,216 (including GST) for the 2012/2013 financial year.

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

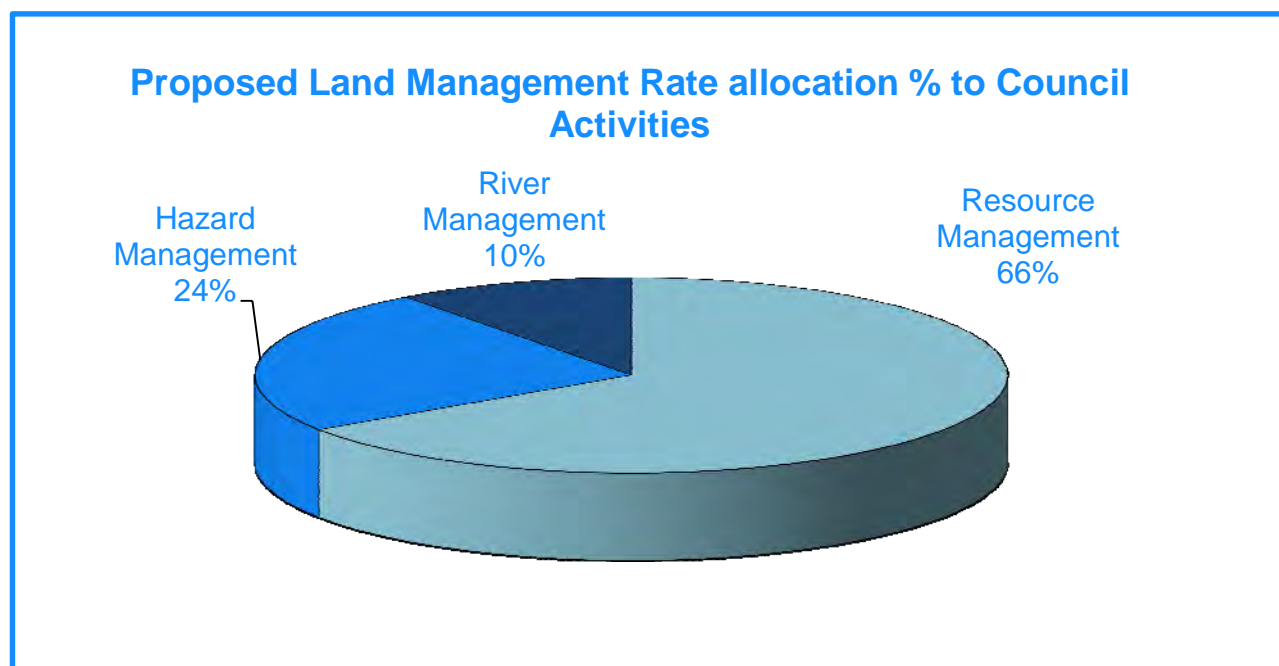
The following table shows the actual and equalised land value for each district and sets the rate in the dollar for each district based on the equalised land values.

District	Actual Land Value \$(000)'s	Equalised Land Value \$(000)'s	Rate per \$100,000 of Actual Land value Excluding GST	Rate per \$100,000 of Actual Land value Including GST
Far North District	8,626,265	7,872,243	\$22.47	\$25.84
Kaipara District	3,541,000	3,541,000	\$24.62	\$28.31
Whāngārei District	9,888,632	9,497,734	\$23.65	\$27.19

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

### How is the rate applied?

#### Land Management rate allocated % to activities



## TARGETED RATES

The following targeted rates are intended for 2012/2013:

### TARGETED RATE – NORTHLAND REGIONAL RECREATIONAL FACILITIES

#### What it funds

It is intended to fund the development of the regional events centre.

#### How it is set

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

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

### How much is the rate?

The estimated total Northland region recreational facilities targeted rate amounts to \$1,410,791 (including GST) for the 2012/2013 financial year. The rate is to be levied as follows:

District	Excluding GST	Including GST	
Far North constituency	\$5.00	\$5.75	per SUIP
Kaipara constituency	\$5.00	\$5.75	per rating unit
Whāngārei constituency	\$25.00	\$28.75	per SUIP

### How is the rate applied?

This rate is applied 100% to the development of the regional events centre which forms part of the Economic Development Activity.

## TARGETED RATE – REGIONAL INFRASTRUCTURE

### What it funds

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

### How it is set

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

### How much is the rate?

The estimated total Targeted Regional Infrastructure Rate amounts to \$682,576 (including GST) for the 2012/2013 financial year.

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

District	Actual Land Value \$(000)'s	Equalised Land Value \$(000)'s	Rate per \$100,000 of Actual Land value Excluding GST	Rate per \$100,000 of Actual Land value Including GST
Far North District	8,626,265	7,872,243	\$2.59	\$2.98
Kaipara District	3,541,000	3,541,000	\$2.84	\$3.26
Whāngārei District	9,888,632	9,497,734	\$2.73	\$3.14

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

### How is the rate applied?

This rate is applied 100% to the funding Infrastructure Development Activity. The proceeds from this rate will be applied to funding the Marsden Point Rail Link designation.

## TARGETED RATE – RESCUE HELICOPTER SERVICES

### What it funds

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

### How it is set

The Northland Rescue Helicopter Service Rate will be levied by way of a targeted fixed rate set on a uniform basis.

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

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

#### **How much is the rate?**

The estimated total targeted rescue helicopter service rate amounts to \$714,331 (including GST) for the 2012/2013 financial year.

The fixed charge is set for on each rating unit in the Kaipara District and each separately used or inhabited parts (SUIP) of rating units in the Far North and Whāngārei Districts of the Northland region being \$8.17 (including GST) or \$7.10 (excluding GST).

#### **How is the rate applied?**

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

## **TARGETED RATE – TRANSPORT RATE (WHĀNGĀREI DISTRICT)**

#### **What it funds**

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

#### **How it is set**

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

The rate is set for on each separately used or inhabited parts (SUIP) of rating units in the Whāngārei District.

#### **How much is the rate?**

The estimated total targeted transport rate amounts to \$478,380 (including GST) for the 2012/2013 financial year.

The fixed charge will be set at \$12.12 (including GST) or \$10.54 (excluding GST) for each separately used or inhabited parts (SUIP) of rating units in the Whāngārei District.

#### **How is the rate applied?**

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

## **TARGETED RATE - AWANUI RIVER FLOOD MANAGEMENT RATE**

#### **What it funds**

To fund works on the Awanui Flood Management Scheme.

#### **How it is set**

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

The rate is set differentially as follows:

		<b>Excluding GST</b>	<b>Including GST</b>
1.	Urban rate class UA (floodplain location) \$128.11 (including GST) direct benefit plus \$12.81 (including GST) indirect benefit, total per each separately used or inhabited parts of a rating unit:	\$122.54	\$140.92

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

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

#### Awanui River Management Rate: Description

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

#### How much is the rate?

The estimated total Awanui River management rate amounts to \$486,288 (including GST) for the 2012/2013 financial year. The revenue sought from each category of rateable land will be as follows:

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

#### How is the rate applied?

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

## TARGETED RATE - KAIHŪ RIVER FLOOD MANAGEMENT RATE

### What it funds

To fund works on the Kaihū River Management Scheme.

### How it is set

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

The Council will set the rate differently as follows:

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

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

### Kaihū River Management Rate: Description

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

### How much is the rate?

The estimated targeted Kaihū River management rate amounts to \$90,404 (including GST) in the 2012/2013 financial year. The revenue sought from each category of rateable land will be as follows:

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

### How is the rate applied?

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

## TARGETED RATE – KAEO-WHANGAROA RIVERS MANAGEMENT RATE

### What it funds

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

### How it is set

A targeted fixed Whangaroa Rivers Flood management rate for the 2012/2013 year, set on a uniform basis across all rateable properties within the former Whangaroa Ward (falling between rating roles 100 -199). The fixed Whangaroa Rivers Flood Management rate is payable in respect of each separately used or inhabited parts of rating units falling between rating roles 100 -199.

### How much is the rate?

The estimated targeted Whangaroa Rivers management rate amounts to \$150.405 (including GST) in the 2012/2013 financial year. The fixed levy of \$74.53 (including GST) or \$64.81 (excluding GST) will be applied to each separately used or inhabited part of rating units falling between rating roles 100 -19.

### How is the rate applied?

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

## TARGETED RATE – WHĀNGĀREI URBAN RIVERS MANAGEMENT RATE

### What it funds

To fund the operational costs and capital costs (detention dam 2013/14) of the flood risk reduction project for Whāngārei.

### How it is set

The rate is to set by a targeted rate differentiated by location and category and set as a fixed amount each separately used or inhabited part (SUIP) of rating units as follows:

		Excluding GST	Including GST
1.	Commercial properties located in the Whāngārei CBD flood area	\$215.50	\$247.83
2.	Residential properties located in the Whāngārei CBD flood area	\$81.90	\$94.19
3.	Properties located in the contributing water catchment area	\$28.88	\$33.21

### How much is the rate?

The estimated targeted Whāngārei urban Rivers management rate amounts to \$739,231 (including GST) in the 2012/2013 financial year. The revenue sought from each category is as follows:

		Excluding GST	Including GST
1.	Commercial properties located in the Whāngārei CBD flood area	\$164,157	\$188,780
2.	Residential properties located in the Whāngārei CBD flood area	\$10,762	\$12,376
3.	Properties located in the contributing water catchment area	\$467,891	\$538,075

### How is the rate applied?

The rate is applied 100% to Whāngārei urban rivers management works which form part of the River Management Activity.



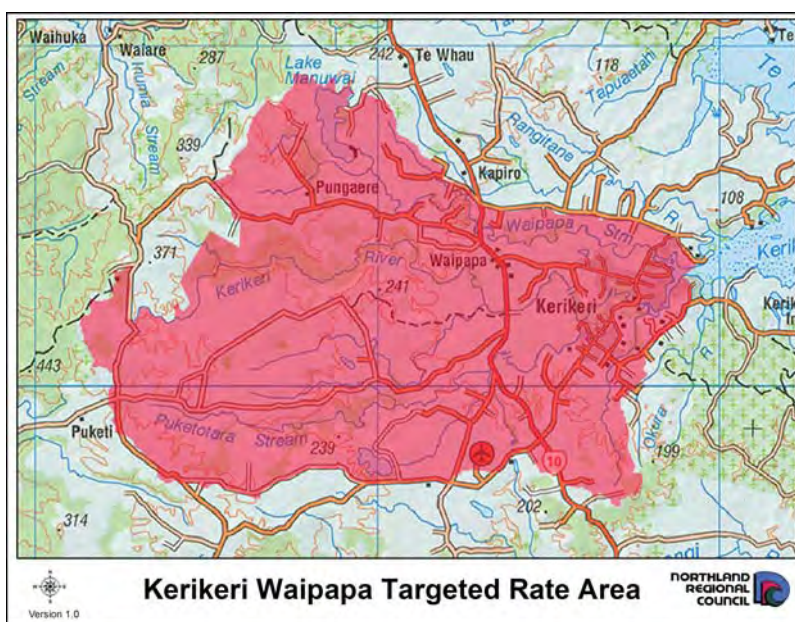
## RATE – KERIKERI WAIPAPA RIVERS MANAGEMENT RATE

### What it funds

This rate will be used to fund operational river works and detailed investigations into flood scheme design options within the Kerikeri Waipapa area.

### How it is set

A targeted fixed Kerikeri Waipapa Flood management rate for the 2012/2013 year is set on a uniform basis across all rateable properties identified as contributing catchments within the Kerikeri Waipapa area as illustrated in the map below:



### How much is the rate?

The estimated targeted Kerikeri Waipapa Rivers management rate amounts to \$210,189 (including GST) in the 2012/2013 financial year.

The fixed levy of \$48.90 (including GST) or \$42.53 (excluding GST) will be applied to each separately used or inhabited part of the identified rating units falling within the catchment area.

### How is the rate applied?

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

## FURTHER RATING INFORMATION

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

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

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

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



### **Equalisation of Rates**

Each district in Northland is independently revaluated by Quotable Value over a three-yearly cycle (one district per year). To ensure that property valuations in the remaining two districts are current, a registered valuer also provides the council with “an estimate of projected value” of property values in those districts. (This is provided for in Section 131 of the Local Government (Rating) Act 2002). The council’s Targeted Council Service Rate is set differentiated by the projected capital value of each district. The council’s Targeted Land Management Rate and Targeted Regional Infrastructure Rate are set according to the projected land value in each district. In the case of the Targeted Land Management Rate and the Targeted Regional Infrastructure Rate, it is important to realise that if all the districts had the same valuation date, then each district would have the same rate per dollar of actual land value.

### **Inspection and objection to Council’s Rating information Database**

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

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

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

## **HOW MUCH WILL MY RATES BE?**

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

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

## Ratepayers in the Whāngārei District constituency

Whāngārei ratepayers will be levied per separately used and inhabited parts of rating units:

- (1) A targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June, with an additional charge of \$1.73 (including GST) to fund the maintenance of the Hātea Channel;
- (2) A targeted land management rate based on the equalised land value of the property, and
- (3) A targeted fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure rate based on the land value of the property;
- (5) A targeted fixed transport rate;
- (6) A targeted fixed rescue helicopter services rate;
- (7) A targeted Whāngārei Urban Rivers management rate. All rates include GST.

Whāngārei Urban/Rural/Other	Land Value	2012-2013 Rates Including GST	2011-2012 Rates Including GST
Land Management Rate = LV rate in the \$ = 0.0002719			
Infrastructure Rate= LV rate in the \$ = 0.0000314			
<b>Residential Property (non CBD)</b>			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management rate	\$120,000	\$32.63	\$27.95
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure rate		\$3.76	\$3.64
Transport rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$188.71</b>	<b>\$177.07</b>
<b>Residential Property (non CBD)</b>			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management rate	\$225,000	\$61.18	\$52.40
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure rate		\$7.05	\$6.82
Transport rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$220.56</b>	<b>\$204.70</b>
<b>Residential Property in CBD area</b>			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management rate	\$225,000	\$61.18	\$52.40
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure rate		\$7.05	\$6.82
Transport rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Whāngārei Urban Rivers Management Rate		\$94.19	\$94.19
<b>Total Regional Rates (including GST)</b>		<b>\$314.75</b>	<b>\$298.89</b>
<b>Residential Property in Stormwater Catchment Area</b>			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management rate	\$225,000	\$61.18	\$52.40
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure rate		\$7.05	\$6.82
Transport rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Whāngārei Urban Rivers Management Rate		\$33.21	\$33.21
<b>Total Regional Rates (including GST)</b>		<b>\$253.77</b>	<b>\$237.91</b>

<b>Whāngārei Urban/Rural/Other</b>	<b>Land Value</b>	<b>2012-2013 Rates Including GST</b>	<b>2011-2012 Rates Including GST</b>
Land Management Rate = LV rate in the \$ = 0.0002719			
Infrastructure Rate= LV rate in the \$ = 0.0000314			
<b>Farm Property</b>			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management rate	\$2,750,000	\$747.79	\$640.48
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure rate		\$86.22	\$83.33
Transport rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$986.33</b>	<b>\$869.29</b>
<b>Commercial Property (non CBD)</b>			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management rate	\$2,000,000	\$543.85	\$465.80
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure rate		\$62.70	\$60.60
Transport rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$758.87</b>	<b>\$671.88</b>
<b>Commercial Property in CBD area</b>			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management rate	\$2,000,000	\$543.85	\$465.80
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure rate		\$62.70	\$60.60
Transport rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Whāngārei Urban Rivers Management Rate		\$247.83	\$247.83
<b>Total Regional Rates (including GST)</b>		<b>\$1,006.70</b>	<b>\$919.71</b>

## Ratepayers in the Kaipara constituency

Kaipara ratepayers will be levied:

- (1) A targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June;
- (2) A targeted land management rate based on the equalised land value of the property, and
- (3) a targeted fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) a targeted Regional Infrastructure rate based on the land value of the property;
- (5) a targeted fixed rescue helicopter services rate per rating unit, and
- (6) a Kaihū River Management Rate, based on land area, and level of benefit to land and rating units.

Kaipara Urban/Rural	Land Value	2012-2013 Rates Including GST	2011-2012 Rates Including GST
Land Management Rate = LV rate in the \$ = 0.0002831			
Infrastructure Rate = LV rate in the \$ = 0.0000326			

### Residential property

Targeted Council Services Rate		\$103.43	\$104.25
Targeted Land Management Rate	\$120,000	\$33.97	\$25.70
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$3.92	\$3.34
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$155.24</b>	<b>\$147.26</b>

### Residential property

Targeted Council Services Rate		\$103.43	\$104.25
Targeted Land Management Rate	\$225,000	\$63.70	\$48.20
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$7.34	\$6.26
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$188.39</b>	<b>\$172.68</b>

### Farm property

Targeted Council Services Rate		\$103.43	\$104.25
Targeted Land Management Rate	\$2,750,000	\$778.57	\$589.05
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$89.77	\$76.45
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$985.68</b>	<b>\$783.72</b>

### Commercial property

Targeted Council Services Rate		\$103.43	\$104.25
Targeted Land Management Rate	\$900,000	\$254.80	\$192.78
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$29.38	\$25.02
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$401.53</b>	<b>\$336.02</b>

Additional for properties in the Kaihū River Catchment	Land Value	2012-2013 Rates \$ Including GST	2011-2012 Rates \$ Including GST	
10 hectares	\$120,000			
	Class A	\$256.22	\$256.22	
	Class B	\$128.10	\$128.10	
100 hectares	\$600,000			
	Class A	\$2,562.20	\$2,562.20	
	Class B	\$1,281.00	\$1,281.00	
		Class C	\$192.00	\$192.00

## Ratepayers in the Far North constituency

### Ratepayers in the Far North constituency

Far North District ratepayers will be levied per separately used and inhabited parts of rating units:

- (1) A targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June;
- (2) A targeted land management rate based on the equalised land value of the property;
- (3) A targeted fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure rate based on the equalised land value of the property;
- (5) A targeted fixed rescue helicopter services rate. All rates include GST.

Far North	Land Value	2012-2013 Rates Including GST	2011-2012 Rates Including GST
Land Management Rate = LV rate in the \$ = \$0.0002584			
Infrastructure Rate = LV rate in the \$ = \$0.0000298			
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$120,000	\$31.00	\$27.48
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$3.57	\$3.58
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$132.89</b>	<b>\$128.55</b>
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$225,000	\$58.13	\$51.53
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$6.70	\$6.71
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$163.14</b>	<b>\$155.72</b>
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$2,750,000	\$710.51	\$629.75
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$81.92	\$81.95
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Total Regional Rates (including GST)</b>		<b>\$890.74</b>	<b>\$809.19</b>

## Ratepayers in the Far North constituency (continued)

### Ratepayers in the Far North constituency – properties falling in the Awanui river catchment area

Far North District ratepayers will be levied per separately used and inhabited parts of rating units:

- (1) A targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June;
- (2) A targeted land management rate based on the equalised land value of the property;
- (3) A targeted fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure rate based on the equalised land value of the property;
- (5) A targeted fixed rescue helicopter services rate;
- (6) A Awanui River Management Rate, classes UA/UF and A to F. All rates include GST.

Far North District		2012-2013	2011-2012
Land Management Rate = LV rate in the \$ = \$0.0002584		Rates	Rates
Infrastructure Rate = LV rate in the \$ = \$0.0000298	Land Value	Including GST	Including GST
<b>Residential &amp; Commercial Urban area of 1 hectare or less</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$120,000	\$31.00	\$27.48
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$3.57	\$3.58
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Plus Awanui river management rates applicable to:</b>			
	Urban UA Low Land \$	\$140.92	\$140.92
	Urban UF Hills \$	\$25.62	\$25.62
	Commercial Urban UA \$	<sup>1</sup> \$422.76	\$422.76
<b>Lifestyle - 10 hectares</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$450,000	\$116.27	\$103.05
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$13.40	\$13.41
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Plus Awanui River Management Rates applicable to:</b>			
	Rural Commercial A	<sup>1</sup> \$495.08	\$495.08
	Rural Commercial B	<sup>1</sup> \$373.28	\$373.28
	Rural Class A	\$170.28	\$170.28
	Rural Class B	\$129.68	\$129.68
	Rural Class C	\$89.08	\$89.08
	Rural Class E	\$7.88	\$7.88
	Rural Class F	\$14.38	\$14.38
<b>Farm property – 100 hectares</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$2,750,000	\$710.51	\$629.75
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$81.92	\$81.95
Rescue Helicopter Services Rate		\$8.17	\$8.22
<b>Plus Awanui River Management Rates applicable to:</b>			
	Farm Class A	\$1,631.88	\$1,631.88
	Farm Class B	\$1,225.88	\$1,225.88
	Farm Class C	\$819.88	\$819.88
	Farm Class E	\$7.88	\$7.88
	Farm Class F	\$72.88	\$72.88

<sup>1</sup> Commercial properties for the Awanui River flood management rate are subject to the 3:1 commercial differential on class UA (\$140.92 including GST) for urban commercial; \$16.24 per ha for Rural Commercial A and \$12.18 per ha for Rural B. The rural commercial rate also includes a single rate of \$7.88 to reflect the indirect benefit. Note that commercial and industrial activities in rural zones that have a lower area and land value will be rated less than the illustrated differentials above – refer to rating factors previously set out (and multiply by the differential factor of 3). Those properties with greater land values and hectares than illustrated above will consequently pay proportionately more than shown in the second and third sections of the table.

## Ratepayers in the Far North constituency (continued)

### Ratepayers in the Far North constituency – properties falling in rating areas 100-199 the former Whangaroa Ward paying the Kaeo-Whangaroa Rivers Management Rate

Far North District ratepayers will be levied per separately used and inhabited parts of rating units:

- (1) A targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June
- (2) A targeted land management rate based on the equalised land value of the property;
- (3) A targeted fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure rate based on the equalised land value of the property;
- (5) A targeted fixed rescue helicopter services rate
- (6) A targeted Whangaroa Rivers Management Rate set on a uniform basis across all properties within the former Whangaroa Ward (rating rolls 100-199). All rates include GST.

Including GST	Land Value	2012-2013 Rates Including GST	2011-2012 Rates Including GST
Land Management Rate = LV rate in the \$ = \$0.0002584			
Infrastructure Rate = LV rate in the \$ = \$0.0000298			
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$120,000	\$31.00	\$27.48
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$3.57	\$3.58
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kaeo - Whangaroa Rivers Management Rate		\$74.53	\$74.53
<b>Total Regional Rates (including GST)</b>		<b>\$207.42</b>	<b>\$203.08</b>
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$225,000	\$58.13	\$51.53
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$6.70	\$6.71
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kaeo - Whangaroa Rivers Management Rate		\$74.53	\$74.53
<b>Total Regional Rates (including GST)</b>		<b>\$237.67</b>	<b>\$230.25</b>
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$2,750,000	\$710.51	\$629.75
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$81.92	\$81.95
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kaeo - Whangaroa Rivers Management Rate		\$74.53	\$74.53
<b>Total Regional Rates (including GST)</b>		<b>\$965.27</b>	<b>\$883.72</b>

## Ratepayers in the Far North constituency (continued)

### Ratepayers in the Far North constituency – properties falling in the Kerikeri Waipapa Catchment

Far North District ratepayers will be levied per separately used and inhabited parts of rating units:

- (1) A targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June
- (2) A targeted land management rate based on the equalised land value of the property;
- (3) A targeted fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure rate based on the equalised land value of the property;
- (5) A targeted fixed rescue helicopter services rate
- (6) A targeted Kerikeri Waipapa Rivers Management Rate set on a uniform basis across all properties falling within the Kerikeri Waipapa catchment area. All rates include GST.

	Land Value	2012-2013 Rates Including GST	2011-2012 Rates Including GST
Land Management Rate = LV rate in the \$ = \$0.0002584			
Infrastructure Rate = LV rate in the \$ = \$0.0000298			
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$120,000	\$31.00	\$27.48
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$3.57	\$3.58
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kerikeri - Waipapa Rivers Management Rate		\$48.90	\$ -
<b>Total Regional Rates (including GST)</b>		<b>\$181.79</b>	<b>\$128.55</b>
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$225,000	\$58.13	\$51.53
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$6.70	\$6.71
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kerikeri - Waipapa Rivers Management Rate		\$48.90	\$ -
<b>Total Regional Rates (including GST)</b>		<b>\$212.05</b>	<b>\$155.72</b>
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$2,750,000	\$710.51	\$629.75
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$81.92	\$81.95
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kerikeri - Waipapa Rivers Management Rate		\$48.90	\$ -
<b>Total Regional Rates (including GST)</b>		<b>\$939.64</b>	<b>\$809.19</b>



## Draft Prospective Funding Impact Statement

The draft prospective Funding Impact Statement is stated excluding GST. The total estimated gross expenditure for the Northland Regional Council for 2012/13 is \$29,901,355. Total expenditure will be funded from the sources listed. These funding/financing sources are consistent with the Revenue and Financing Policy on pages 206-215 of this draft plan.

For the 2012-2022 LTP, periods ending 30 June: (Excluding GST)	Annual Plan 2011 -2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	11,534,017	12,427,700	13,306,472	14,348,152	15,402,114	16,588,981
Targeted rates (other than a targeted water rates)	4,067,200	4,315,300	4,440,189	4,969,743	5,037,526	5,111,544
Subsidies and grants for operating purposes	1,370,884	1,557,323	1,458,125	1,512,750	1,510,612	1,798,068
Fees, charges and targeted rates for water supply	3,956,038	4,090,314	4,216,055	4,316,860	4,425,200	4,577,518
Interest and dividends from investments	3,046,205	2,963,674	2,861,425	2,692,637	2,822,484	3,071,130
Local authorities fuel tax, fines, infringement fees and other receipts	3,450,369	4,144,499	4,147,199	4,282,170	4,678,595	4,363,656
<b>Total Operating Funding <sup>1</sup></b>	<b>27,424,714</b>	<b>29,498,810</b>	<b>30,429,466</b>	<b>32,122,312</b>	<b>33,876,531</b>	<b>35,510,897</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	23,920,039	26,770,849	26,514,836	26,861,183	27,660,215	28,937,289
Finance Costs	1,000	1,000	1,000	1,000	1,000	1,000
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding <sup>2</sup></b>	<b>23,921,039</b>	<b>26,771,849</b>	<b>26,515,836</b>	<b>26,862,183</b>	<b>27,661,215</b>	<b>28,938,289</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>3,503,675</b>	<b>2,726,961</b>	<b>3,913,630</b>	<b>5,260,130</b>	<b>6,215,316</b>	<b>6,572,608</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
To meet additional demand	-	-	-	-	-	-
To improve levels of service	3,113,005	2,531,201	7,304,818	6,422,521	849,272	75,681
To replace existing assets	895,590	598,305	882,711	766,437	857,135	1,003,969
Increase / (decrease) in reserves	2,378,278	730,668	(4,360,999)	(2,315,386)	4,054,709	5,139,182
Increase / (decrease) of investments	(2,883,198)	(1,133,213)	87,100	386,558	454,200	353,776
<b>Total Applications of Capital Funding</b>	<b>3,503,675</b>	<b>2,726,961</b>	<b>3,913,630</b>	<b>5,260,130</b>	<b>6,215,316</b>	<b>6,572,608</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>(3,503,675)</b>	<b>(2,726,961)</b>	<b>(3,913,630)</b>	<b>(5,260,130)</b>	<b>(6,215,316)</b>	<b>(6,572,608)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

All the funding impact statements within this plan are presented for compliance with Local Government (Financial Reporting) Regulations 2011. It is not prepared in compliance with generally accepted accounting practice. It should not be relied upon for any other purpose than compliance with the Local Government (Financial Reporting) Regulations 2011.

Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	For the 2012-2022 LTP, periods ending 30 June (Excluding GST)
					<b>Sources of Operating Funding</b>
17,747,944	18,952,062	20,110,307	21,440,724	22,520,189	General rates, uniform annual general charges, rates penalties
5,119,730	5,128,847	4,145,874	3,868,628	3,870,842	Targeted rates (other than a targeted water rates)
1,649,558	1,704,849	1,731,187	1,784,852	1,797,102	Subsidies and grants for operating purposes
4,695,463	4,812,823	4,934,023	5,070,477	5,207,910	Fees, charges and targeted rates for water supply
3,396,679	3,718,840	4,027,180	4,471,559	4,938,192	Interest and dividends from investments
4,402,774	4,437,092	4,411,197	4,907,316	4,424,222	Local authorities fuel tax, fines, infringement fees and other receipts
<b>37,012,147</b>	<b>38,754,512</b>	<b>39,359,768</b>	<b>41,543,556</b>	<b>42,758,457</b>	<b>Total Operating Funding <sup>1</sup></b>
					<b>Applications of Operating Funding</b>
28,937,172	29,710,543	30,259,519	31,124,504	31,773,328	Payments to staff and suppliers
1,000	1,000	1,000	1,000	1,000	Finance Costs
-	-	-	-	-	Other operating funding applications
<b>28,938,172</b>	<b>29,711,543</b>	<b>30,260,519</b>	<b>31,125,504</b>	<b>31,774,328</b>	<b>Total Applications of Operating Funding <sup>2</sup></b>
<b>8,073,975</b>	<b>9,042,969</b>	<b>9,099,248</b>	<b>10,418,052</b>	<b>10,984,129</b>	<b>Surplus / (Deficit) of Operating Funding</b>
					<b>Sources of Capital Funding</b>
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Total Sources of Capital Funding</b>
					<b>Applications of Capital Funding</b>
					Capital expenditure
-	-	-	-	-	To meet additional demand
465,991	511,561	472,102	241,552	189,056	To improve levels of service
775,485	728,487	893,038	806,073	1,243,279	To replace existing assets
6,533,036	7,512,582	7,470,816	8,862,595	9,367,650	Increase / (decrease) in reserves
299,463	290,339	263,292	507,832	184,145	Increase / (decrease) of investments
<b>8,073,975</b>	<b>9,042,969</b>	<b>9,099,248</b>	<b>10,418,052</b>	<b>10,984,129</b>	<b>Total Applications of Capital Funding</b>
<b>(8,073,975)</b>	<b>(9,042,969)</b>	<b>(9,099,248)</b>	<b>(10,418,052)</b>	<b>(10,984,129)</b>	<b>Surplus / (Deficit) of Capital Funding</b>
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Funding Balance</b>

For the 2012-2022 LTP, periods ending 30 June:	Annual Plan 2011-2012	Year 1 2012-2013	Year 2 2013-2014	Year 3 2014-2015	Year 4 2015-2016	Year 5 2016-2017
	\$	\$	\$	\$	\$	\$
<b>Reconciliation to the Prospective Statement of Comprehensive Income</b>						
Capital expenditure - included above, not in Comprehensive Income.	4,008,595	3,129,506	8,187,529	7,188,958	1,706,407	1,079,650
Investment Movements - included above, not in Comprehensive Income.	(2,883,198)	(1,133,213)	87,100	386,558	454,200	353,776
Forestry Asset Revaluation - included in Comprehensive Income, not above.	102,060	71,727	91,421	98,891	(305,589)	230,702
Emission Trading Scheme income- included in Comprehensive Income, not above.	-	-	75,369	-	-	-
Infrastructural Asset Revaluation - included in Comprehensive Income, not above.	-	-	742,795	-	-	1,178,709
Transfers from/(to) Special reserves - included above, not in Comprehensive Income.	2,378,278	730,668	(4,360,999)	(2,315,386)	4,054,709	5,139,182
Depreciation Expense - included in Comprehensive Income, not above.	(1,200,308)	(1,063,734)	(1,123,677)	(1,255,044)	(1,339,785)	(1,354,082)
<b>Total Comprehensive Income for the Years per the Statement of Comprehensive Income</b>	<b>2,405,427</b>	<b>1,734,954</b>	<b>3,699,538</b>	<b>4,103,976</b>	<b>4,569,942</b>	<b>6,627,937</b>
<b>Note 1</b>						
Targeted Council Service Rate	6,966,873	7,279,686	7,855,008	8,525,519	9,204,020	9,960,435
Land Management Rate	4,567,144	5,148,014	5,451,463	5,822,633	6,198,094	6,628,546
Regional Infrastructure Rate	593,602	593,544	593,602	593,602	593,602	593,602
Regional Recreational Facilities Rate	1,218,065	1,226,775	1,233,300	1,239,466	1,245,663	1,251,892
Targeted Rates	2,255,533	2,494,981	2,613,288	3,136,676	3,198,260	3,266,050
NRC Community Trust Income	-	434,021	387,741	393,789	377,665	372,186
Grants and Subsidies	1,370,884	1,557,323	1,458,125	1,512,750	1,510,612	1,798,068
User charges	3,956,038	4,090,314	4,216,055	4,316,860	4,425,200	4,577,518
Rental Income	3,427,314	3,588,448	3,633,523	3,758,416	3,794,341	3,852,383
Interest Income	1,717,631	1,524,385	1,422,136	1,253,348	1,383,195	1,631,841
Dividend Income	1,328,574	1,439,289	1,439,289	1,439,289	1,439,289	1,439,289
Forestry Income	-	-	-	-	372,205	-
Sundry Income	23,055	122,030	125,935	129,965	134,384	139,087
<b>Total Operating Funding</b>	<b>27,424,714</b>	<b>29,498,810</b>	<b>30,429,466</b>	<b>32,122,312</b>	<b>33,876,531</b>	<b>35,510,897</b>
<b>Note 2</b>						
Resource Management	12,390,950	13,531,613	13,534,189	13,879,602	14,484,760	15,017,179
Economic Development	2,500,713	3,317,655	3,285,578	3,252,170	3,070,433	3,000,500
Transport	4,092,573	4,488,557	4,594,139	4,742,228	4,886,072	5,433,081
Hazard Management	1,424,844	1,716,979	1,666,272	1,697,593	1,727,418	1,775,607
River Management	1,516,821	2,107,164	1,733,075	2,006,168	2,205,494	2,231,785
Community Representation and Engagement	2,046,946	2,390,640	2,602,176	2,526,078	2,566,644	2,793,791
Support Services	5,912,533	5,468,951	5,593,364	5,741,291	5,885,627	5,953,508
Less internal charges recovered	(5,964,340)	(6,249,710)	(6,492,958)	(6,982,947)	(7,165,233)	(7,267,161)
<b>Total Applications of Operating Funding</b>	<b>23,921,039</b>	<b>26,771,849</b>	<b>26,515,836</b>	<b>26,862,183</b>	<b>27,661,215</b>	<b>28,938,289</b>

Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	For the 2012-2022 LTP, periods ending 30 June:
					<b>Reconciliation to the Prospective Statement of Comprehensive Income</b>
1,241,476	1,240,048	1,365,140	1,047,625	1,432,334	Capital expenditure - included above, not in Comprehensive Income.
299,463	290,339	263,292	507,832	184,145	Investment Movements - included above, not in Comprehensive Income.
200,048	238,001	239,791	272,183	(338,398)	Forestry Asset Revaluation - included in Comprehensive Income, not above.
-	-	-	-	-	Emission Trading Scheme income- included in Comprehensive Income, not above.
-	-	1,392,048	-	-	Infrastructural Asset Revaluation - included in Comprehensive Income, not above.
6,533,036	7,512,582	7,470,816	8,862,595	9,367,650	Transfers from/(to) Special reserves - included above, not in Comprehensive Income.
(1,383,231)	(1,411,716)	(1,439,467)	(1,467,965)	(1,485,723)	Depreciation Expense - included in Comprehensive Income, not above.
<b>6,890,793</b>	<b>7,869,254</b>	<b>9,291,620</b>	<b>9,222,271</b>	<b>9,160,008</b>	<b>Total Comprehensive Income for the Years per the Statement of Comprehensive Income</b>
					<b>Note 1</b>
10,701,893	11,470,791	12,214,228	13,059,408	13,753,573	Targeted Council Service Rate
7,046,051	7,481,271	7,896,079	8,381,316	8,766,616	Land Management Rate
593,602	593,602	593,602	593,602	593,602	Regional Infrastructure Rate
1,258,151	1,264,442	279,447	-	-	Regional Recreational Facilities Rate
3,267,977	3,270,803	3,272,825	3,275,026	3,277,240	Targeted Rates
390,224	409,108	416,051	383,608	403,943	NRC Community Trust Income
1,649,558	1,704,849	1,731,187	1,784,852	1,797,102	Grants and Subsidies
4,695,463	4,812,823	4,934,023	5,070,477	5,207,910	User charges
3,868,734	3,879,422	3,841,681	3,841,681	3,855,725	Rental Income
1,957,390	2,279,551	2,587,891	3,032,270	3,498,903	Interest Income
1,439,289	1,439,289	1,439,289	1,439,289	1,439,289	Dividend Income
-	-	-	523,037	-	Forestry Income
143,816	148,562	153,465	158,989	164,554	Sundry Income
<b>37,012,147</b>	<b>38,754,512</b>	<b>39,359,768</b>	<b>41,543,556</b>	<b>42,758,457</b>	<b>Total Operating Funding</b>
					<b>Note 2</b>
15,421,208	15,847,048	16,021,397	16,688,930	17,040,727	Resource Management
2,969,631	2,923,050	2,844,969	2,806,430	2,863,694	Economic Development
5,249,928	5,380,828	5,474,122	5,632,054	5,703,495	Transport
1,826,606	1,877,465	1,936,165	1,998,259	2,051,615	Hazard Management
2,265,502	2,295,547	2,312,902	2,357,489	2,385,762	River Management
2,705,777	2,775,617	3,037,122	2,946,364	3,020,347	Community Representation and Engagement
5,929,949	6,051,996	6,190,010	6,522,942	6,628,338	Support Services
(7,430,428)	(7,440,008)	(7,556,168)	(7,826,964)	(7,919,647)	Less internal charges recovered
<b>28,938,172</b>	<b>29,711,543</b>	<b>30,260,519</b>	<b>31,125,504</b>	<b>31,774,328</b>	<b>Total Applications of Operating Funding</b>

## SUMMARY TABLE OF RATES

The following table illustrates the distribution of the regional rate on the actual and forecast bases for the current year and the next financial year 2012/2013. The actual and projected apportionment of rates between constituent districts of Northland is as follows, based on the Valuation Roll at 30 June in each year:

### District Valuation Roll

Estimate - 30 June 2012

	No of RU <sup>1</sup> (Kaipara or SUIP (others))	Capital Value \$000s	Land Value \$000s	Equalised Capital Value \$000s	Equalised Land Value \$000s	Equalised CV%	Equalised LV%
Far North District	35,260	14,375,926	8,626,265	13,237,209	7,872,243	35.84%	37.65%
Kaipara District	12,760	5,871,000	3,541,000	5,871,000	3,541,000	15.89%	16.93%
Whāngārei District	39,467	18,549,577	9,888,632	17,830,410	9,497,734	48.27%	45.42%
<b>Total Valuation - Northland</b>	<b>87,487</b>	<b>38,796,502</b>	<b>22,055,897</b>	<b>36,938,618</b>	<b>20,910,977</b>	<b>100.00%</b>	<b>100.00%</b>

### Budgeted Rates 2012-2013 (Including GST)

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

	Far North District	Kaipara District	Whāngārei District	Total \$	Far North District	Kaipara District	Whāngārei District	Total \$
<b>Targeted Council Services Rate (calculated on CV)</b>								
Rate per SUIP	\$84.39			2,975,637	\$83.52			2,914,253
Rate per RU		\$103.43		1,319,762		\$104.25		1,315,603
Rate per SUIP			\$103.28	4,076,240			\$96.47	3,782,048
				<u>8,371,639</u>				<u>8,011,904</u>
<b>Targeted Land Management Rate (calculated on LV)</b>								
Rate per \$ of Actual LV	0.0002584			2,228,752	0.0002290			1,955,549
Rate per \$ of Actual LV		0.0002831		1,002,511		0.0002142		988,553
Rate per \$ of Actual LV			0.0002719	2,688,953			0.0002329	2,308,114
				<u>5,920,216</u>				<u>5,252,216</u>
<b>Regional Recreation Facilities (fixed)</b>								
Rate per SUIP	\$5.75			202,745	\$5.75			200,802
Rate per RU		\$5.75		73,370		\$5.75		72,630
Rate per SUIP			\$28.75	1,134,676			\$28.75	1,127,344
				<u>1,410,791</u>				<u>1,400,775</u>
<b>Targeted Infrastructure (calculated on LV)</b>								
Rate per \$ of Actual LV	0.0000298			256,966	0.0000298			254,388
Rate per \$ of Actual LV		0.0000326		115,585		0.0000278		128,411
Rate per \$ of Actual LV			0.0000314	310,025			0.0000303	299,842
				<u>682,576</u>				<u>682,642</u>
<b>Targeted Rescue Helicopter Rate (fixed)</b>								
Rate per SUIP	\$8.17			287,898	\$8.22			286,891
Rate per RU		\$8.17		104,185		\$8.22		103,768
Rate per SUIP			\$8.17	322,248			\$8.22	322,363
				<u>714,331</u>				<u>713,022</u>

	Budgeted Rates 2012-2013 (Including GST)				Budgeted Rates 2011-2012 (Including GST)			
	Far North District	Kaipara District	Whāngārei District	Total \$	Far North District	Kaipara District	Whāngārei District	Total \$
<b>Targeted Transport Rate (fixed)</b>								
Rate per SUIP								
Rate per RU								
Rate per SUIP			\$12.12	<u>478,380</u>			\$12.04	<u>472,048</u>
				<u>478,380</u>				<u>472,048</u>
<b>Whāngārei Rivers Management Rate</b>								
Rate per SUIP								
Rate per RU								
Rate per SUIP				<u>739,231</u>				<u>681,697</u>
				<u>739,231</u>				<u>681,697</u>
<b>Awanui River Management Rate (on area)</b>								
Far North District - Rural				128,199				128,199
Far North District Urban				<u>358,089</u>				<u>358,089</u>
See page 73 for further details on the Awanui River Management Rate				<u>486,288</u>				<u>486,288</u>
<b>Kaihū River Management Rate</b>								
Kaipara				<u>90,404</u>				<u>90,404</u>
See page 74 for further details on the Kaihū River Management Rate								
<b>Kaeo-Whangaroa Rivers Management Rate</b>								
Far North (Kaeo only)				<u>150,405</u>				<u>150,405</u>
See page 75 for further details on the Kaeo- Whangaroa River Management Rate								
<b>KeriKeri-Waipapa</b>								
Far North (Kerikeri-Waipapa only)				<u>210,189</u>				
See page 76 for further details on the Kerikeri-Waipapa Rivers Management Rate								
<b>Total Rates (Including GST)</b>								
Far North District				\$6,798,879				\$6,248,576
Kaipara District				\$2,705,818				\$2,699,369
Whāngārei District				<u>\$9,749,752</u>				<u>\$8,993,456</u>
				<u>\$19,254,449</u>				<u>\$17,941,401</u>

# About our region

## Our region

Northland is known as “the birthplace of the nation”. It is also known for its national icons, such as ancient kauri forest and its scenic and accessible coastline (a national treasure), sheltered harbours, many offshore islands and ecosystems of important conservation value.

Northland is a long, narrow peninsula with a subtropical climate. The region is growing in popularity as a holiday destination due to its outstanding natural environment, warm climate, low population density and proximity to Auckland. It is a diverse region in both socio-economic patterns and environmental characteristics.

## Our people

Our population has continued to grow and is estimated to be 159,000 at June 2011 (148,000 in in 2006 census). The largest ethnic group is New Zealand European, however, Northland has a growing Māori population, predicted to increase from 31% to 36% by 2016. The largest age group in Northland is 10-14 year olds. We also have a significant number of older people too – 16.3% of people in Northland are aged 65 years and over, compared with 13.2% of the total New Zealand population.



## Our culture

Cultural tourism is an integral part of the experience that Northland offers. Art and heritage trails guide visitors throughout the region along the Twin Coast Discovery Highway. Northland's transparent waters are one of the favourite recreational playgrounds for lovers of anything aquatic. There are few places in the world that can match what Northland has to offer. Beneath the waters lie many attractions too with some of the world's top and most easily accessible dive and snorkelling sites. The warm waters of Northland make this New Zealand's natural playground.

Northland has a rich history as the first area settled by a large Māori population and the centre of early European exploration and settlement. There is an extensive range of traditional and archaeological sites, historic buildings and structures. Traditional sites are important because of their historical, cultural and spiritual significance to Māori. This includes everyday sites such as pā sites and traditional food gathering areas, and wāhi tapu (sacred sites) such as urupā (burial grounds), war sites or tauranga waka (sites where ancestral canoes landed).

Archaeological sites relate to the more recent European occupation during the timber milling and gum digging eras and include camps, dams and coastal shipwrecks. The heritage of Northland is also reflected in the early colonial buildings and structures such as the stone store at Kerikeri, the missionary houses at Waimate, Kerikeri and Russell and the Waitangi Treaty House and National Reserve.

## Our economy

Northland has the most diverse economy of New Zealand's 16 regions. Manufacturing (including the Marsden Point Oil Refinery) is the largest industry, accounting for around 17% of Northland's GDP. The primary sector (agriculture, forestry and fishing) contributes about 14% followed by business and property services (11%). For the five years prior to the 2008-2011 recession Northland's economy had been growing in line with the national economy, this had been an improvement on past years.

Northland's economy is now struggling to recover after the long recession. Economic output in the year to March 2011 is estimated to have increased by just 0.2% in real terms, following on from a 1.5% decrease in the year to March 2010. The recession has been deeper and longer in Northland. The national economy grew by 1% in the year to March 2011 after decreasing by 0.4% in the year to March 2010.



The number of people unemployed in Northland has remained relatively static over the past year, at almost 7000, equivalent to 9% of the labour force. The current level and rate of unemployment in Northland is similar to those that existed in the late 1990s/early 2000s. Since early 2008, the biggest decreases in employment have occurred in the construction, agriculture, forestry and fishing, and retail/wholesale trade sectors. The number of house sales in the year to March 2011 fell by 22% compared to the previous year, with a 7% decrease in the average house price. The fall in prices in Northland was among the steepest in the country. Residential consents have fallen to their lowest level in more than a decade. Prospects for non-residential construction are better, with the value of consents being close to the 10-year average.

### **Our environment**

With its proximity to the sea, almost subtropical location and low elevation, Northland has a mild, humid and rather windy climate. Summers tend to be warm and humid. Winters are usually mild with many parts of the region having only a few light frosts each year. The prevailing wind for most parts of the region is from the south-west, however, in summer tropical cyclones give rise to north-easterly winds and heavy rainfall.

The mean annual rainfall ranges from about 1000-1300mm in low-lying coastal areas, to over 2500mm on some of the higher country, with approximately one-third of the yearly rainfall total falling in the winter months of June, July and August. High-intensity rains can cause severe flooding. Droughts are also common in Northland during the summer months. Records show that parts of the region, on average, have a drought of economic significance every three years.

Climate change is predicted to cause higher temperatures and extreme weather patterns with greater intensity rain events and periods of drought. Northland's subtropical weather and wide range of places for things to live means we have many different plants and animals, many of them found nowhere else. Our ecosystems of importance include rivers, lakes and wetlands, forest and shrublands and our coastal environment. We also have a range of pest animals and plants we need to eradicate or manage with the help of the community.

Many of Northland's rivers are relatively short with small catchments. The Wairoa River is Northland's largest river draining a catchment area of 3650 km<sup>2</sup> (29% of Northland's land area). Most of the major rivers flow into harbours, rather than discharging to the open coast, which has significant implications for coastal water quality. The region has a large number of small and generally shallow lakes but we also have Lake Taharoa of the Kai Iwi group which is one of the largest and deepest dune lakes in the country – it covers an area of 237 hectares and is 37 metres deep. Our groundwater is a valuable resource as it is used by many towns and rural settlements for domestic water supply, irrigation and stock drinking water. Northland also has one geothermal field around Ngāwhā Springs, to the east of Kaikohe.

Northland has a diverse history of mining and a significant ongoing mining industry presence. During 2009 the region produced 3.6 million tonnes of minerals with a value of \$35.1 million (excluding the value of cement). Mineral production in Northland is currently dominated by:

- Limestone for the Golden Bay Cement plant at Portland which produces more than half of the cement used in New Ze and also exports cement;
- High quality china clay, produced at Matauri Bay, for export;
- Aggregate; being produced at more than fifty quarries throughout Northland;
- Limestone; used mainly as fertiliser in farming, from more than twenty quarries; and
- Sand; both from onshore and offshore resources, for building and industrial use.

Mineral resource assessments that have been carried out in the past suggest that the region potentially has a wide variety of mineral deposits and resources (estimated at \$47 billion, excluding aggregate, limestone and sand) and that there is a very real possibility of future mineral exploration investment, new mining operations and consequent economic growth within the region if that potential can be realised. However, before this economic potential could be realised, the reports noted that there needed to be sufficient mineral exploration to locate and define these resources.

Last year the council, with its partners the Far North District Council, government (Ministry of Economic Development, NZ Petroleum Minerals) and Enterprise Northland Trust, seized the opportunity to fill in some of the information gaps and commissioned a state of the art aerial survey (mapping aeromagnetic and radiometric methods) of Northland's mineral and resource potential. GNS Science is, as we go to print, completing its interpretation of the data that was gathered and council is working with its partners to produce an Information Memorandum for official release in April 2012.



Obtaining subsurface information by drilling is expensive so when the survey data is added to existing geological mapping and other available sources of subsurface information, drilling can be much more effectively targeted, reducing ground exploration and disturbance and minimising cost. The information is also expected to be useful to a broad range of non-mineral industry sectors – for example agriculture, forestry, horticulture, hazard assessment, and infrastructure providers. Marketing opportunities are currently being explored.

### **Our infrastructure**

The present transportation network includes 6530 kilometres of road, a rail link from Auckland via Whāngārei to Otiria, a deepwater port at Marsden Point and commercial airports at Whāngārei, Kerikeri and Kaitāia. The only permanent public transport service is the urban bus service in Whāngārei with bus trials underway in Dargaville and Kaitāia. The Marsden Point Oil Refinery is a nationally significant asset. The refinery provides 70% of New Zealand's domestic market for petrol, 84% of the diesel, 83% of the jet fuel, all of the fuel oil and 75% of the bitumen that goes on our roads.

The Northport deepwater port offers a number of opportunities. The majority of cargo through the port is timber-related, fertiliser or cement, with kiwifruit as a seasonal addition. A rail link between the port and the main trunk line is in development with land purchases and designations complete. Further progress has been postponed while KiwiRail investigates the economic viability of the Northland-Auckland rail line. Kerikeri airfield has customs clearance services available and is within flying distance for light aircraft arriving/departing from New Zealand to Norfolk Island, Noumea in New Caledonia or Lord Howe Island, which can be used as a stepping stone to the Australian mainland. Kaitāia airport has the longest sealed runway in Northland (1405 m) and Kaikohe airfield has the longest grass runway in Northland (1500 m). In Northland there is a very small hydro-electric power station on the Wairua River and a geothermal power plant at Ngawha. The vast majority of Northland's power needs are generated from outside the region and transmitted via the national grid from Auckland. Marine turbines are being investigated for the mouth of the Kaipara Harbour and wind power generation is being investigated for Pouto Peninsula, Ahipara, Glinks Gully and Baylys Beach.

Currently the government is funding the installation of ultra fast broadband in Whāngārei (the first area to receive the initiative in the country) through a local fibre company. Most of the region has broadband but it is comparatively slow.

## Additional information

The following text highlights some further background to the process involved with developing the Long Term Plan and describes the concurrent public consultation underway for the Regional Land Transport Programme.

### CONSULTATION ON DRAFT REGIONAL LAND TRANSPORT PROGRAMME 2012-2015

The Regional Land Transport Programme (the programme) is being released for consultation at the same time as the Long Term Plan. The programme is essentially a “programme of works” through which the New Zealand Transport Authority and approved organisations in the Northland region bid for funding assistance from the National Land Transport Fund. This programme covers the 2012 – 2015 financial period.

The lists of activities in this programme were either identified by the councils (and other agencies with transport interests) in the region or proposed by the New Zealand Transport Agency. The activities include:

- Maintenance, operations, renewals and minor capital works for roading (including state highways);
- New and improved infrastructure for roading (including state highways);
- Public transport services;
- Road user safety;
- Walking and cycling; and
- Transport planning.

The programme includes proposed activities for local road projects and state highways in the Northland region over the next three years and aims for the most efficient and effective use of the existing infrastructure to improve safety, route security and resilience along the network. It also contains a 10-year financial forecast. The programme is prepared by the Regional Transport Committee and is required to undertake consultation on the draft programme in accordance with the Local Government Act 2002.

For a copy of the draft Regional Land Transport Programme, or to make a submission, visit [www.nrc.govt.nz/haveyoursay](http://www.nrc.govt.nz/haveyoursay).

### NEW MEASURES TO SHOW VALUE FOR RATES – NEW GROUPS OF ACTIVITIES

While reviewing its activities and setting its new direction the council has taken the opportunity to also overhaul the measures for each group of activities – these are indicators used to determine whether the activities are being delivered as intended and giving ratepayers value for their rates. One of the purposes of developing the Long Term Plan is to define the levels of service delivered by each activity; define the costs in delivery the services/activities and show how we will measure if we are effectively delivering on them.

The previous Long Term Plan had 175 measures across 11 groups of activities. The draft 2012-22 Long Term Plan has 27 measures across 6 groups of activities. We have not dropped any of the activities but regrouped our activities to better reflect the interaction between them; to reduce unnecessary duplication and to make the plan more concise. The former Communications group of activities has largely been absorbed into the council’s support services as the communications resources are used by all the council activities. The cost associated with the environmental education activity is within the Community Representation and Engagement new group.

The new set of measures reflect the major levels of service for each group of activities – we identified the major aspects of our activities by assessing the major risks being managed in delivering the activity; the most valued aspect of the activity from your perspective (we looked at past submissions; complaints; what you know about the activity – the end output or outcome); our legal responsibilities; and what could be practically measured for ongoing comparisons.

### IRIS – INTEGRATED REGIONAL INFORMATION SOFTWARE

The council is establishing a council-controlled organisation with five other regional councils for the purposes of collaboratively developing and maintaining a software application suite for use by regional councils in the delivery of their activities under a long-term plan. The application suite being developed is called IRIS – Integrated Regional Information Software.

The council consulted on establishing the IRIS council-controlled organisation with the other regional councils in its 2009-2019 Long Term Plan.

The main drivers of the Integrated Regional Information Software project are:

- Continuity of supply;
- Influence/control of the destiny of regional council sector specific software;
- Risk reduction;
- Economies of scale;
- Standardisation of practice and/or adoption of best practice.

It is intended that the council-controlled organisation will be formed and become operative post 1 July 2012. This council-controlled organisation will be a limited liability company. The shareholders of the council-controlled organisation will be the six regional councils that are developing the Integrated Regional Information Software suite.

The council will hold shares in the council-controlled organisation. By committing its share of the costs of development, the council will be financing the council-controlled organisation. The operating costs will be recovered from the participating councils using an agreed recovery formula taking into account each council's size and use of the system. The council will maintain its ownership of the council-controlled organisation as long as it continues to operate and the council continues to utilise the products developed by the council-controlled organisation. Once established, the council-controlled organisation will prepare a statement of intent. This statement of intent will form the basis of key performance targets and other measures by which the performance of the council-controlled organisation may be judged.

## LEGISLATIVE CHANGES TO THE LONG TERM PLAN

The council's Long Term Plan needs to meet certain legal requirements under the Local Government Act 2002. This legislation was amended in 2010 to improve the effectiveness of local government long term plans and included the following changes from previous long term plans:

- A new definition for "community outcomes" and the deletion of mandatory consultation, identification and reporting processes.
- Inclusion of a financial strategy to show the overall effects of proposals on the council's services, rates, debt and investments.
- A set format for all councils to use for the funding impact statements to show consistency across the sector and allow for easier comparisons between councils.
- The previous year's financial information is included in the statements for easier comparison.
- Many policies included in former long term plans can now be amended outside of the long term plan process; after this plan is adopted the council's treasury management policies can be amended without public consultation.
- Mandatory groups of activities have been introduced for flood protection and control works – we have called this 'river management'.
- A list of our reserves (with their purpose) and the associated amounts (in the fund and expected to be withdrawn or deposited in the period).

# New council objectives and council's vision

## COUNCIL OBJECTIVES

The council has defined a set of new council objectives for the development of this Long Term Plan and future direction for the council as an organisation. The council objectives are the outcomes that the council aims to achieve in order to promote the social, economic, environmental and cultural well-being of the region (and meet the new legal definition of "community outcomes"). The council objectives have not been prioritised by the council – while each is equally important there will be periods of time over the life of this plan when some will be given a stronger emphasis and proportion of resources as policies and plans are developed and initiatives implemented.

The council will report its progress against each of the new council objectives within its Annual Report. Measures for reporting against each council objective will be developed following the adoption of the Long Term Plan.

The previous two long term plans (2006 and 2009) included a set of "community outcomes" that were identified by the community as the priorities for action to achieve community well-being. The community identified these outcomes after a significant consultation process by the council that involved independent facilitators, many stakeholder forums, a public telephone poll and submissions. The resulting outcomes across the country were very similar and aimed to improve our quality of life across the four well-beings (environment, economic, cultural and social). Under previous legislation every council had to undertake the identification process every six years. This Long Term Plan has been developed under new local government legislation which includes a new definition of "community outcomes" changing from the community's identified priorities to the outcomes the council aims to achieve in order to promote the social, economic, environmental and cultural well-being of the region.

### New council objectives:

- Maintain the quality of the relatively unspoilt parts of Northland's environment, improve degraded areas and promote the setting aside of special and significant environmental areas for the enjoyment of our people.
- Build a business friendly environment that encourages business and employment opportunities.
- Invest in Northland to increase Northland's economic performance and quality of living.
- Facilitate those infrastructural improvements that connect people in Northland and improve our links to the outside world.
- Encourage the sustainable use of our environment in ways that will progress our collective quality of living.
- Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment to encourage our collective pride in Northland.

Do you support these new council objectives to promote community well-being?  
Is there something missing that you feel the council should be pursuing?

## OUR VISION

Creating a region of choice

## OUR MOTTO

Putting Northland first

## OUR MISSION

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

## OUR VALUES

- Put our community and region first
- Be a champion for our natural environment
- Be forward thinking and innovative
- Be flexible and open
- Be responsive and deliver value
- Be professional and accountable
- Work with others

## OUR VALUES IN ACTION

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

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

### **Be a champion for our natural environment**

We will provide policies, guidance and resources to enable our community to manage and enhance its environmental sustainability.

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

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

### **Be flexible and open**

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

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

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

### **Be professional and accountable**

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

### **Work with others**

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

## WHATUNGARONGARO HE TANGATA TOITU TE WHENUA –

### MANKIND PASSES ON BUT THE EARTH REMAINS FOR ALL ETERNITY

E rua ano nga hua e kite ana e te tangata i te wā e ora ana e ia i runga i te mata o te whenua.  
Ko nga mea na Te Atua i hanga, me nga mea na te tangata ano i hanga.

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

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

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

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

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

## HOW WE INTEND TO ACHIEVE THESE OBJECTIVES

Each of the council objectives is listed below with a table showing which council activities contribute towards achieving them. A commentary on how each of the groups of activities contributes to the council objectives can be found on the group of activity pages 107-152.

### Council objective:

Maintain the quality of the relatively unspoilt parts of Northland's environment, improve degraded areas and promote the setting aside of special and significant environmental areas for the enjoyment of our people.

Related well-beings – environmental, cultural, social

Related council strategies/plans/policies	Related council activities	Current and future projects/initiatives	Proposed performance measures
<ul style="list-style-type: none"> <li>▪ Regional Policy Statement</li> <li>▪ Coastal Plan</li> <li>▪ Regional Water and Soil Plan</li> <li>▪ Air Quality Plan</li> <li>▪ Pest Management strategies</li> <li>▪ Marine Oil Spill Contingency Plan</li> <li>▪ Wetland Strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource management planning</li> <li>▪ Biosecurity</li> <li>▪ Land and biodiversity</li> <li>▪ Consents</li> <li>▪ Monitoring</li> <li>▪ Oil pollution response</li> <li>▪ Harbour safety and navigation</li> </ul>	<ul style="list-style-type: none"> <li>▪ New Regional Policy Statement</li> <li>▪ Plan changes to regional plans</li> <li>▪ Freshwater NPS initiatives</li> <li>▪ Wetlands strategy</li> <li>▪ Pest management strategies</li> <li>▪ Integrated harbour management plans</li> <li>▪ Estuarine restoration projects – mangrove management</li> <li>▪ Soil conservation plans</li> <li>▪ Lakes strategy</li> <li>▪ Coastcare programme</li> <li>▪ Marine protected areas</li> <li>▪ Environment Fund</li> <li>▪ Soil conservation and sediment/erosion control programme</li> <li>▪ Mapping special places (Regional Policy Statement project)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Water quality</li> <li>▪ Oil pollution response</li> <li>▪ Natural hazard profiling</li> <li>▪ Safe pilotage</li> <li>▪ Pest management</li> <li>▪ Air quality</li> </ul>

Council's strategic resource management policies, plans, programmed and projects all contribute to the achievement of this objective. The new Regional Policy Statement (currently in draft) and the proposed programme for implementing the National Policy Statement for Freshwater will be central to the future achievement of the objective. Between them, they focus on managing key aspects of Northland's environment such as improving the region's water quality, and improving the management of our precious coast, including its natural character, Northland's landscapes, natural features, historic heritage, wetlands, lakes and biodiversity. Our current programmes: e.g. Coastcare, oil spill response, pest management, wetlands, state of the environment monitoring, the Environment Fund, all support the objective and along with our resource management plans, will shape and in turn be shaped by our progress towards this objective.

In achieving this objective we are also contributing to other objectives, such as the sustainable use of our environment to progress our collective well-being, and encouraging our collective pride. Therefore progress against this objective will be achieving gains in not only Northland's environmental well-being but also in our

cultural and social well-being. There are also significant economic benefits to be had in moving forward on these objectives. For example: having sufficient water at a suitable quality creates recreation and business opportunities; well managed heritage, landscapes and coastal environment attracts us, visitors, and investment, creating regional wealth and job opportunities, and the services we get from a well managed environment - clean air, water filtration, soil maintenance and erosion and flood control - all have an economic value to Northland.

**Council objective:**

Build a business friendly environment that encourages business and employment opportunities.

Related well-being – economic

Related council strategies/plans/policies	Related council activities	Current and future projects/initiatives	Proposed performance measures
<ul style="list-style-type: none"> <li>▪ Regional Policy Statement</li> <li>▪ Strategy for the Sustainable Economic Development of Northland</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource management planning</li> <li>▪ Consents</li> <li>▪ Monitoring</li> <li>▪ Harbour safety and navigation</li> <li>▪ Economy</li> <li>▪ Community representation and engagement</li> </ul>	<ul style="list-style-type: none"> <li>▪ New Regional Policy Statement</li> <li>▪ Plan changes to regional plans</li> <li>▪ Council's business improvement initiatives (NRC)</li> <li>▪ Business advisory services (EN)</li> <li>▪ Economic monitoring information (NRC)</li> <li>▪ Marine protected areas</li> <li>▪ Horticulture strategy</li> <li>▪ Energy Forum</li> </ul>	<ul style="list-style-type: none"> <li>▪ Timeliness consents processing</li> <li>▪ Advocacy</li> </ul>

Council is at the forefront of some of the most challenging issues for Northland. The decisions it makes directly influence Northland's well-being and have far-reaching economic, environmental, social and cultural implications, not just today but for generations to come. Council has initiated a stronger internal focus on being business friendly and over the lifetime of this plan will continually review its policy and planning processes to ensure that decision making is based on good advice, which is informed by a range of stakeholders and interests, skills and expertise, mindful of the contexts in which we and Northland operates, with relevant criteria for judging options. We will work with the business community to identify critical consent process improvements required within the council and how best to carry them out while meeting legal obligations. We will continue to work with our partners on the ground, the individuals and their representative organisations, to share knowledge, develop management approaches and to improve resource management performance in Northland.

Council objective:

Facilitate those infrastructural improvements that connect people in Northland and improve our links to the outside world.

Related well-being – economic, social

Related council strategies/plans/policies	Related council activities	Current and future projects/initiatives	Proposed performance measures
<ul style="list-style-type: none"> <li>▪ Regional Land Transport Programme</li> <li>▪ 30 Year Transport Strategy</li> <li>▪ Priority River Management Plans</li> <li>▪ Navigation and Safety Bylaw</li> <li>▪ Strategy for the Sustainable Economic Development of Northland</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transport</li> <li>▪ Maritime operations</li> <li>▪ Economic development</li> <li>▪ Resource management</li> <li>▪ Civil defence emergency management</li> <li>▪ Natural hazard Management</li> <li>▪ River management</li> <li>▪ Community representation and engagement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic development initiatives</li> <li>▪ River works</li> <li>▪ Regional roading network priorities</li> <li>▪ Airport review</li> <li>▪ Port projects</li> <li>▪ Rail projects</li> <li>▪ Broadband</li> <li>▪ Energy Forum projects</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bus service</li> <li>▪ Pilotage services</li> <li>▪ River design standards</li> <li>▪ Economic development measures</li> <li>▪ Advocacy</li> </ul>

The council signals its continued support to progress infrastructural improvements within the region. The Regional Land Transport Programme is a regionally coordinated programme that prioritises infrastructure projects associated with land transport. The council provides the planning and administration support for Northland's Regional Transport Committee.

The council has made provision for the rail link to the Marsden Point deep water port by purchasing the land along the proposed route in a joint venture with Ontrack. The council's river management activity includes addressing flooding in prone areas to improve access and land productivity. The council is working through the 27 priority rivers with investigations and design work for capital improvements and annual maintenance programmes.



Council objective:

Encourage the sustainable use of our environment in ways that will progress our collective quality of living.

Related well-being – economic, environmental, social, cultural

Related council strategies/plans/policies	Related council activities	Current and future projects/initiatives	Proposed performance measures
<ul style="list-style-type: none"> <li>▪ Regional Policy Statement</li> <li>▪ Regional Air Plan</li> <li>▪ Regional Coastal Plan</li> <li>▪ Regional Water and Soil Plan</li> <li>▪ Sustainable Land Management strategies</li> <li>▪ Pest Management strategies</li> <li>▪ Civil Defence Emergency Management Plan</li> <li>▪ River Management Plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource Management Planning</li> <li>▪ Consents</li> <li>▪ Monitoring</li> <li>▪ Maritime Operations</li> <li>▪ Economic Development</li> <li>▪ Biosecurity</li> <li>▪ Land and Biodiversity</li> <li>▪ Natural hazard management</li> <li>▪ Oil pollution response</li> <li>▪ Transport</li> <li>▪ River management</li> <li>▪ Community Representation and Engagement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Freshwater national policy statement initiatives</li> <li>▪ Regional Policy Statement direction</li> <li>▪ Soil conservation plans</li> <li>▪ Environment Fund</li> <li>▪ Pest management strategies</li> <li>▪ Dairying and Clean Streams Accord</li> <li>▪ Integrated harbour management plans</li> <li>▪ Top wetlands project</li> <li>▪ Soil conservation and sediment/erosion control programme</li> <li>▪ Coastcare Programme</li> <li>▪ Transport initiatives</li> <li>▪ Lakes strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ River systems</li> <li>▪ River maintenance</li> <li>▪ Water quality</li> <li>▪ Air quality</li> <li>▪ Natural hazard profiling</li> <li>▪ Pest management</li> <li>▪ Consent significant non-compliance</li> <li>▪ Bus service</li> <li>▪ Economic development</li> <li>▪ Advocacy</li> <li>▪ Consent significance non-compliance</li> </ul>

One of the key pillars of any regional council is to encourage the sustainable use of the environment as regional councils have the responsibility under the Resource Management Act of managing the region's natural and physical resources for community use and enjoyment today and into the future. The council ensures that as a region we strike the right balance between the competing values and interests of people in those resources - in their use, development and protection. The council is actively managing sustainability of our resource by working with, and assisting others to manage Northland's resources wisely; from advice, to managing pest plants and animals, assisting with farm plans and riparian planting, through to issuing consents to undertake activities, monitoring compliance with those consents and taking action to fix issues when required. Our strategy, policy and planning role focuses on how we can enable development and economic and social improvements, and also safeguard the environmental bottom lines, Northland's special places and the things we value.

Managing Northland's natural and physical resources is a complex task. The regional council is not the only body interested in resource management. Individuals, groups, communities, tangata whenua, the district councils, our neighbouring council, Auckland Council, and multiple agencies, are all involved and all wish to see their interests and goals achieved. Effective resource management in Northland involves setting goals and then striving to achieve them through a mixture of advocacy, education, encouragement, regulation, economic assistance, enforcement and other forms of intervention. It depends on working with others, taking a long term view and recognising and considering the social, economic, environmental and cultural effects of our decisions.

**Council objective:**

Invest in Northland to increase Northland's economic performance and quality of living.

## Related well-being – economic, social

Related council strategies/plans/policies	Related council activities	Current and future projects/initiatives	Proposed performance measures
<ul style="list-style-type: none"> <li>▪ Strategy for the Sustainable Economic Development of Northland</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic development</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment and Growth Reserve funding allocations</li> <li>▪ Enterprise Northland Growth projects</li> <li>▪ Northland Regional Council Community Trust Fund</li> <li>▪ Northland Regional Council's investment portfolio</li> </ul>	<ul style="list-style-type: none"> <li>▪ GDP per resident</li> <li>▪ Employment rate</li> <li>▪ Business growth</li> </ul>

The council is committed to supporting the recovery of Northland's economy and furthering its resilience and ability to provide prosperous fulfilling work/lives for Northlanders in the future. The new Investment and Growth Reserve is one means of supporting new and expanding business ventures and projects in Northland. The council has requested that the investments held by the council and the Northland Regional Council Community Trust be shifted over time to increase the proportion of direct investment in Northland, Northland projects and Northland's well-being; where compatible with achieving similar or better investment returns.

**Council objective:**

Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment to encourage our collective pride in Northland.

## Related well-being – cultural, environmental

Related council strategies/plans/policies	Related council activities	Current and future projects/initiatives	Proposed performance measures
<ul style="list-style-type: none"> <li>▪ Regional Policy Statement</li> <li>▪ Navigation and Safety Bylaw</li> <li>▪ Regional Coastal Plan</li> <li>▪ Regional Water and Soil Plan</li> <li>▪ Sustainable Land Management strategies</li> <li>▪ Pest Management strategies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resource Management Planning</li> <li>▪ Consents</li> <li>▪ Monitoring</li> <li>▪ Education</li> <li>▪ Land and Biodiversity</li> <li>▪ Natural hazard management</li> <li>▪ Biosecurity</li> <li>▪ Maritime services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consultations on plan changes</li> <li>▪ Consent conditions</li> <li>▪ Monitoring of consents</li> <li>▪ Promotional publications and advertising</li> <li>▪ Freshwater national policy statement initiatives</li> <li>▪ Mapping special places (Regional Policy Statement project)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Monitoring of consents</li> <li>▪ Water quality</li> <li>▪ Pest management</li> <li>▪ Consent significant non-compliance</li> </ul>

Northland is known as "the birthplace of the nation" and is known for its many national icons, such as ancient kauri forest and its scenic and accessible coastline (a national treasure), sheltered harbours, many offshore islands and ecosystems of important conservation value. The council wishes to instil more collective pride in our region by increasing Northlanders' awareness and appreciation of Northland's abundant and diverse features that make it a very special place.

## ABOUT OUR KEY PLANNING DOCUMENTS

### Regional Policy Statement

The Regional Policy Statement provides the framework for managing resources of our region in a sustainable way. People depend on a healthy environment and the benefits it provides for their well-being and long-term economic success. The council manages the region's natural and physical resources for community use and enjoyment today and into the future by working with others and using efficient processes. Through the Regional Policy Statement we focus on the regionally significant issues that need attention and the overall Northland framework for resource management. Our aim is to ensure our resources are well governed and managed to meet the needs of Northlanders, to provide for their environmental, cultural, social and economic values, and get the greatest long term benefits. We enable development but also safeguard the environmental bottom lines and Northland's special places and the things we value.

We are currently developing a new Regional Policy Statement for Northland. Within the policy statement we must give effect to the government's directions set down in national policy statements. The Regional Policy Statement is then given effect through Northland's regional and district plans by implementing the direction set down.

Key to the development of the Regional Policy Statement is tangata whenua and public participation and engagement to ensure that they strike the right balance between use, development and protection. This balance needs to ensure that we are able to provide for our own well-being today while ensuring there are sufficient resources available for future generations to provide for theirs. Our regional planning documents are therefore intended to enable activities that have minor adverse effects to be carried out with minimal controls, cost effectively, while providing greater guidance and direction (including the requirement to get a resource consent) for activities that could produce a greater negative environmental, social, cultural or economic effect.

Managing Northland's natural and physical resources is a complex task. We define, design and implement tools to change behaviour to achieve council objectives. Effective resource management in Northland therefore involves a mixture of advocacy, education, encouragement, regulation, economic instruments, and other forms of intervention.

### Regional Coastal Plan

The Regional Coastal Plan covers the region's "coastal marine area", which is the area from mean high water springs to the 12 nautical mile (22.2 km) limit of New Zealand's territorial sea. The purpose of the regional coastal plan is to assist the council, in conjunction with the Minister of Conservation, to promote the sustainable management of resources in the coastal marine area.

The regional coastal plan for Northland manages the following activities:

- Structures (e.g. wharves and boat ramps)
- Reclamation and impoundment
- Discharges to water
- Dredging
- Moorings and Marinas
- Aquaculture

It does not cover fisheries management. This is dealt with separately by the Ministry of Fisheries.

### Regional Air Quality Plan

The regional air quality plan applies to air in the whole of the Northland region, excluding the coastal marine area. The plan identifies the significant air quality issues and sets out policies and rules so that these will be managed. Air quality in the coastal marine area is managed through the Regional Coastal Plan for Northland.

The Regional Air Quality Plan for Northland applies to all types of discharges to air including:

- Agrichemical spray application
- Abrasive blasting
- Burning of fuel or waste
- Odour
- Industrial pollution
- Dust

### **Regional Water and Soil Plan**

The regional water and soil plan covers the effects of land use activities on water and soil in Northland above the line of mean high water springs. This plan is important for our region considering that we have 1.26 million hectares of land, 26,700 km of rivers and 3480 hectares of natural lake area to manage. The Plan identifies the significant water and soil issues faced by Northlanders and seeks to address these through the policies and rules. It also proactively promotes a programme of environmental education, advocacy, information provision and advice. The Regional Water and Soil Plan for Northland covers the following activities:

- Discharges to land such as landfills, rubbish dumps and tips, sewage, stormwater, agricultural discharges, industrial and trade discharges
- Discharges to water
- The taking, using, damming or diverting of surface and groundwater
- Building and modifying structures in river and lake beds
- Introducing plants to river and lake beds
- Drainage and river control activities
- Earthworks
- Vegetation clearance
- Activities within the Riparian Management Zone along rivers, lakes, and the coastal marine area.

### **Regional Land Transport Strategy**

The Northland 30 Year Transport Strategy 2010-2040 is an in-depth look at where Northland's transport is now, where the region wants to be in 30 years and how it intends to get there. Legally, Northland must produce a strategy like this – with its broad 30 year outlook - every six years. More detailed planning reflecting the overall thrust of the strategy is then developed – and updated – every three years via a Regional Land Transport Programme.

The vision of the document is 'People and freight in Northland have access to an affordable, integrated, safe, responsive and sustainable transport system. To achieve the 2040 Northland transport vision, eight outcomes have been developed to help us plan the priorities we need to focus on. They are:

- A sustainable transport system.
- A safe transport system.
- A region that is well-connected to Auckland and other parts of New Zealand.
- A well-developed and maintained transport network.
- Bulk freight moved from road-based to rail and coastal shipping.
- Improved transport choices and accessibility to key services.
- More efficient port services.
- Enhancing the environmental and cultural values of Northland through strategic transportation planning.

Key initiatives in the strategy include:

- The long term goal of four-laning State Highway 1 from Auckland to the Bay of Islands.
- The development of an international airport in the Bay of Islands.
- Developing a strategic route to direct freight traffic away from State Highway 1.
- The long term goal of bridging the Hokianga Harbour.
- Linking Northport to the national rail network.

### **Civil Defence Emergency Management Plan**

The Civil Defence Emergency Management Plan demonstrates how we deliver civil defence emergency management activities within the region over the next 5 years. In support of its mission "Working together to create resilient communities in Northland", the plan has four key goals:

1. Increasing community awareness, understanding, preparedness and participation in civil defence emergency management; through public education initiatives and community-led civil defence emergency management planning.
2. Reducing the risks from hazards in Northland; by improving the Group's understanding of hazards and by developing and monitoring a Group-wide risk reduction programme which demonstrates how individual agency initiatives contribute to overall regional risk reduction.
3. Enhancing capability to manage civil defence emergencies; through increasing the number and capability of civil defence emergency management staff and by having effective plans, systems and procedures in place to respond to emergencies.
4. Enhancing capability to recover from civil defence emergencies; through a continued focus on Recovery Plans, Professional Development and Exercises.

### **Regional Pest Management Strategy**

The Regional Pest Management Strategies are an action plan that describes why - and how - plant, animal and marine pests will be controlled in Northland. The Strategies aim to educate landowners and the wider public about the threats potential pest species pose and ways to stop these pests reaching Northland. Where a pest is already established here, the Strategies offer a number of options to reduce the threat (or threats) it poses. These include:

- publicity and promotion
- advice to individual landowners
- regulation
- control by the council (either directly or by using contractors)
- joint agency agreements
- support for Community Pest Control Areas.

The strategy was adopted in June 2010 and typically has a life of five years before it is reviewed. The new strategy has an increased focus on site led programmes as opposed to species led. Site led programmes are considered more strategic with an emphasis on sites of significance and communities motivated to control pests in the long term. There is also a focus on increased surveillance in order to detect pests at the early invasion stages so we don't get another 'possum' or 'gorse' pest.

### **Strategy for the Sustainable Economic Development of Northland 2001-2011**

The goals of the strategy developed in 2007 were to increase capability throughout our region at child, adult, community/marae and business/Hapu/Iwi levels; improve the structure and balance of the Northland economic profile, and increase overall prosperity. The strategies included delivering secure infrastructure to Northland; positioning Northland for investment and growth; establishing a regionally supported process for identifying/developing Northland leaders; deliver improved educational/skills outcomes that lift Northland's productivity and prosperity; instil an enterprise focus in youth prior to transition from school to the workplace; establish integrated "single entry" business growth and support process; encourage research activity in Northland through increased presence and collaboration between NorthTec, universities and crown research institutes; Intensify sector strategic activity – across all key sectors.

Post consultation on this draft Long Term Plan when the proposals have been finalised and the shape of the council-controlled structure is determined the strategy will be refreshed to reflect the new situation.

### **River Management Plans**

The Priority Rivers Flood Risk Reduction Project identified 27 river catchments where the risks of flooding were unacceptable to the communities and essential infrastructure. Five of the river catchments were being managed when this project began; the remaining 22 priority river catchments have had river management plans developed which assessed the potential flood risks and identified potential mitigation options in order to reduce the impacts of flooding on our communities. The plans have been developed using a common methodology for hydrologic and hydraulic modelling, risk management and option identification. This allows for a consistent approach to river management to be applied throughout the region.

The river management plans are intended to be living documents that will evolve over time to assist in guiding future development within the catchment, whilst retaining and improving on the natural river environment with a basis for considering flood risk reduction initiatives.

### **Marine Oil Spill Contingency Plan**

The Northland Marine Oil Spill Contingency Plan details the council's response to oil spills in the marine environment. The primary objectives of this contingency plan are:

- to prevent further pollution from the marine oil spill; and
- to contain and clean up the marine oil spill in a manner that does not cause further damage to the marine environment, or any unreasonable danger to human life, or cause an unreasonable risk of injury to any person.

The plan includes specific objectives about timeframes for evaluating reported oil spills, mobilising an appropriate response operation and commencing clean-up operations.

# Group of activities

## Introduction

For the purpose of this Plan the council has arranged its business into six groups of activities, namely:

- Resource Management
- River Management
- Economic Development
- Hazard Management
- Transport
- Community representation and engagement

The following sections of this plan summarise the plans and programmes for each one of the council's groups of activities in detail for 2012/2013, in indicative terms for 2013/2014 and 2014/2015, and in general terms for the seven years after that. Information is presented to identify the activities within each of the groups and to identify the background rationale for delivery of the activities, including the council objectives to which each group of activities primarily contributes. The estimated levels of expenditure and how that expenditure is to be funded are also outlined. Funding proposals are consistent with the council's Revenue and Financing Policy.

Performance measures and targets by which performance maybe judged in relation to intended levels of service are included for each group of activities. These essentially outline the key aspects or outcomes, in terms for example, standards of environmental quality, which the council expects to achieve from each of its groups of activities. The measures and targets are not totally comprehensive, but those presented have been selected as key indicators, sufficient to allow performance to be meaningfully assessed.

## Change in groupings and performance measures

While reviewing its activities and setting its new direction the council has taken the opportunity to also overhaul the measures for each group of activities – these are indicators used to determine whether the activities are being delivered as intended and giving ratepayers value for their rates. One of the purposes of developing the Long Term Plan is to define the levels of service delivered by each activity; define the costs in delivery the services/activities and show how we will measure if we are effectively delivering on them.

The previous Long Term Plan had 175 measures across 11 groups of activities. The draft 2012-22 Long Term Plan has 27 measures across 6 groups of activities. We have not dropped any of the activities but regrouped our activities to better reflect the interaction between them; to reduce unnecessary duplication and to make the plan more concise. The former communications group of activities has largely been absorbed into the council's support services as the communications resources are used by all the council activities. The cost associated with the environmental education activity is within the Community Representation and Engagement new group.

The new set of measures reflect the major levels of service for each group of activities – we identified the major aspects of our activities by assessing the major risks being managed in delivering the activity; the most valued aspect of the activity from your perspective (we looked at past submissions; complaints; what you know about the activity – the end output or outcome); our legal responsibilities; and what could be practically measured for ongoing comparisons.



# Resource Management

This group of activities includes:

**Resource management planning** – developing and reviewing regional plans, policies and strategies that support efficient and effective management of Northland’s natural and physical resources.

**Consents** – providing consents advice and processing resource consents.

**Monitoring** – monitoring and enforcing resource consent conditions, responding to complaints about alleged breaches of the Resource Management Act, and collecting data to assess the state of the environment and monitor effectiveness of plans.

**Biosecurity** – managing plant pests, animal pests and marine pests (including control and/or eradication) to minimise their adverse effects on the region’s biodiversity, primary production, economy and environment.

**Land and biodiversity** – promoting sustainable land management practices and maintaining the variety of Northland’s indigenous life forms.

## ABOUT RESOURCE MANAGEMENT

Northland’s resources include our people, our economy, our environment, our infrastructure, and our culture. Our natural and physical resources play a significant part in our economic prosperity, in our health, in our environmental values, and our cultural identity. People depend on a healthy environment and the benefits it provides for their well-being and long-term economic success. For example, our access to resources, such as water, has been fundamental for our development and identity as a region.

Regional councils have the responsibility of managing the region’s natural and physical resources for community use and enjoyment today and into the future. Council’s aim is to ensure our resources are well governed and managed to meet the needs of Northlanders and Northland. The council ensures that as a region we strike the right balance between the competing values and interests of people in those resources - in their use, development and protection. Within this group of activities council has an active role in managing, working with, and assisting others to manage Northland’s resources wisely; from advice, to managing pest plants and animals, assisting with farm plans and riparian planting, through to issuing consents to undertake activities, monitoring compliance with those consents and taking action to fix issues when required. Our strategy, policy and planning role focuses on how we can enable development and economic and social improvements, and also safeguard the environmental bottom lines, Northland’s special places and the things we value.

Managing Northland’s natural and physical resources is a complex task. The regional council is not the only body interested in resource management. Individuals, groups, communities, tangata whenua, the district councils, our neighbouring council, Auckland Council, and multiple agencies, are all involved and all wish to see their interests and goals achieved. It is no wonder that there are many different views on how resource management should occur and what should be a priority where competing interest and values arise. We also know we cannot achieve our resource management goals alone. If we can coordinate and integrate our efforts with others, and between the resources themselves, then our ability to manage those resources wisely is greatly enhanced. Council therefore develops and maintains a range of relationships and networks to set and achieve goals. We are working more closely with Māori to develop a better relationship and understanding which will improve resource management in and for Northland.

Effective resource management in Northland therefore involves setting goals and then striving to achieve them through a mixture of advocacy, education, encouragement, regulation, economic assistance, enforcement and other forms of intervention. It depends on working with others, taking a long term view and recognising and considering the social, economic, environmental and cultural effects of our decisions. The council, through its committee structure, is leading the process of identifying the significant resource management issues for Northland, setting new goals and getting the right policies and tools in place to achieve them. As we do with our other plans, council will monitor and critically evaluate how well we have done to meet the goals set in the new Regional Policy Statement for Northland and will gather the evidence and give advice to council and others on what needs to be done where progress has not been as anticipated.

### Resource Management Planning

The council has developed and maintains (through reviews and plan changes) a number of regional planning documents to address Northland’s resource management issues, implement central government requirements and comply with legal requirements. They are the Regional Policy Statement, which promotes the sustainable management of natural and physical resources by providing an overview of the significant resource management issues of the region and setting the goals, and policies and tools to manage them,



and Regional Coastal Plan, as well as the Regional Water and Soil Plan and a Regional Air Quality Plan, which each address specific resource management concerns).

Our regional plans are intended to enable activities that are unlikely to have minor adverse effects to be carried out with minimal controls and cost effectively. Greater guidance, direction and control exist for activities that could produce a greater negative environmental, social, cultural or economic effect.

We are developing a new Regional Policy Statement for Northland. It is council's intention that it should:

- Focus on Northland's significant resource management issues;
- Better balance economic and environmental needs, values and aspirations in its management approaches;
- Put people at its centre;
- Enable working in partnership with others – individuals, land owners, the community, tangata whenua;
- Be affordable and be effective;
- Capable of adapting to changing circumstances; and
- Encourage innovation.

Northland's regional and district plans must implement the new Regional Policy Statement when it takes effect – which will be in the first half of the lifetime of this Long Term Plan. The new Regional Policy Statement will therefore be a key regional framework for achieving the environmental, social, cultural and economic well-being of Northland and its people. (For more information see page 113.)

Key to the development and implementation of these planning documents is tangata whenua and community, stakeholder and district council participation and engagement, which relies on strong relationships and a willingness to explore new opportunities and ways of managing Northland's resources.

Council also scans the horizon, gathers information from a variety of sources, including other councils, and analyses trends and events that may affect the council's ability to plan for the wise management of resources on behalf of Northlanders and the effectiveness of Northland's regional plans and policy statement. We prepare and review strategies, policy, legislation, regulations, and guidelines in co-operation with internal and external groups and working parties and make submissions, comment and respond to other organisations' resource management documents and policy initiatives and provide input into district council planning and consent processing. We meet with others face to face and appear in support of our submissions at hearings where this is in the interests of residents.

We support a precautionary approach to genetic engineering by the Environmental Protection Authority and provide a contingency fund for expert assessment of applications for outdoor trials or use of genetically modified organisms in Northland as notified by the Authority (\$10,000). We also participate in the Northland inter-council working group on the management of genetically modified organisms in Northland.

We do all this with the aim of improving decision making, promoting regional interests and policies, and to achieve the integrated management of resources. This is important in ensuring that the regional community is represented in other processes that have a potential impact on the current and/or future well-being of Northland.

### **Consents**

The council processes resource consent applications in a way that results in sustainable resource management as determined by regional plans and the Resource Management Act. Applications are assessed against the policies, objectives, rules and standards set in the regional plans and requirements of the Act to determine the extent to which others are potentially affected by the proposal and should be involved with its consideration. The council aims to be efficient in processing resource consents as it recognises that timeframes are important for developers and residents wishing to undertake a project or develop their business. The council issued 1284 resource consents last year and maintained an excellent performance record, processing 98% of consent applications within the statutory timeframes.

The resource consents fall into the following categories:

- Discharge of contaminants to land, air and water;
- Land use activities including riparian management areas;
- Coastal structures and other activities in the foreshore and seabed;
- Water takes both surface, geothermal and groundwater;
- Dams;
- Bore construction;
- Diversion of water.

We are committed to ensuring our processes and procedures create a business friendly environment and will review them regularly for opportunities for improvement. We will work with the business community to identify critical consent process improvements required within the council and how best to implement them. Where these opportunities require changes to our planning documents these will occur where possible with other plan changes, in a timely and cost effective manner. This complements the work council does feeding lessons learnt in the consenting process through to its strategy, planning and policy work.

Alongside providing advice on resource consents to potential applicants, council provides advice and responds to enquiries from others on consents and plan requirements to enable the community to better understand the implications of the legislation and to participate more effectively in consent processes.

### **Monitoring**

Monitoring is critical to ensuring Northland's resources are managed sustainably. Resource managers need to know and understand the current state, trends and pressures on our resources to be effective. They need to know if the issues, goals, policies and plans they have are suitable and whether their implementation is effective. It provides information to show how we are performing in relation to our environmental targets this also allows us to determine how effective our plans are in achieving the stated targets.

Council reports to the public regularly on the state of Northland's resources through our State of the Environment reporting programme, which covers Northland's people, environment, economy, infrastructure, heritage and is comprehensively updated every five years with annual reports in the intervening years. (This can be accessed at <http://www.nrc.govt.nz/Resource-Library-Summary/Environmental-Monitoring/State-of-the-Environment-Monitoring/>) Monitoring results are presented in report cards, technical reports and through real-time or up-to-date data on our website. Council gathers the information to report using a range of monitoring networks (river, lake, groundwater, bathing site, coastal, air, biological and habitat, and rainfall) and programmes, from others including government and local authorities, in partnership with others for example from industry and research institutes, and through specific council investigations and research into particular resources and issues, such as groundwater and sediment.

Monitoring provides us with much of the evidence for the resource management issues council prioritises and funds through this plan and the management tools we use. Council uses this information to assess where it or others could effectively intervene, generating options such as education, advocacy, economic assistance, through partnerships (with for example, iwi or hapu, industry, or other public bodies), using the Regional Policy Statement and/or our Regional Plans, which it can then test with others.

The monitoring information is therefore critical to all our resource management work. It shows if we are on track, it highlights the gaps in our knowledge and shapes what we need to do, or learn more about, for the future. Without it our strategic resource management planning and actions would not be defensible. The information is also useful to others, including government, the district councils, researchers, businesses looking to locate or expand here, organisations and interest groups.

The council also uses a range of methods to promote, and if necessary, enforce good resource management practice and compliance with resource consents, regional plan rules and other statutory environmental standards. These methods include advice, education, workshops, warnings, abatement notices, infringement notices and prosecutions. In 2010-11 the council monitored over 4000 resource consents, taking formal enforcement action on over 400 with five leading to prosecutions. The council's vision is for all consent holders to be compliant with their consent conditions and we will continue to work with consent holders to enable this to occur.

Council's monitoring department is also responsible for responding to the council's 24 hour, 7 day Environmental Hotline. The environmental hotline handled 1057 calls last year compared to 979 the previous year. The highest categories of incidents related to air pollution, burning or smoke- nuisance. The majority of the reported incidents did not require follow-up being the result of natural events or were allowed under legislation and regional plan rules. Last year 12% were referred to other agencies for action and 7% had enforcement action taken by the regional council. The council proposes to reduce our level of response to the Environmental Hotline – full details are on page 23.

### **Waste management and contaminated sites**

For contaminated sites council carries out incident response, and has a role in investigating and documenting its findings. In particular it:

- Maintains a database of potentially contaminated sites;
- Promotes the assessment and remediation of significantly contaminated sites; and
- Promotes the availability of contaminated sites information through the LIM and PIM systems by providing information to the district councils on potentially contaminated sites, related site assessments and remediation.

### **Land and biodiversity**

Promoting the use of sustainable land management practices is an important council activity. Sustainable land management helps to buffer the whole regional economy against climatic events, such as floods and droughts, and product-price fluctuations, whilst assisting to maintain and enhance the environment of the Northland region. Sustainable land management practices minimise the offsite effects of primary production, helping to protect water quality, coastal environments, soil health and also to maintain and enhance biodiversity.

Our goals in this area are to increase the amount of erosion control work completed in the priority areas, reduce sedimentation, maintain productivity and contribute to improved water quality. The council is concentrating on the following interrelated priorities:

- Water quality - nutrient/sediment management, the Soil Conservation and Sediment/Erosion Control programme, the Dairying and Clean Stream Accord and regional implementation plan, and using natural processes and techniques such as wetlands and planting along the river margins and banks to enhance water quality.
- Biodiversity - wetland (Top Wetland project) and lake enhancement along with better ways of monitoring whether our activities are achieving the goals we seek (as opposed to monitoring the amount of activity we do).
- Soil conservation - conservation, erosion prevention and control and the tree planting of non-productive or at risk land including investigating carbon farming options.
- For coastal environments - management of vehicles on beaches; the CoastCare programme and the protection and enhancement of coastal dunes for erosion control; estuary and land-interface management.

To achieve its goals council works with primary sector interest groups, community groups and land owners to optimise the promotion of sustainable land management activities and our land and biodiversity advisors often have an educational role and act as change agents with individuals and within the wider community. The council's Environment Fund is used as an economic incentive for the implementation of sustainable land management practices, by providing funding assistance to landowners for implementing works that result in sustainable land management outcomes. The fund is targeted to supporting activities within the priority resource areas.

### **Biosecurity**

Harmful pests threaten our forests, waterways and marine life, putting our health, culture and regional economy at risk. The council works with other agencies and communities to control pests, remove others and identify new pests before they can have an impact. The method of pest control depends on the severity of the problem. Some pests are so well established they are unable to be eradicated; however, where the infestation is caught early we can aim to remove the pest altogether or keep it isolated to certain areas. The council works with landowners to target regional pest plants and animals and helps the rural economy by controlling introductions of wild animals which could introduce diseases like bovine tuberculosis.

Pest management includes the development, review and implementation of management strategies aimed at reducing or preventing the unwanted damage of pests and ensuring Northlanders are informed and active in pest management. To achieve this, council:

- Undertakes control or eradication of certain species;
- Undertakes surveys of pest populations;
- Prepares plans for pest control ;
- Liaises and collaborates with other pest management agencies such as the Department of Conservation, the Ministry of Agriculture and Forestry, Biosecurity New Zealand and research organisations such as Landcare research, NIWA and universities;
- Educates and works with community groups to encourage participation in pest control programmes in their local areas; and
- Develops smarter, more cost effective control tools such as biological control agents, in collaboration with other agencies and research agencies.

The council's Environment Fund provides a funding stream to assist landowners protecting high value private forest from pest animals (possum, rats, mustelids and cats). We now have 36 Community Pest Control Areas established where neighbours and communities have banded together to control pests within a particular site. These represent more than 800 owners and cover 32,675 hectares of private land involving individuals, community trusts and Māori shareholder land. The scheme requires a signed management agreement between the council and landowners in which the council agrees to the initial knock-down of pests and subsidises a share of the maintenance costs over five years. After the first year the landowners/communities accept an increasing share of the control costs so that by year six the community is maintaining the project using its own resources.

Both funding streams are incentives to get the community and private landowners involved in pest management as council resources alone cannot battle the problem in a sustainable manner.

## WHY WE PROVIDE RESOURCE MANAGEMENT

In summary, Northland's resources are the building blocks for the well-being of Northland and Northlanders. Northland's economy is largely based on primary industry, with well over half the region's land devoted to farming, along with extensive exotic forestry and horticultural land uses. Our natural and physical resources are a large part of who we are and what makes Northland special and their wise management generates opportunities for Northlanders.

The regional planning documents and the processes used to develop them provide the basis for the long term management of the region's natural and physical resources to achieve the maximum benefits possible, minimise conflict and allocate resources efficiently while ensuring environmental bottom lines, and the needs and values of Northlanders are met.

A regional approach is necessary to ensure that Northland's significant resource management issues are tackled in an integrated, coordinated, comprehensive, cost effective and forward looking manner. The council's consenting, monitoring, biosecurity, and land and biodiversity functions deliver the plans and measure our progress against the intended results.

The council has statutory responsibilities to deliver these functions under the Resource Management Act 1991, the Soil Conservation and Rivers Control Act 1941; the Biosecurity Act 1993, the Hazardous Substances and New Organism Act 1996, national policy statements and national environmental standards.

## HOW RESOURCE MANAGEMENT CONTRIBUTES TO THE COUNCIL OBJECTIVES

Our resource management activity contributes to the following council objectives:

- Maintain the quality of the relatively unspoilt parts of Northland's environment, improve degraded areas and promote the setting aside of special and significant environmental areas for the enjoyment of our people.
- Encourage the sustainable use of our environment in ways that will progress our collective quality of living.
- Build a business friendly environment that encourages business and employment opportunities.
- Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment in order to encourage our collective pride in Northland.

The development of the new Regional Policy Statement, implementing national policy, such as the Freshwater National Policy Statement (and for example delivering its objectives around maintaining and improving the region's water quality) and the New Zealand Coastal Policy Statement our consenting, monitoring and reporting, our land and biodiversity and our biosecurity work all contribute to the quality of our environment and our understanding of it.

We are working with Northland's district councils on identifying and managing Northland's special places, mapping its high and outstanding natural character areas (in the coastal environment) and its outstanding natural landscapes and features.

We are committed to ensuring our processes and procedures create a business friendly environment and will review them regularly for opportunities for improvement. We will work with the business community to identify critical consent process improvements required within the council and how best to implement them within the legislative framework we must work within. Where these opportunities require changes to our planning documents these will occur where possible with other plan changes, in a timely and cost effective

manner, making the most of planned consultation with our communities. This complements the work council does feeding lessons learnt in the consenting process through to its strategy, planning and policy work.

Through the development of our regional plans we engage with a wide sector of the community which raises the awareness of Northland's unique features and heritage. The biosecurity, monitoring and land and biodiversity departments are active across Northland with communities at promoting sustainable land management practices; pest control practices and an appreciation of Northland's environment.

There are no **significant negative effects** on well-being from the Resource management activity at the regional level, although the effects on individuals may be significant to them. Effects on community well-being are assessed during the development and reviews of the council's major planning documents, and for individual resource consent applications. The overall objective of this activity is to achieve the sustainable management of the region's natural and physical resources which means striking the right balance between the use, development, and protection of resources for the benefit of current generations and future generations. There are costs and benefits in attempting to do this and they are explicitly factored into the goals and the management approaches chosen.

## KEY ISSUES FOR CONSULTATION

### **Freshwater National Policy Statement implementation programme**

Full details of the proposed programme are on pages 41-44 with a summary on page 14.

### **Reduced monitoring services**

Full details of the changes to monitoring services are on page 23.

### **Increased resourcing for biosecurity**

Full details of the proposed increase in resourcing for biosecurity programmes are on page 23.

## PROJECTS

### **New Regional Policy Statement**

We are developing a new Regional Policy Statement for Northland. This is important because:

- The new Regional Policy Statement provides an overview of the region's significant resource management issues and sets out how they will be managed. It will focus the efforts of council, and others, in resource management.
- Regional and District Plans must "give effect" to its management approaches. (Ensuring we all have common objectives and consistent policies for managing Northland's resources and that they are managed in an integrated way.)
- Resource consent decisions across Northland must have regard to the Regional Policy Statement - so it could directly affect what you want to do or protect in the future in Northland.

Council started this process in 2010 because reviews of Northland's current Regional Policy Statement showed us that a lot had changed since the 1990s, when we started developing the current one. For example:

- The law has changed. The direction of any new Regional Policy Statement will now have greater influence on regional and district plans and we are required to integrate infrastructure with land use.
- There is increased regional emphasis on the economic and social well-being of people in Northland.
- New or more significant challenges, such as climate change, water and integrated infrastructure, are required to be addressed as a matter of priority.
- Co-governance and shared management with Māori has evolved.
- We have a much better understanding of the pressures on our environment, how our economy works, patterns of development, and how the natural and social systems inter-relate.
- We also saw some shortcomings in the scope of issues identified in the current Regional Policy Statement, the options we chose and the resources we had available to do the job. As a result, we decided that we need to write a new Regional Policy Statement.



Early work developing the new Regional Policy Statement has identified the regionally significant issues for tangata whenua. Key resource issues identified so far include:

- Water (both its quality and availability);
- Ecosystems (communities of plants and animals that live and interact in the same area);
- The best use of resources for Northland's economic well-being;
- Our built environment and infrastructure;
- Natural hazards and their risks;
- Northland's outstanding features, landscapes, natural character and historic heritage.

Currently the council is analysing the feedback we received on our working draft new Regional Policy Statement, which included the issues described above and was widely circulated, with a view to refining its content for formal statutory consultation during 2012. The council is committed to a collaborative process that inspires fresh thinking about options to manage our resource and development activities. Things will change and improve as we further develop the new Regional Policy Statement, which will occur over the first half of this plan.

### **National policy direction – national policy statements and environmental standards**

Alongside our work delivering the Freshwater National Policy Statement we will also review and make changes to the relevant regional plans and the Regional Policy Statement to give effect to other national policy statements and environmental standards such as the New Zealand Coastal Policy Statement.

### **Soil Conservation and Sediment-Erosion Control**

Over the next three years the council intends to further support and promote soil conservation and sediment-erosion control initiatives through a programme of works that involves collaboration with landowners and industry. We propose to target clusters of erosion prone land within catchments and collaborate with land owners in the implementation of soil conservation resources in priority areas. The objectives of this approach are to increase the amount of erosion control work completed in the priority areas, reduce sedimentation, maintain productivity and contribute to improved water quality.

### **Top Wetlands Strategy**

The council will progress with phases two and three of the Top Wetlands Strategy project, which aims to work with interested landowners to maintain and enhance their wetlands on a priority basis. Phase one identified 355 of Northland's best wetlands ranking them into groups of the best wetlands by region, ecological district and wetland type. From this list, the owners of the 153 best wetlands will be contacted, explaining the intentions of the project and providing information specific to their wetland.

Phase Two of the project is to develop generic care standards for the different wetland types which can be used as a template when developing individual wetland restoration plans. These standards will be described in a Wetlands Strategy for Northland. The Strategy will set out time bound objectives and options for wetland care, recovery and monitoring and will link in with council plans as well as national priorities. Phase Three of the project involves implementation and monitoring. The council intends to work with landowners of Top Wetlands to address the needs of their wetland by offering advice, encouragement and funding support for works that will protect or enhance their wetland.

### **Marine protected areas**

The council is working with others on the potential to establish (or similar) a marine protected area for Northland's east coast. Preliminary investigations acknowledge the potential value of a (national) marine park or something similar could offer the region, and the importance of protecting and promoting iconic sites and activities in the proposed park area. The marine park proposal is also in keeping with the council's desire to manage the region's natural resources for community benefit and realise economic benefit. This proposal is not purely a protection proposal, but includes potential for economic as well as social activities to occur. There is also an opportunity for iwi engagement and collaboration.

Within this draft Long Term Plan a budget of \$25,000 has been provided for each of the first three years to progress business case investigations for the east coast proposal and other opportunities to improve the management of the marine environment. The council has also written to central government to support the government's Marine Protected Areas policy implementation in Northland.

## **Lakes Strategy**

Council is developing and will implement a regional strategy for the management of Northland's unique lakes based on a broader range and depth of research than has previously been undertaken. This work will combine management of water quality, biodiversity values and biosecurity of Northland lakes and land use in their catchments, both surface and groundwater.

Northland has over 400 freshwater lakes, many of which are coastal dune lakes. Other lake types include volcanic lakes, those created by lava flows damming streams and a small number of man-made lakes. Dune lakes, the most common lake type in Northland only occur in five places in the world. Northland has the highest number of dune lakes both nationally and internationally, including a full range of lake types, but understanding about the functioning and value of these lakes is currently limited.

The final lake management strategy will include an assessment of the environmental, economic, social and cultural values and the threats to those values. This will enable the strategy and subsequent management actions to contribute to council objectives and other policies and plans such as the Regional Water and Soil Plan, Regional Policy Statement and National Policy Statement for Freshwater Management. All aspects of the development of the strategy will be undertaken in collaboration between council, research providers, the Department of Conservation, district councils and Māori.

## **Internal business improvement**

Council is at the forefront of some of the most challenging issues for Northland. The decisions it makes directly influence Northland's well-being and have far-reaching economic, environmental, social and cultural implications, not just today but for generations to come. Over the lifetime of this plan, council will continually review its policy and planning processes to ensure that decision making is based on good advice, which is informed by a range of stakeholders and interests, skills and expertise, mindful of the contexts in which we and Northland operates, with relevant criteria for judging options. We know that to get the good advice we need the right processes, systems, frameworks and culture and that this is an ongoing process of improvement and refinement. These internal improvements and projects are therefore cross-organisational.

We want to develop monitoring and targets that lead to better outcomes, that are more indicative of Northland's well-being, and which can be attributed to our actions and the actions of those around us. We will investigate and develop a suite of sustainability measures – measuring what truly matters to Northlanders. This will go wider than gross domestic product and the environmental monitoring results reflected in this plan and will take into account cultural, social and environmental costs and benefits as well as the benefits of a growing economy.

The way we implement our decisions is also important. We will work with the business community to identify critical consent process improvements required within the council and how best to carry them out. We will continue to work with our partners on the ground, the individuals and their representative organisations, to share knowledge, develop management approaches and to improve resource management performance in Northland.

## **HOW WE MEASURE OUR PERFORMANCE**

The council has a specific committee, the Regional Policy and Development Committee, to oversee the development of the new draft Regional Policy Statement. The committee includes members from the three district councils in the region.

The council's Environment Management Committee receives regular project updates on the activities within the monitoring, biosecurity and land and biodiversity activities and oversees the development and review of the Regional Pest Management Strategy.

Every five years the council produces the State of the Environment Report for the region which collates information on the health of our region's natural and physical resources and helps us to review what is happening in our environment, why it is happening and what we are doing about it.

The council's Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the Resource management group of activities; these are also captured in the council's Annual Report.

## **Timeframes for performance targets**

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.



Level of service	Why it is important	Performance measure	Performance target	Baseline
Promote Māori participation in resource management and decision-making.	Strong, effective and inclusive engagement and decision making that reflects kaitiakitanga responsibilities is likely to achieve better resource management outcomes that meet community aspirations and values.	Management and governance arrangements for resource management include Māori.	Maintain or increase the number of contracts, joint management agreements, joint decision making and planning arrangements, monitoring programmes, between council and iwi/hapu.	2010/2011 Contracts - 2 Joint management agreements – 0 Joint decision making and planning arrangements – 0 Monitoring programmes – 2 (Biosecurity (CPCA) and Monitoring (Aurere Estuary).
Reduce the impact of introduced pests on environmental, economic and social values.	Reducing pests will contribute positively to the region's economy, environment and culture.	The number of community pest control areas (CPCAs) achieving their targets for pest reduction.	90%	New measure
Promote community involvement in pest management.	Expanding the resources involved beyond council and government funds is necessary for successful pest management in Northland.	The number of active community pest control areas (CPCAs).	Increases by five annually.	2010/2011 - 36
Maintain and enhance water quality for swimming and shellfish collection.	The community expects that water quality at popular bathing sites and at food collection spots is at a safe level not to cause ill-health. Swimming and other water recreational pursuits are integral to Northland's culture and attraction to visitors/tourists.	The water in our priority harbours, rivers and at the coast is suitable for swimming except for 2-5 days after rain.  Shellfish collection is safe in open coastal areas.	The compliance rates for meeting the Suitability for Recreation Grade (SFRG) is maintained or improved based on the 20 core bathing sites monitored for trends.  Levels of indicator bacteria in open coastal waters at 15 popular shell fish collections sites is maintained or improved.	Refer below for the 20 core bathing sites results.  New measure – the 2012/13 measurements will act as the baseline for future reporting.
Protect the life-supporting capacity of water, in-stream uses and values.	Having healthy rivers support our region's biodiversity and is a community expectation.	The water in our streams supports a healthy habitat for flora and fauna.	The macroinvertebrate community index (MCI) at 10 regionally representative sites show improving or maintained trends.	Refer below for the 10 representative river network sites with their associated median macroinvertebrate community index scores.

Level of service	Why it is important	Performance measure	Performance target	Baseline
Maintaining and enhancing water quality in our rivers and coastal waters.	Consented activities should operate within their consents and not lower downstream water quality to ensure the integrity of the regional plans and overall environment.	The number of annual significant non compliance events resulting in a reduction in water quality of receiving waters.	2013 Less than 100 2014 Less than 80 2015-22 Less than 60	2010/11 - 111
Efficient and effective compliance monitoring of resource consents.	Non-consented farms should comply with the permitted activity criteria which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	The number of annual significant non compliance events resulting in any unauthorised/prohibited discharge to water.	2013 Less than 40 2014 Less than 30 2015-22 Less than 20	2010/11 year – 60 2011/12 year – 45 Inspections for the 2011/12 year have already been completed.
Maintaining a high standard of ambient air quality.	The community expect that air quality will be maintained to acceptable levels.	Air sheds meet the national environmental standards.	100%	2010/11 year – 100%
Efficient and effective compliance monitoring of resource consents.	To ensure compliance with conditions which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	Those consents requiring monitoring are monitored as per the council's monitoring programme.	100%	2010/11 year – 90%
Efficient and effective compliance monitoring of resource consents.	The community expect that consent conditions will be met so that the environment is protected.	The appropriate action is taken to rectify significant non-compliances.	100%	2010/11 year – 75%
Efficient and effective response and resolution of reported environmental incidents.	To ensure timely and appropriate response to environmental incidents that has the potential to result in significant environmental effects.	Incidents reported to the Environmental Hotline, where more than minor environmental effects have been confirmed, are resolved within 30 working days.	70%	New measure. Baseline to be determined in the 2012/13 year.

Level of service	Why it is important	Performance measure	Performance target	Baseline
Efficient and effective processing and administering of resource consents.	Keeping to timeframes is important to applicants in order to manage their own business and personal endeavours.	All resource consent applications are processed in a timely manner.	At least 98% of all applications are processed within the statutory timeframes with bore permits processed within 5 working days (shorter than statutory timeframe).	2010/11: 99.5% 2009/10: 98.8% 2008/09: 98.6% 2007/08: 98.1% 2006/07: 98.3% 2005/06: 98.4%

These measures were selected as the major aspects for Resource Management after considering the level of risk either posed by the council's activities or the risk that these activities are intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, the Environmental Hotline, presentations to council meetings); the government's policy direction and the council's objectives.

### Bathing sites - Suitability for Recreation Grade (SFRG)

The Suitability for Recreation Grade (SFRG) is calculated by combining the Microbiological Assessment Category (MAC) – a review of the water quality data available for a site – and the Sanitary Inspection Category (SIC) – a review of potential and actual sources of contamination at a site.

### Compliance rates for permanent bathing monitoring sites

Site Name	Site Number	% Compliance 2007-08	% Compliance 2009-10	% Compliance 2010-11
Opononi	106011	100	100	92
Taipa	105777	92	100	92
Paihia – Waitangi bridge	101183	92	100	75
Pahi – rocky groyne	102579	100	89	100
Tinopai – below shops	102310	100	100	100
Taurikura	101262	92	100	88
Matapouri – second bridge	100712	85	94	88
Church Bay	105448	100	100	94
Pacific Bay	108313	100	94	82
Pataua South – east of beach	104986	92	100	94
Onerahi – play ground	101600	100	94	88
Ruakaka – by motor camp	108314	100	94	88
Lang's beach – mid beach	108318	100	100	94
Teal Bay	101331	92	100	100
Waipu Cove	108316	100	94	94
Kerikeri – Stone Store	101530	77	72	67
Waipoua River	108613	85	83	92
Waipapa River – Puketi	103248	92	100	100
Lake Waro – Hikurangi	107272	100	100	82
Raumanga Stream	103246	54	100	82

### River water quality – Macroinvertebrate Community Index (MCI)

Stream macroinvertebrates are an ideal indicator of stream health and are monitored annually at each river network site. The quantity and types of macroinvertebrates (e.g. mayflies, caddisflies, true flies, snails) present within a stream reflects the environment over their life cycle (of at least a year or more) as macroinvertebrates do not move great distances, and are more or less confined to the area of stream being sampled. The macroinvertebrate community of a stream lives with the stresses and changes that occur in the aquatic environment, whatever their cause, including those that are due to human activities (such as nutrient enrichment from diffuse and point-source discharges) as well as natural events such as floods and droughts.

The higher the macroinvertebrate community index (MCI) result the better the condition of the stream. A score of 120 or greater indicates 'clean water', scores between 100 and 119 indicate 'possible mild pollution',

scores between 80 and 99 indicate 'probable moderate pollution', and scores lower than 80 are considered as having 'probable severe pollution'.

### MCI median results for 10 representative river network sites

River network site	MCI median	Period
Waipoua at SH12	129.01	2004-2011
Victoria at Thompsons Bridge	116.08	1997-2011
Waiarohia at Whau Valley	101.37	1997-2011
Opouteke at suspension bridge	94.25	1997-2011
Punakitere at Taheke	99.26	2001-2011
Whakapara at cableway	94.06	1997-2011
Kaihū at gorge	87.49	2004-2011
Mangere at Knight Rd Bridge	80.40	1997-2011
Manganui at Mitaitai Rd	70.21	2001-2011
Waitangi at Watea	56.55	1997-2011

## ASSUMPTIONS SPECIFIC TO RESOURCE MANAGEMENT

Future government policy in the form of **national policy statements and environmental standards** will not result in significant unforeseen cost implications. The council has not allowed for any additional expenses in the plan for additional expenses associated with implementing future government policy statements or standards. While the likelihood of further government direction is reasonable the government generally provides lead in time to allow financial planning and the scale of costs to regional councils are reasonably low; easily catered for in an Annual Plan budget process. The costs of implementing environmental standards are typically recovered through consent processes.

The current **transfer of functions** to/from other councils will continue for the term of the plan for:

- Building consent processing for dams (to Waikato Regional Council).
- Northland Regional Council processing land use consents for dams and structures adjoining the coastal marine area within the Far North district; and
- Far North District Council processing.
- Coastal permits for the sale of liquor within the coastal marine area of the Far North district.
- Discharge permits for on-site wastewater consents within the Far North district.
- Land use consents for minor structures adjoining the coastal marine area within the Far North district.

The budgets associated with the transfer of functions listed above reflect the historic costs associated with the transfer of functions; there are no increases or decreases associated with them. Should these contracts be terminated, then the council would be required to become a Building Consent Authority (estimated to cost \$50,000) or negotiate with another district council for these services. Additional staffing resources would be required to fulfil the consenting responsibilities if the council became a Building Control Authority; these would typically be recovered through consent processes.

Commitments to the **collaborative arrangements for the community pest control areas** will be met over the life of the plan and council will only establish up to five new arrangements annually. The expenditure for community pest control areas will remain within the annual budget of \$250,000. The first year contribution from the council for an additional community pest control area programme is estimated at less than \$10,000.

Northland remains **free of bovine tuberculosis** (TB) for the life of the plan. No allowance has been made in the plan for future Vector Control subsidies to the Animal Health Board for tuberculosis control.

## LEVEL OF SERVICE CHANGE

No service levels were changed in the 2011-2012 financial year from the previous year or Long Term Plan. Minor levels of service are proposed to change in the Monitoring activity which are fully described in the Issues for consultation section on page 23.

## FUNDING IMPACT STATEMENT FOR RESOURCE MANAGEMENT

Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June	Annual Plan 2011 -2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	6,905,149	7,670,249	8,187,105	8,896,602	9,726,314	10,529,225
Targeted rates (other than a targeted water rates)	-	-	-	-	-	-
Subsidies and grants for operating purposes	85,000	85,000	85,000	85,000	85,000	85,000
Fees, charges and targeted rates for water supply	2,501,237	2,538,168	2,619,389	2,703,210	2,795,119	2,892,948
Internal charges and overheads recovered	45,000	131,921	135,015	139,379	143,384	147,166
Local authorities fuel tax, fines, infringement fees and other receipts	2,000	2,000	2,064	2,130	2,202	2,280
<b>Total Operating Funding</b>	<b>9,538,386</b>	<b>10,427,338</b>	<b>11,028,574</b>	<b>11,826,321</b>	<b>12,752,020</b>	<b>13,656,618</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	9,118,222	9,966,980	9,882,254	10,068,253	10,591,147	10,983,054
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	3,272,728	3,564,633	3,651,935	3,811,348	3,893,613	4,034,125
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>12,390,950</b>	<b>13,531,613</b>	<b>13,534,189</b>	<b>13,879,602</b>	<b>14,484,760</b>	<b>15,017,179</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>(2,852,564)</b>	<b>(3,104,275)</b>	<b>(2,505,615)</b>	<b>(2,053,281)</b>	<b>(1,732,741)</b>	<b>(1,360,561)</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
to meet additional demand	-	-	-	-	-	-
to improve levels of service	74,833	105,200	14,861	29,182	66,515	456
to replace existing assets	57,200	55,500	74,221	61,026	53,740	51,860
Increase / (decrease) in reserves	-	-	-	-	-	-
Increase / (decrease) of investments	(2,984,597)	(3,264,975)	(2,594,697)	(2,143,488)	(1,852,996)	(1,412,876)
<b>Total Applications of Capital Funding</b>	<b>(2,852,564)</b>	<b>(3,104,275)</b>	<b>(2,505,615)</b>	<b>(2,053,281)</b>	<b>(1,732,741)</b>	<b>(1,360,561)</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>2,852,564</b>	<b>3,104,275</b>	<b>2,505,615</b>	<b>2,053,281</b>	<b>1,732,741</b>	<b>1,360,561</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June
					<b>Sources of Operating Funding</b>
11,308,988	12,105,469	12,815,713	13,710,949	14,387,470	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	Targeted rates (other than a targeted water rates)
85,000	85,000	85,000	85,000	85,000	Subsidies and grants for operating purposes
2,991,308	3,090,022	3,191,992	3,306,904	3,422,646	Fees, charges and targeted rates for water supply
151,843	155,615	160,072	165,617	169,829	Internal charges and overheads recovered
2,357	2,435	2,515	2,606	2,697	Local authorities fuel tax, fines, infringement fees and other receipts
<b>14,539,496</b>	<b>15,438,540</b>	<b>16,255,292</b>	<b>17,271,076</b>	<b>18,067,642</b>	<b>Total Operating Funding</b>
					<b>Applications of Operating Funding</b>
11,214,964	11,571,485	11,616,788	12,080,484	12,359,813	Payments to staff and suppliers
-	-	-	-	-	Finance costs
4,206,244	4,275,563	4,404,609	4,608,445	4,680,913	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>15,421,208</b>	<b>15,847,048</b>	<b>16,021,397</b>	<b>16,688,930</b>	<b>17,040,727</b>	<b>Total Applications of Operating Funding</b>
<b>(881,712)</b>	<b>(408,507)</b>	<b>233,895</b>	<b>582,146</b>	<b>1,026,915</b>	<b>Surplus / (Deficit) of Operating Funding</b>
					<b>Sources of Capital Funding</b>
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	<b>Total Sources of Capital Funding</b>
					<b>Applications of Capital Funding</b>
					Capital expenditure
-	-	-	-	-	to meet additional demand
471	487	503	521	539	to improve levels of service
57,748	55,393	136,449	63,841	61,355	to replace existing assets
-	-	-	-	-	Increase / (decrease) in reserves
(939,931)	(464,387)	96,943	517,785	965,020	Increase / (decrease) of investments
<b>(881,712)</b>	<b>(408,507)</b>	<b>233,895</b>	<b>582,146</b>	<b>1,026,915</b>	<b>Total Applications of Capital Funding</b>
<b>881,712</b>	<b>408,507</b>	<b>(233,895)</b>	<b>(582,146)</b>	<b>(1,026,915)</b>	<b>Surplus / (Deficit) of Capital Funding</b>
-	-	-	-	-	<b>Funding Balance</b>

# River Management

The River management group of activities only includes River management and is considered to be the mandatory activity called “Flood protection and control works” under the Local Government Act 2002.

## ABOUT RIVER MANAGEMENT

River management began with the development and implementation of flood risk reduction plans for the 27 priority rivers (or groups of streams) in Northland. In 2010 the council completed river management plans for each of these rivers/groups of streams and the ongoing development and implementation of these flood risk reduction plans is now the primary focus of the river management activity. The council, in conjunction with local river management liaison committees, undertakes the development, implementation and maintenance of flood control works and assets.

The river management works include:

- Channel and floodplain maintenance works, such as the removal of accumulated sediment and vegetation from rivers and floodplains, both for flood schemes and minor works on a priority basis.
- Asset management and the maintenance of existing flood scheme capital assets, such as floodgates and stopbanks on the Awanui River Scheme.
- Construction of new flood scheme control works, such as stopbanks.

The design of appropriate flood control works requires river flow data and computer hydraulic modelling systems. The council has rain and river automatic recorders to measure the performance of river works.

The 27 rivers that were identified as carrying the highest levels of flood risk are (in alphabetical order not priority order):

Awanui	Awapokonui (Pakanae)	Awaroa-Rotokakahi and Pawarenga Streams
Hātea	Helena Bay River	Kaeo
Kaihū	Kawakawa	Matangirau
Ngunguru	Otaika	Panguru
Pupuke	Ruakaka	Taupo River
Tauranga River	Waiarohia-Raumanga	Waihou (Panguru)
Waihou (Rahiri-Rangiahua)	Waimā and Punakitere-Otaua	Waimamaku
Waipapa-Kerikeri	Wairau (Maungaturoto)	Waitangi
Whāngārei Heads streams	Whangaroa Streams (Totara North, Te Ngaere, Wainui and Mahineapua)	Whirinaki

Six river management liaison committees have been established for the Awanui, Kaihū, Kerikeri-Waipapa, Waitangi, Kaeo River-Whangaroa Streams (Kaeo, Pupuke, Tauranga River, Whangaroa Streams, Taupo River and Matangirau) and Urban Whāngārei Rivers (Hātea and Waiarohia-Raumanga). The committees provide a stakeholder forum for participation in the management of flood risk reduction in the river catchment areas, and assist the council to develop and refine river management plans and the review/implementation of measures to reduce flood risk.

## WHY WE PROVIDE RIVER MANAGEMENT

River flooding provides the highest natural hazard risk to the Northland region because of the extensive development on floodplains and the region’s exposure to high intensity rainfall events. Flooding threatens human life, disrupts communications and access, damages property and infrastructure including the productivity of farmland. The regional council delivers flood protection and control works to reduce the risks associated with river flooding and erosion to protect human life and maximise the region’s productivity. The community has shown their support for this activity through requests for river maintenance and through membership on the river management liaison committees. The Kaihū and Awanui river management schemes were transferred to the regional council from the district councils because river management was considered a function of regional councils.



## HOW RIVER MANAGEMENT CONTRIBUTES TO COUNCIL OBJECTIVES

The river management activity contributes to the following council objectives:

- Facilitate those infrastructural improvements that connect people in Northland and improve our links to the outside world.
- Encourage the sustainable use of our environment in ways that will progress our collective quality of living.

The proposed programme of river management works includes infrastructural improvements that are intended to improve our access around our region in times of flooding. The river maintenance and new river works are managed with sustainability of the environment as a primary objective. Examples include the extraction of gravel providing a local resource while reducing flood risk and in some cases reducing bank erosion; and enabling increased opportunities for land use.

There are no **significant negative effects** on well-being from the River Management activity. When new river works are being assessed any significant negative effects are addressed in the design or the works are not approved (as in the recent case of the Kaihū River flood management scheme). This could include a change in the distribution of floodwaters affecting landowners differently from in the past; the economic effects on ratepayers from the implementation of a new targeted rate; the increase in sediment to harbours and estuaries from a more efficient river system and/or works required near or on land that has cultural significance.

## KEY ISSUES FOR CONSULTATION

The key issues for consultation include the following capital works projects:

- Whāngārei detention dam proposal.
- Kerikeri-Waipapa flood reduction proposal and maintenance works (including a new rate).
- Kaeo Stage 2 proposal.

Details of these projects, with the associated options and rating impact can be found in the “Issues for consultation” section on pages 15-19. Details of the outcomes of the Kaihū river works investigations are also explained.

## HOW WE MEASURE OUR PERFORMANCE

The council has regular meetings with the local river management liaison committees that have been established and reports to them on progress with design works, new capital river works and maintenance works. The council’s Environment Management Committee also receives regular project updates and provides oversight for setting up new liaison committees as new priority plans are worked on. The council’s Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the River Management group of activities; these are also captured in the council’s Annual Report.

### Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Level of service	Why it is important	Performance measure	Performance target	Baseline performance
Building flood protection schemes to protect life and property.	Well designed flood protection systems protect human life and damage to property and infrastructure.	Number of failures of flood protection system for the Awanui, Whāngārei, and Kaeo, schemes below specified design levels.	Zero failures.	New measure
Maintaining flood protection schemes to protect life and property.	Implementing the minor works programme ensures the river systems work to their best ability.	Implement the programmed minor flood control works for other rivers in accordance with the approved annual budgets.	100% of programmed minor works completed.	New measure

These measures were selected as the major aspects for the River Management group of activities after considering the level of risk either posed by the council’s activities or the risk that these activities are

intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, the Environmental Hotline, presentations to council meetings); the government's policy direction and the council's objectives.

## ASSUMPTIONS SPECIFIC TO RIVER MANAGEMENT

**Climate change** will match the Ministry for Environment's climate change predictions, which are based on recommendations from the International Panel on Climate Change (IPCC). Capital works budgets within this plan include an allowance to accommodate climate change impacts. The likelihood of climate impacts being under assessed is considered to be medium with low financial impact. Variations to long term budget forecasts and levels of service will be required and will be addressed by subsequent long term plans. The Ministry for Environment's guidelines on climate change, the Awanui River Scheme Asset Management Plan and the priority rivers project hydraulic modelling results were all utilised in developing this assumption and the impacts.

The replacement of the Rust Avenue bridge in Whāngārei (part of Stage One of the Whāngārei Urban Rivers works) will only proceed with **funding contributions** from the Whāngārei District Council and New Zealand Transport Agency.

The 24 **resource consents** (comprised of 80 sub type authorisations) held for river management will continue to provide authorisation for activities and new resource consents will be obtained where required for new activities allowing the capital works programme to be implemented within budgets. There is a low risk that resource consents will expire and not be renewed or applications for new activities or consent renewals are declined. Additional works may be required to obtain the necessary resource consent; incurring more expense. Further consultation would be undertaken if the costs became significantly different from the original projections.

## LEVEL OF SERVICE CHANGE

### Changes in prior year – 2011/12

A new Whāngārei Urban River Management Rate was established for 2011-12 to fund Stage One of the CBD Flood Scheme. The works budget was \$681,697 and included maintenance of the existing river channels and bridges with the replacement of the Rust Avenue Bridge. The works will be funded through a differentiated uniform annual charge as follows (refer to maps on page 16 for areas):

- Commercial properties in the CBD flood area will pay \$247.83 (including GST).
- Residential properties in the CBD flood area will pay \$94.19 (including GST).
- Properties in the contributing water catchment area will pay \$33.21 (including GST).

A new Kaeo-Whangaroa River Management Rate was established to fund Stage One of the Kaeo flood scheme works valued at \$637,577 (including GST). The works proposed for Stage One involved constructing a stopbank immediately east of the Kaeo township; raising State Highway 10 east of the police station; constructing a deflection bank near the cemetery and installing a river bypass spillway near the school stopbank. The works have been altered to enable Ministry of Education funding to be utilised; details are on pages 18-19. The new rate was \$74.53 (including GST) for all ratepayers in the former Whangaroa Ward and involved repayment of the works over a seven year period and included the river maintenance works in the area.

### Changes in this plan

Changes for the Awanui River flood management scheme are fully described in the next section under Asset information. Proposed capital improvements for Whāngārei, Kerikeri-Waipapa and Kaeo-Whangaroa will lower the flood risk to those communities. The proposed projects are fully described under the Issues for consultation section of the plan.

## ASSET INFORMATION

The council currently has river management assets (stopbanks and floodgates) on the Awanui River and has applied for resource consents to build stopbanks in the Kaeo area. The Awanui River assets are proposed to be defined as council strategic assets in the council's new Significance Policy within this draft Long Term Plan. The Awanui river scheme assets have been added as an strategic council asset as the community would be disadvantaged significantly if those assets were not maintained and renewed. As more river schemes assets are built they will be considered for inclusion as strategic assets.

The key objectives of the Awanui River Flood Management Scheme, and respective levels of service currently provided by the council are:

**Objective 1: Urban flood risk reduction**

- To reduce river flood risk to buildings and people in urban Kaitāia and Awanui to an agreed standard as determined through consultation with the Awanui River Management Liaison Committee (herein after referred to as the Liaison Committee) and the public.

**Level of service for Objective 1: Urban flood risk reduction**

- Provide information (by an effective hydraulic model) on flood risk and options to reduce flood risk, including cost, to enable the Liaison Committee to agree a standard of risk reduction.
- Implement risk reduction measures in accordance with the standard agreed by the Liaison Committee.
- Update Asset Management Plan to include agreed standard and implement changes through the Long Term Plan in accordance with the programme agreed in consultation with the Liaison Committee.
- Undertake maintenance of the river channels and renewals of scheme assets in accordance with the river maintenance schedule agreed in consultation with the Liaison Committee.

**Objective 2: Rural flood risk reduction**

- To reduce river flood risk that results in the loss of agricultural production and infrastructure on the floodplain of the Awanui River and its tributaries (with the exclusion of designated ponding areas, which include Lake Tarawhataroa and areas excluded from the targeted rate on this basis) to an agreed standard as determined through consultation with the Liaison Committee and the public.

**Level of service for Objective 2: Rural flood risk reduction**

- Maintain rural stop banks
- Maintain floodgate outlets to a standard that excludes pasture damaging flooding
- Condition assessment inspections and preventative maintenance of floodgate outlets are undertaken annually and the asset register updated.
- Undertake maintenance of the river channels in accordance with the river maintenance schedule agreed in consultation with the Liaison Committee.

**Objective 3: Coastal flood risk reduction**

- To reduce the incidence of flooding by sea water on low-lying and reclaimed land around the southern shores of Rangaunu Harbour.

**Level of service for Objective 3: Coastal flood risk reduction**

- Maintain coastal stop banks.
- Maintain floodgate outlets to a standard that excludes pasture damaging flooding.
- Condition assessment inspection and preventative maintenance of floodgate outlets undertaken annually and asset register updated.
- Undertake maintenance of the river channels in accordance with the river maintenance schedule agreed in consultation with the Liaison Committee

**Objective 4: Soil conservation**

- Implementation of soil conservation measures on identified erosion prone land to reduce sedimentation and the costs of maintaining the channels; and

**Level of service for Objective 4: Soil conservation**

- Complete mapping and assessment of the catchment to identify erosion prone land and determine priorities for soil conservation implementation.
- Utilise the Northland Regional Council's Environment Fund to assist land owners implement soil conservation measures within identified priorities.

**Desired level of service**

The key difference between the existing levels of service and desired levels of service relate to the capacity of assets. Currently the design standard of the scheme stop bank assets is not accurately known or defined. Work is underway to define the design standard via hydraulic modelling to assess the current capacity of the assets and hence the as-built design standard. This work will enable the council and stakeholders to assess the risk and cost benefit of management options for the future. The gaps between the existing and desired levels of service will be progressively closed over time through the progression of the hydraulic modelling and capital improvement projects that aim to progressively improve on the delivery of levels of service.

The desired levels of service, where different from existing levels of service are:

**Objective 1: Urban flood risk reduction**

- To reduce river flood risk to buildings and people in urban Kaitāia and Awanui to a 1% annual exceedance probability (AEP) flood (100 year flood) design standard.

**Level of service for Objective 1: Urban flood risk reduction**

- Flood scheme assets are designed and maintained to provide river flood protection to a 1% AEP flood (100 year flood) design standard.

**Objective 2: Rural flood risk reduction**

- To reduce river flood risk that results in the loss of agricultural production and infrastructure on the floodplain of the Awanui River and its tributaries (with the exclusion of designated ponding areas, which include Lake Tarawhataroa and areas excluded from the targeted rate on this basis), that is, reduce the frequency of pasture damaging floods (which is no more than 72 hours duration of ponding) to a 5% AEP flood (20 year flood) design standard.

**Level of service for Objective 2: Rural flood risk reduction**

- Confirm via comparison of stopbank survey levels and 5% AEP flood levels (via hydraulic model long sections) the adequacy of the stopbanks in providing protection for up to a 5% AEP flood (20 year).
- Maintain rural stop banks to a design standard that provides protection for up to a 5% AEP flood (20 year).
- Maintain floodgate outlets to a standard that excludes pasture damaging flooding for up to a 5% AEP flood (20 year).

**Objective 3: Coastal flood risk reduction**

- To reduce the incidence of flooding by sea water on low-lying and reclaimed land around the southern shores of Rangaunu Harbour to a 5% AEP flood (20 year).

**Level of service for Objective 3: Coastal flood risk reduction**

- Maintain coastal stop banks to a design standard that provides protection for up to a 5% AEP flood (20 year).
- Maintain floodgate outlets to a standard that excludes pasture damaging flooding for up to a 5% AEP flood (20 year).

The Awanui River management assets are provided and maintained to meet the level of service identified above. The proposed capital improvement programme includes a project to increase the discharge capacity through the Waihoe Channel through the installation of a further outlet and/or floodgates near the existing Waihoe floodgates during 2012/13 at a cost of \$100,000. This upgrade will assist to reduce the duration of impoundment of floodwaters in the Lake Tangonge storage area, which will have benefits for the productive values of the land in this area and also the quality of the water discharged back into the Awanui River. Further work is planned during 2012/13 to assess the effectiveness, feasibility and design of options to reduce flood risk to urban Kaitāia.

All maintenance budgets are included in the operational expenses of the council. New capital expenditure programmes and replacement capital expenditure programmes are included in the capital expenditure budgets. Further detail on the maintenance and capital programmes in relation to the Awanui River scheme assets may be obtained by reference to the asset management plan.

## PROJECTS

### Minor river works

In addition to river schemes, Northland Regional Council also proposes to undertake a programme of minor river works in a number of the Priority River catchments. The works typically involve gravel management, removal of debris, obtaining resource consents and working with the community and other stakeholders to implement works to reduce flood risk. Implementation of the programme will require collaboration with landowners, the local communities and other stakeholders. A draft programme of works has been identified, and this is expected to continue to evolve and change over time, pending outcomes from collaboration with landowners, the local communities and other stakeholders. The draft programme for the first three years of the Long Term Plan is summarised below:

2012/13

- Waima maintenance assistance.
- Panguru and Lower Waihou maintenance assistance.
- Pawarenga Streams maintenance assistance.
- Whirinaki maintenance assistance.
- Waihou maintenance assistance.
- Kawakawa township stopbank resource consent.
- Works to reduce flood risk to Otiria and Moerewa including resource consents.
- Waitangi maintenance assistance.
- Awapokonui maintenance assistance.
- Contingencies and critical debris removal.

2013/14

- Waima resource consents for alluvial fan bunded floodway and maintenance assistance.
- Panguru and Lower Waihou maintenance assistance.
- Pawarenga Streams maintenance assistance.
- Whirinaki maintenance assistance.
- Waihou maintenance assistance.
- Ngunguru gravel management.
- Contribution towards Kawakawa township stopbank construction.
- Waitangi maintenance assistance.
- Awapokonui maintenance assistance.
- Otaika lower river willow removal and lower floodplain overflow channel including resource consent.
- Helena Bay debris/gravel removal.
- Waimamaku maintenance assistance.

2014/15

- Contribution towards Waima bunded floodway construction (earth bunds/poplar barriers).
- Panguru and Lower Waihou maintenance assistance.
- Pawarenga Streams maintenance assistance.
- Whirinaki floodway resource consents.
- Waihou maintenance assistance.
- Waitangi maintenance assistance.
- Awapokonui channel approach realignment near SH12 bridge including resource consent.
- Otaika River lower river willow removal maintenance on regrowth.
- Helena Bay lower river improvements near Russell Road.
- Waimamaku maintenance assistance.
- Contingencies and critical debris removal.

#### **Proposed capital improvement programme**

2012/13	Awanui - upgrade of Waihoe floodgate.
2013/14	Whāngārei detention dam proposal.
2014/15	Kerikeri-Waipapa flood reduction proposal.
2015/16	Kaeroa Stage 2 proposal.

Details of these proposed projects, with the associated options and rating impact can be found in the "Issues for consultation" section on pages 15-19.

## FUNDING IMPACT STATEMENT FOR RIVER MANAGEMENT

Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	335,537	527,121	608,195	712,630	760,910	795,024
Targeted rates (other than a targeted water rates)	1,225,037	1,457,841	1,531,126	2,055,368	2,117,160	2,120,189
Subsidies and grants for operating purposes	-	144,195	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-
<b>Total Operating Funding</b>	<b>1,560,574</b>	<b>2,129,157</b>	<b>2,139,321</b>	<b>2,767,998</b>	<b>2,878,070</b>	<b>2,915,213</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	1,370,795	1,859,743	1,303,556	1,264,439	1,312,936	1,342,969
Finance costs	19,405	14,016	191,397	493,015	637,445	627,524
Internal charges and overheads applied	126,622	233,406	238,123	248,714	255,113	261,292
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>1,516,821</b>	<b>2,107,164</b>	<b>1,733,075</b>	<b>2,006,168</b>	<b>2,205,494</b>	<b>2,231,785</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>43,753</b>	<b>21,992</b>	<b>406,245</b>	<b>761,830</b>	<b>672,576</b>	<b>683,429</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
to meet additional demand	-	-	-	-	-	-
to improve levels of service	554,415	799,785	6,876,728	5,992,890	608,542	-
to replace existing assets	-	53,405	52,805	58,409	58,409	59,093
Increase / (decrease) in reserves	81,456	(726,813)	(6,441,697)	(5,321,315)	(99,958)	487,364
Increase / (decrease) of investments	(592,118)	(104,385)	(81,591)	31,846	105,583	136,972
<b>Total Applications of Capital Funding</b>	<b>43,753</b>	<b>21,992</b>	<b>406,245</b>	<b>761,830</b>	<b>672,576</b>	<b>683,429</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>(43,753)</b>	<b>(21,992)</b>	<b>(406,245)</b>	<b>(761,830)</b>	<b>(672,576)</b>	<b>(683,429)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June
					<b>Sources of Operating Funding</b>
864,208	916,517	943,861	1,025,719	1,072,742	General rates, uniform annual general charges, rates penalties
2,123,236	2,126,293	2,129,451	2,133,010	2,136,595	Targeted rates (other than a targeted water rates)
-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	Local authorities fuel tax, fines, infringement fees and other receipts
<b>2,987,444</b>	<b>3,042,810</b>	<b>3,073,312</b>	<b>3,158,730</b>	<b>3,209,337</b>	<b>Total Operating Funding</b>
					<b>Applications of Operating Funding</b>
1,390,549	1,439,428	1,472,340	1,528,617	1,574,706	Payments to staff and suppliers
603,164	578,974	554,976	530,872	507,191	Finance costs
271,789	277,145	285,586	298,000	303,865	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>2,265,502</b>	<b>2,295,547</b>	<b>2,312,902</b>	<b>2,357,489</b>	<b>2,385,762</b>	<b>Total Applications of Operating Funding</b>
<b>721,942</b>	<b>747,263</b>	<b>760,410</b>	<b>801,241</b>	<b>823,575</b>	<b>Surplus / (Deficit) of Operating Funding</b>
					<b>Sources of Capital Funding</b>
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	<b>Total Sources of Capital Funding</b>
					<b>Applications of Capital Funding</b>
-	-	-	-	-	Capital expenditure
-	-	-	-	-	to meet additional demand
-	3,165	-	-	3,506	to improve levels of service
63,653	63,653	63,653	69,300	70,109	to replace existing assets
484,153	480,185	482,537	474,355	473,543	Increase / (decrease) in reserves
174,136	200,259	214,220	257,586	276,417	Increase / (decrease) of investments
<b>721,942</b>	<b>747,263</b>	<b>760,410</b>	<b>801,241</b>	<b>823,575</b>	<b>Total Applications of Capital Funding</b>
<b>(721,942)</b>	<b>(747,263)</b>	<b>(760,410)</b>	<b>(801,241)</b>	<b>(823,575)</b>	<b>Surplus / (Deficit) of Capital Funding</b>
-	-	-	-	-	<b>Funding Balance</b>



# Economic development

The Economic development group of activities only includes Economic development and encompasses the rating for the rescue helicopter, the Northland Events Centre and the Marsden Point Rail Link Joint Venture.

## ABOUT ECONOMIC DEVELOPMENT

The economic development activities to be delivered from council's new council-controlled organisation or by the existing Enterprise Northland Trust include:

- Chasing economic development projects for the council (and others) to invest in (initially using the Investment and Growth Reserve).
- Helping put together business cases for economic development projects.
- Assessing economic development projects (and their business cases) for the council (and others) to invest in.
- Managing projects on behalf of the council.
- Directly assisting projects through business incubation, removing (some) risk (e.g. by getting resource consents, securing land, securing partners).
- Advising council on opportunities and barriers to economic development in Northland.
- Delivering the business grow and skills development service provision, funded by central government.
- Collaborate with industry sector groups; Māori development groups and support regional forums e.g. Northland Energy Forum, Digital Forum, rail project, oyster shell project.

The council will directly support economic development by:

- Embedding the provision for economic well-being into the key planning documents of the council.
- Implementing internal improvement processes to build a business friendly environment that encourages business and employment opportunities.
- Collating and producing a quarterly "State of the Economy" report tracking regional economic performance and trends.

In the council's previous Long Term Plan for 2009-2019 the council proposed to develop a Regional Growth Programme for Northland. The programme was to consider social, environmental and cultural factors alongside economic and growth opportunities. Once developed, it was anticipated that the council would work closely with its economic development agency, Enterprise Northland Trust and key stakeholders to implement, monitor and review the programme over time to ensure maximum effectiveness and advantage for Northlanders is achieved. The council has instead decided to focus on selected economic development projects and as part of the last Annual Plan has established the Northland Regional Council Investment and Growth Reserve to fund eligible projects. Within this draft Long Term Plan is the council's proposed criteria for funding projects from the new reserve. Please refer to pages 27-28 for full details of the proposed criteria.

The current and proposed roles and funding of the Northland Regional Council Community Trust, Enterprise Northland Trust and Destination Northland Limited along with further background are fully described on pages 29-36. In 1996, the council established the Northland Regional Council Community Trust from the proceeds of the sale of shares in the Northland Port Corporation Ltd. Trading as "Enterprise Northland", the Trust's mission is "to promote and encourage sustainable economic development for the benefit of the people of Northland". The Trust is a council-controlled organisation under the Local Government Act 2002, and operates on the basis of an annual Statement of Intent presented to the council each year. Destination Northland Limited is the regional tourism organisation and responsible for destination marketing – the promotion of, in our case Northland to potential domestic and international visitors. Since 2008 Destination Northland Limited has broadened its focus to the promotion of Northland as a place to work, invest and visit rather than having primarily a tourism focus. Destination Northland still has an important role to play in assisting Northland businesses and communities to maximise and manage the sustainable economic benefits of increased visitor numbers.

### Joint venture with Ontrack for the proposed Marsden Point rail link

The council has entered into a joint venture with Ontrack to purchase and hold land along the proposed route for a rail link to Marsden Point deep water port so it will be possible for a rail link to be built in the future and the land is not developed in the interim. Council has purchased a total of eight properties along the proposed Marsden Point rail corridor at a cost of \$11.32 million (excluding GST). Seven of these properties were purchased during 2007-2008 and 2008-2009 and one further property was purchased in the 2010-2011

year. The residential dwellings and farm land are leased to ensure the properties are well maintained and to help offset the holding costs. As at 30 June 2011, the properties were valued at \$7.50 million.

All properties are a long-term investment and the council expects the value of the properties to recover over the longer term when the recession is over. Over the long term, when it becomes economic to do so, council intends to retain the designated corridor and to sell any surplus land. The rail designation is expected to be granted with a decision made within the next few months. A draft consent order has been prepared and signed off by the parties and has been provided to the Environment Court for its decision. No final decision being made as yet as to whether the rail link will be built and when. A review is currently being carried out by KiwiRail on the overall viability of the rail line north of Auckland and it is hoped that this will have a positive outcome for the joint venture. The council is involved through the Regional Transport Committee advocating for retaining rail in Northland.

### **Recreational facilities rate – Northland Events Centre**

The council built the \$16 million Northland Events Centre in 2010 and it was formally opened on 28 May 2011. The council contributed \$13 million and the Whāngārei District Council contributed \$3 million towards the construction. The events centre has since been transferred to the Whāngārei District Council and is being operated by a trust. The council's contribution is being repaid from the Regional Recreational Facilities Rate with Whāngārei ratepayers paying \$28.75 and the Kaipara and Far North ratepayers paying \$5.75 annually (including GST).

### **Emergency services helicopter rate**

The council established a new regional rate in 2009-2010 to contribute \$600,000 funding annually to the Northland Emergency Services Trust for the operation of the rescue helicopter/air ambulance service in Northland. The rate was established as the funder of last resort for the rescue service (if the funding wasn't provided then the service may not have been able to be maintained) and was necessary because the Northland Emergency Services Trust, the non-profit charitable trust that provides the service, had lost a major sponsor. Since then the helicopter service has coped with an increase in demand for its services and extended its capabilities by adding a third helicopter to its operations to ensure availability at all times. The council is proposing that the targeted rate continue on the basis that without the funding from rates the Northland Emergency Services Trust would have to reduce its current operations and level of response and because there has been support from Northlanders in the past for the service and the targeted rate.

### **Internal business improvement**

Council will over the lifetime of this plan continually review its policy and planning processes to ensure that decision making is based on good advice, which is informed by a range of stakeholders and interests, skills and expertise, mindful of the contexts in which we and Northland operates, with relevant criteria for judging options. We know that to get the good advice we need the right processes, systems, frameworks and culture and that this is an ongoing process of improvement and refinement. These internal improvements and projects are therefore cross organisational. We will work with the business community to identify critical consent process improvements required within the council and how best to carry them out. We will continue to work with our partners on the ground, the individuals and their representative organisations, to share knowledge, develop management approaches and to improve resource management performance in Northland.

## **WHY WE PROVIDE ECONOMIC DEVELOPMENT**

Central government's economic development policy recognises that regions and regional economic development are key drivers of New Zealand's overall economic performance. As a regional authority, the Northland Regional Council makes a significant contribution to the economic development of the Northland region through infrastructure development and environmental management. The council also considers it is in a position to commit to the investment necessary to move the region forward and that the region's current economic performance is no longer a viable option for Northland. To that end the council established the new Northland Regional Council Investment and Growth Reserve in 2010-2011 to reverse the cycle of underinvestment and lead by example through investing directly in projects that deliver real benefits to current and future generations of Northlanders. The council aims to find new ways to bring investment into the region and create rewarding business and employment opportunities.

Economic development is vital for generating the resources needed to address some of the pressing problems affecting Northland such as poor housing, health and education. In times of economic recession there is a greater need to invest in economic development to give confidence to others so they will invest here to reduce socio-economic disparities and stimulate employment growth. The government's funding for economic development has been limited severely by the need to divert funds to rebuild Christchurch.

Therefore there are very few sources of funding available to achieve a step change in the economy of Northland. Until last year all of the council's investment income helped fund council operations; providing a rates subsidy of about 20%. The council introduced a five year transition to re-direct its investment income into the Northland Regional Council Investment and Growth Reserve last year as part of the 2011-12 Annual Plan; and in this draft Long Term Plan is proposing to extend the transition phase to 10 years. The extended transition phase is proposed to alleviate, to some degree, the impact of funding additional work that is proposed in this plan and to acknowledge the effects of the recession on individual households. This reserve will be used to fund specific projects that will increase Northland's economic performance and the number of jobs in Northland.

## HOW ECONOMIC DEVELOPMENT CONTRIBUTES TO COUNCIL OBJECTIVES

The Economic Development activity contributes to the following council objectives:

- Build a business friendly environment that encourages business and employment opportunities.
- Invest in Northland to increase Northland's economic performance and quality of living.
- Facilitate those infrastructural improvements that connect people in Northland and improve our links to the outside world.

The council is committed to internal business improvement projects to ensure the council offers a business friendly environment that is not perceived as a barrier to doing business. We will be working with the business community to identify critical consent process improvements required within the council and how best to carry them out. We will continue to work with our partners on the ground, individuals and their representative organisations, to share knowledge, develop management approaches and to improve resource management performance in Northland.

Our investment in Northland is a key platform within this Long Term Plan with the council's investment income being utilised for economic development projects and ventures to improve Northland's economy, increase the number of jobs in Northland and increase the average weekly household income for Northlanders. The projects and ventures that qualify for funding from the new Investment and Growth Reserve will be located in the Northland region; will promote viable, long term economic development (i.e. beyond immediate short-term employment and business activity); and development can be achieved in a way that is consistent with social, environmental and cultural well-being.

The expanded economic development activities to be provided by the council's new council-controlled organisation and/or council-controlled trading organisation includes finding, facilitating and delivering on projects and ventures that will improve Northland's economic performance. Infrastructural improvements that remove barriers for business development and enable better access for businesses will be investigated.

There are no **significant negative effects** on well-being from the Economic Development activity. The council believes there will be positive effects on cultural, social and environmental well-being for the region once Northland's economic performance improves. Some individuals may consider that the increase in rates to allow the council's investment income to be utilised for economic development causes them a negative economic effect. On average, the annual rates increase for the transition of the investment income over the 10 years amounts to less than \$10 a year which the council does not consider to be significant.

## KEY ISSUES FOR CONSULTATION

The following issues relating to the economic development activity are raised for consultation:

- Extending the transition phase for redirecting the investment income to the new Northland Regional Council Investment and Growth Reserve to reduce the impact on rates – more details on page 11.
- Changing the council-controlled organisation structure and roles for Northland Regional Council Community Trust and Enterprise Northland Trust – more details on pages 29-36.
- Reducing the funding contribution to Destination Northland Limited from approximately \$350,000 to \$100,000 in three years time – more details on pages 35.
- The reasons for funding the rescue helicopter have changed from being the funder of last resort to keep the service afloat to funding a comprehensive service that would need to reduce in capability without the rate funding contribution – more details on page 22.

## HOW WE MEASURE OUR PERFORMANCE

The council's Audit and Finance Committee receives quarterly reports from Northland Regional Council Community Trust, Enterprise Northland Trust and Destination Northland Limited on progress against the performance measures within their Statement of Intent and spending against budgets. The following major

measures and targets for the Economic Development group of activities will also be reported quarterly to the council and these are captured in the council's Annual Report.

### Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Key aspect of activity	Why it is important	Performance measure )	Performance target	Baseline
Investing in economic projects and ventures within Northland to increase Northland's economic performance.	Increasing Northland's economic performance is seen as a key outcome to improving Northlanders' quality of life.	Employment rate – the proportion of the labour force that is in paid employment.	Increases annually.	Year ended June 2011 - 91.5% Year ended June 2010 - 90.38%
		Business growth – business start-ups expressed as a percentage of business turnover (start-ups and closures). See note below.	Increases annually.	Year ended June 2011 - 40% Year ended June 2010 - 43%
		Economic growth – real GDP per usual resident population.	Increases annually.	Year ended June 2011 - \$21,244 Year ended June 2010 - \$21,112

These measures were selected as the major aspects for Economic Development after considering the level of risk either posed by the council's activities or the risk that these activities are intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, the Environmental Hotline, presentations to council meetings); the government's policy direction and the council's objectives.

### Business growth performance measure

A result of 50% means that there were as many business start-ups as there were closures. So a result below 50% means there were less businesses in operation than previously. A good result for Northland is considered to be anywhere above 60%.

## ASSUMPTIONS SPECIFIC TO ECONOMIC DEVELOPMENT

This draft Long Term Plan has assumed that the income from the Northland Regional Council Community Trust is received by the council and is used to partly fund Destination Northland Limited for the first three years and partly fund economic development activities by the council's new council-controlled organisation. After three years the income from the Trust Fund is only used to partly fund economic development activities by the council's new council-controlled organisation.

The \$350,000 funding for Destination Northland reduces to \$100,000 (funded from Council Services Rate) in Year 4 (2015-16) and remains at the lower level for the remaining years of the plan.

## LEVEL OF SERVICE CHANGE

The council indicated a change in its economic development activity last year in establishing the new Northland Regional Council Investment and Growth Reserve using investment income to fund economic development projects that would improve Northland's economy, create more jobs and increase average household income. The council proposes to establish a new council-controlled organisation (and/or trading organisation) for the operational work involved in finding, facilitating and delivering on projects to be funded from the income received from the Northland Regional Council Community Trust and the new Investment and Growth Reserve.

## FUNDING IMPACT STATEMENT FOR ECONOMIC DEVELOPMENT

Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June	Annual Plan 2011 -2012 \$	Year 1 2012- 2013 \$	Year 2 2013- 2014 \$	Year 3 2014- 2015 \$	Year 4 2015- 2016 \$	Year 5 2016- 2017 \$
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	461,900	682,745	697,574	714,173	577,675	572,114
Targeted rates (other than a targeted water rates)	2,431,687	2,441,477	2,449,253	2,455,878	2,462,536	2,469,228
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	409,298	774,130	791,913	898,780	1,022,408	1,197,502
<b>Total Operating Funding</b>	<b>3,302,885</b>	<b>3,898,352</b>	<b>3,938,740</b>	<b>4,068,831</b>	<b>4,062,619</b>	<b>4,238,844</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	1,483,619	2,438,394	2,455,396	2,469,943	2,388,397	2,380,545
Finance costs	1,006,656	696,114	643,706	587,073	526,059	460,441
Internal charges and overheads applied	10,437	183,147	186,476	195,154	155,977	159,514
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>2,500,713</b>	<b>3,317,655</b>	<b>3,285,578</b>	<b>3,252,170</b>	<b>3,070,433</b>	<b>3,000,500</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>802,172</b>	<b>580,698</b>	<b>653,162</b>	<b>816,661</b>	<b>992,186</b>	<b>1,238,344</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
to meet additional demand	-	-	-	-	-	-
to improve levels of service	-	-	-	-	-	-
to replace existing assets	-	-	-	-	-	-
Increase / (decrease) in reserves	818,636	332,248	340,159	404,052	442,014	502,600
Increase / (decrease) of investments	(16,464)	248,450	313,003	412,609	550,172	735,744
<b>Total Applications of Capital Funding</b>	<b>802,172</b>	<b>580,698</b>	<b>653,162</b>	<b>816,661</b>	<b>992,186</b>	<b>1,238,344</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>(802,172)</b>	<b>(580,698)</b>	<b>(653,162)</b>	<b>(816,661)</b>	<b>(992,186)</b>	<b>(1,238,344)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June
					<b>Sources of Operating Funding</b>
599,957	609,650	622,886	607,599	645,483	General rates, uniform annual general charges, rates penalties
2,475,952	2,482,711	1,498,186	1,219,211	1,219,686	Targeted rates (other than a targeted water rates)
-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
1,439,964	1,729,838	2,056,350	2,393,054	2,833,143	Local authorities fuel tax, fines, infringement fees and other receipts
<b>4,515,873</b>	<b>4,822,199</b>	<b>4,177,422</b>	<b>4,219,864</b>	<b>4,698,312</b>	<b>Total Operating Funding</b>
					<b>Applications of Operating Funding</b>
2,414,042	2,440,664	2,414,335	2,379,349	2,433,398	Payments to staff and suppliers
389,659	313,492	256,706	245,550	245,550	Finance costs
165,930	168,894	173,928	181,531	184,746	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>2,969,631</b>	<b>2,923,050</b>	<b>2,844,969</b>	<b>2,806,430</b>	<b>2,863,694</b>	<b>Total Applications of Operating Funding</b>
<b>1,546,242</b>	<b>1,899,149</b>	<b>1,332,452</b>	<b>1,413,434</b>	<b>1,834,619</b>	<b>Surplus / (Deficit) of Operating Funding</b>
					<b>Sources of Capital Funding</b>
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	<b>Total Sources of Capital Funding</b>
					<b>Applications of Capital Funding</b>
					Capital expenditure
-	-	-	-	-	to meet additional demand
-	-	-	-	-	to improve levels of service
-	-	-	-	-	to replace existing assets
591,866	678,547	(204,930)	(496,249)	(482,754)	Increase / (decrease) in reserves
954,376	1,220,602	1,537,382	1,909,683	2,317,373	Increase / (decrease) of investments
<b>1,546,242</b>	<b>1,899,149</b>	<b>1,332,452</b>	<b>1,413,434</b>	<b>1,834,619</b>	<b>Total Applications of Capital Funding</b>
<b>(1,546,242)</b>	<b>(1,899,149)</b>	<b>(1,332,452)</b>	<b>(1,413,434)</b>	<b>(1,834,619)</b>	<b>Surplus / (Deficit) of Capital Funding</b>
-	-	-	-	-	<b>Funding Balance</b>



# Hazard Management

This group of activities includes:

- Civil defence emergency management
- Natural hazard management
- Oil pollution response

## ABOUT HAZARD MANAGEMENT

The council works collaboratively with the three district councils to form the Civil Defence Emergency Management Group to facilitate the co-ordination of inter-agency emergency reduction, readiness, response and recovery, and to develop and implement a region wide Civil Defence Emergency Management Plan. The council provides leadership, co-ordination, project management and funding for the management group, the co-ordinating executive group, the lifelines group and the welfare advisory group. Responsibilities of the Northland Civil Defence Emergency Management Group include:

- Establishing a number of “clusters” to deliver services and to ensure that the goals outlined in the Civil Defence Emergency Management Plan are achieved;
- Providing office space for the logistical and administrative support;
- Developing policy, plans and protocols to ensure an integrated and coordinated approach to activities region-wide across the 4 R’s - reduction, readiness, response and recovery;
- Developing and implementing the training and exercise programmes that include all agencies across the sector in the region;
- Providing resources, facilities and trained personnel for the Group Emergency Operations Centre to ensure effective response co-ordination and control of emergencies;
- Commissioning and project management of natural hazards studies in order to reduce potential effects;
- Co-ordinating and contributing to recovery efforts; and
- Participating in and contributing to national level studies and projects facilitated by the Ministry and the scientific sector.

In addition, the CDEM Group has:

- Developed a warning system to alert communities of the possibility of any event which could potentially threaten property, infrastructure or human life;
- Developed and tested a number of plans to ensure that appropriate systems and response and recovery mechanisms are in place to ensure that communities’ needs are met during and after any emergency, including the establishment of a Welfare Advisory Group, Rural Support Trust and Lifelines Utility Group; and
- Established plans for response, recovery, welfare, warnings, public information management, lifelines protocols and priority restoration of assets in the region.

Natural hazard management aims to identify, assess and provide information on natural hazards and associated risks, along with the preparation and implementation of risk reduction plans, for the primary purpose of reducing the current and future risk from natural hazards to people and property to as low as reasonably practicable in the circumstances that exist. This activity informs the Civil Defence Emergency Management activity for their planning and reduction strategies and informs the regional plans and policy statements developed under the Resource Management group of activities to help avoid/mitigate future risk from inappropriate land management use/practices.

Natural hazard management focuses on risk avoidance, or if avoidance is not practical, risk reduction to reduce the potential for damage to property and loss of life. This is achieved by firstly assisting a community to understand the risks which threatened it, and then understanding the limits of any mitigation measures that may be employed. Through this activity the council promotes the awareness of risk from natural hazards and ways to mitigate or reduce risk, which enables people to utilise the opportunities provided by the natural environment without creating unacceptable levels of additional risk. We also undertake risk assessment, by collecting data on hazards such as flooding and coastal erosion, using this data to help develop and refine information that informs people of the potential hazards and risks. This activity also focuses on developing plans to reduce risk from natural hazards, and working with the community to implement and revise plans.



The Oil pollution response activity aims to prevent further pollution from marine oil spills and to contain and clean them up to avoid or mitigate the effects on Northland's environment. This work includes:

- Maintaining a contingency plan including memorandums of understanding with primary response partners;
- Maintaining a team of trained oil spill responders and a 24/7 response capability, including on-call Regional On Scene Commander coverage;
- Ensuring Maritime New Zealand owned oil spill response equipment stockpiled in the region is fit for use;
- Conducting and participating in scenario based regional oil spill response exercises;
- Approving Tier 1 oil transfer site plans and inspecting the sites to ensure they meet spill prevention and response requirements; and
- Responding to and cleaning up marine oil spills.

## WHY WE PROVIDE HAZARD MANAGEMENT

A regional approach to civil defence emergency management reduction, readiness, response and recovery allows for the consistent coordination of emergency services and support organisations which includes the regional and three district councils. The government set up this regional approach in 2002 under the Civil Defence Emergency Management Act.

The Northland region is exposed to a range of natural hazards including storm/cyclone, tsunami, volcano, land instability, earthquake, rural fire and drought, with river flooding providing the highest risk to the Northland region from natural hazards due to the extensive development on flood plains and Northland's exposure to high intensity rainfall events. It is a core function of regional councils to minimise the effects from these hazards on life, property and the quality of the environment. The council is legally obliged by the Civil Defence Emergency Management Act and the Soil Conservation and Rivers Control Act to develop and implement plans to reduce risks associated with hazards.

Preventing oil spills and minimising the impacts of an oil spill is a key priority to every New Zealander in order to protect our environment and enable recreational activities on and around our waters. Preventing an oil spill through appropriate measures and processes also has economic benefits for high risk businesses. The council has responsibility under the Maritime Transport Act (1994) to plan for and have in place, contingency measures to deal with oil spills in the coastal areas of Northland, within the territorial sea.

## HOW HAZARD MANAGEMENT CONTRIBUTES TO COUNCIL OBJECTIVES

The hazard management activity contributes to the following council objectives:

- Maintain the quality of the relatively unspoilt parts of Northland's environment, improve degraded areas and promote the setting aside of special and significant environmental areas for the enjoyment of our people.
- Facilitate those infrastructural improvements that connect people in Northland and improve our links to the outside world.
- Encourage the sustainable use of our environment in ways that will progress our collective quality of living.
- Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment to encourage our collective pride in Northland.

There are no significant negative effects from delivering the Hazard management group of activities. Some people may feel their rights have been reduced in order to provide for the well-being of the wider public or future generations, in those situations where natural hazards are identified on land which may restrict its use or development or where risk reduction measures have been identified on private land.

Oil pollution response operations have the potential for negative effects on the environment. Response options are analysed and resources prioritised in order to minimise significant negative effects. There is potential for wāhi tapu sites, kaimoana areas to be effected during an oil pollution response. When required, Iwi involvement is requested to assist with cultural matters to avoid significant negative effects.

## HOW WE MEASURE OUR PERFORMANCE

The Civil Defence Emergency Management Group meet quarterly to receive progress reports against the objectives and projects included in the five year Northland Civil Defence Emergency Management Plan. Debriefs of every emergency response are conducted within a month of the emergency and improvements

are built into the community response plans and emergency centre procedures. The council's Environment Management Committee receives regular project updates and provides oversight for the Hazard Management and Oil Spill Response activities. The council's Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the Hazard management group of activities; these are also captured in the council's Annual Report.

### Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Levels of service	Why it is important	Performance measure	Performance target	Baseline (with recent trends if available )
Maintaining a responsive and efficient civil defence emergency management system.	Providing timely information and warnings helps protect the public and property.	Nationally issued warnings are acknowledged within 30 minutes.	100% of the time.	New measure.
Maintaining an effective civil defence emergency management system.	Maintaining effective plans and response procedures is an important way to reduce the impact of any emergency situation.	Emergencies are debriefed within one month and noted improvements are incorporated into the appropriate emergency operating procedures and response plans.	100% of the time	2010/11 – 100%
Providing accurate and timely flood warnings.	Timely warnings are important to enable communities to take precautionary measures and safeguard property and livestock.	Accurate and timely flood warnings issued.	100% of the time	New measure
Maintaining an efficient and responsive and efficient Oil pollution response.	There is a high public expectation that our response will be effective and efficient.	Evaluate and respond to a report of an oil spill within one hour of the report being received.	100% of the time.	100% for the past 3 years.
Maintaining natural hazard information and assessments to protect life and property.	Identification of natural hazards and risk reduction options enables people to make an informed decision about the risks and what level of risk they are prepared to accept or mitigate. This information also flows into policy and land use planning which help to reduce risk where risk is deemed unacceptable.	Maintain hazard information for river flooding and beach profiles.	Priority beach profile sites updated biennially.  Flood level monitoring at priority rivers updated within 1 month following every large flood event.	New measure  New measure

These measures were selected as the major aspects for Hazard Management after considering the level of risk either posed by the council's activities or the risk that these activities are intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, the Environmental Hotline, presentations to council meetings); the government's policy direction and the council's objectives.

## **PROJECTS**

- Implement, monitor and report on the Civil Defence Emergency Management Group Plan for Northland.
- Review the Civil Defence Emergency Management Group Plan for Northland in preparation for the next plan.
- Prepare and adopt a new plan in 2014 and 2019, in accordance with the Civil Defence Emergency Management Act.

## **ASSUMPTIONS SPECIFIC TO HAZARD MANAGEMENT**

There are no assumptions specific to the Hazard Management group of activities.

## **LEVEL OF SERVICE CHANGE**

No service levels were changed in the 2011-2012 financial year from the previous year or Long Term Plan and no service levels are proposed to change in this plan.

## FUNDING IMPACT STATEMENT FOR HAZARD MANAGEMENT

Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	1,151,183	1,272,253	1,289,321	1,260,093	1,325,637	1,426,559
Targeted rates (other than a targeted water rates)	-	-	-	-	-	-
Subsidies and grants for operating purposes	78,918	71,132	73,408	75,757	78,333	81,075
Fees, charges and targeted rates for water supply	3,000	1,000	1,032	1,065	1,101	1,140
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	19,000	122,230	125,757	129,398	133,389	137,638
<b>Total Operating Funding</b>	<b>1,252,101</b>	<b>1,466,615</b>	<b>1,489,518</b>	<b>1,466,313</b>	<b>1,538,461</b>	<b>1,646,411</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	1,144,432	1,249,845	1,196,064	1,214,882	1,232,340	1,268,845
Finance costs	-	12,924	6,924	-	-	-
Internal charges and overheads applied	280,412	454,210	463,283	482,711	495,079	506,762
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>1,424,844</b>	<b>1,716,979</b>	<b>1,666,272</b>	<b>1,697,593</b>	<b>1,727,418</b>	<b>1,775,607</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>(172,743)</b>	<b>(250,364)</b>	<b>(176,754)</b>	<b>(231,280)</b>	<b>(188,958)</b>	<b>(129,196)</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
to meet additional demand	-	-	-	-	-	-
to improve levels of service	42,270	2,000	2,064	-	-	-
to replace existing assets	-	-	-	-	-	-
Increase / (decrease) in reserves	100,000	120,000	138,470	-	-	-
Increase / (decrease) of investments	(315,013)	(372,364)	(317,288)	(231,280)	(188,958)	(129,196)
<b>Total Applications of Capital Funding</b>	<b>(172,743)</b>	<b>(250,364)</b>	<b>(176,754)</b>	<b>(231,280)</b>	<b>(188,958)</b>	<b>(129,196)</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>172,743</b>	<b>250,364</b>	<b>176,754</b>	<b>231,280</b>	<b>188,958</b>	<b>129,196</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June
					<b>Sources of Operating Funding</b>
1,518,085	1,617,959	1,720,147	1,826,528	1,918,994	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	Targeted rates (other than a targeted water rates)
83,831	86,598	89,455	92,676	95,919	Subsidies and grants for operating purposes
1,179	1,217	1,258	1,303	1,348	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
141,909	146,196	150,625	155,615	160,642	Local authorities fuel tax, fines, infringement fees and other receipts
<b>1,745,004</b>	<b>1,851,971</b>	<b>1,961,485</b>	<b>2,076,122</b>	<b>2,176,903</b>	<b>Total Operating Funding</b>
					<b>Applications of Operating Funding</b>
1,300,533	1,341,043	1,383,912	1,423,121	1,465,178	Payments to staff and suppliers
-	-	-	-	-	Finance Costs
526,073	536,422	552,253	575,138	586,436	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>1,826,606</b>	<b>1,877,465</b>	<b>1,936,165</b>	<b>1,998,259</b>	<b>2,051,615</b>	<b>Total Applications of Operating Funding</b>
<b>(81,602)</b>	<b>(25,494)</b>	<b>25,320</b>	<b>77,862</b>	<b>125,289</b>	<b>Surplus / (Deficit) of Operating Funding</b>
					<b>Sources of Capital Funding</b>
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	<b>Total Sources of Capital Funding</b>
					<b>Applications of Capital Funding</b>
					Capital expenditure
-	-	-	-	-	to meet additional demand
-	-	-	-	-	to improve levels of service
-	-	-	-	-	to replace existing assets
-	-	-	-	-	Increase / (decrease) in reserves
(81,602)	(25,494)	25,320	77,862	125,289	Increase / (decrease) of investments
<b>(81,602)</b>	<b>(25,494)</b>	<b>25,320</b>	<b>77,862</b>	<b>125,289</b>	<b>Total Applications of Capital Funding</b>
<b>81,602</b>	<b>25,494</b>	<b>(25,320)</b>	<b>(77,862)</b>	<b>(125,289)</b>	<b>Surplus / (Deficit) of Capital Funding</b>
-	-	-	-	-	<b>Funding Balance</b>

# Transport

This group of activities includes:

- Regional transport management
- Passenger transport administration
- Harbour safety and navigation

## ABOUT TRANSPORT

### Regional transport management

The overall aim of transport operations and planning is to achieve an affordable, integrated, safe, responsive and sustainable land transport system. The council's regional transport management work includes strategic planning for the future transport needs of the region and the active operational involvement in regional road safety issues through:

- Convening the Regional Transport Committee which includes representatives from the council, three district councils, NZ Police, NZ Transport Agency, environmental sustainability; economic development; safety and personal security; public health; access and mobility and cultural interests.
- Developing, implementing and monitoring the Regional Land Transport Strategy for Northland.
- Preparing a Regional Public Transport Plan.
- Developing the Regional Road Safety Action Plan.
- Preparing the Regional Land Transport Programme.

The 30 Year Transport Strategy for Northland (which incorporates the Regional Land Transport Strategy) is required to take a 30 year view in addressing the following objectives:

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

Regionally strategic projects are identified for rail, airports and ports and include:

- Coordinating a working party of the Regional Transport Committee to provide direct input and engagement with KiwiRail regarding the review of the North Auckland rail line
- Strategic review of the three airports within Northland with a particular focus on the opportunities for improvements, including the potential for an international airport in the mid north
- Review of the issues and opportunities for port networks within the upper North Island.

### Passenger transport administration

Passenger transport is about providing affordable, safe, integrated, responsive, accessible and sustainable transport services to the public. The council's Passenger Transport Administration activity includes:

- Administration of the Whāngārei Urban City Link bus service;
- Investigating the viability of operating subsidised public passenger services in other areas;
- Administration of the Total Mobility Scheme in Whāngārei for the transport disadvantaged.
- Investigating the viability of operating Total Mobility Schemes into other areas;
- Registration and administration of public passenger transport services; and
- Maintaining an electronic register of commercial passenger services.

### Harbour safety and navigation

The council promotes the safety of people using the harbours and coastal areas of Northland. In line with best accepted practice promoted by Maritime New Zealand, the council has adopted the New Zealand Port and Harbour Marine Safety Code which uses formal risk assessment processes to provide harbour safety management and navigation systems. The council promotes and regulates navigation safety on all coastal and harbour waters throughout the region and out to 12 nautical miles, and makes Navigation Safety Bylaws that cover all boating and shipping activities in Northland's waters. The council also provides and maintains aids to navigation, provides the services of a regional harbourmaster, harbour wardens, education and advice and if necessary, enforcement and a maritime incident response system. In addition, the council provides pilotage services to cruise ships in the Bay of Islands. There is a programme of summer patrols to promote compliance with navigation bylaws and to carry out educational activities to promote greater navigation and boating safety. The council's vessels also provide services to other council departments for purposes of water quality monitoring and enforcement of the marine pollution regulations.

## WHY WE PROVIDE TRANSPORT

The transport network is New Zealand-wide with connections world-wide. Having a regional coordination, operational and planning role makes sense for ensuring efficient and integrated management of the network and its funding. Harbour navigation and safety management is provided for the safe movement of commercial and recreational vessels, and promotes and regulates safe boating and shipping practices to minimise maritime accidents to protect the environment and losses to property and persons. Regional councils are obliged to engage in a range of land transport planning, passenger transport and harbour management activities.

Northland harbours provide direct access to world-wide markets and handle very large oil tankers, cargo ships, cruise ships and fishing vessels. Coastal trades include cement, oil products and fuel provision direct to Auckland. Northland is one of the most popular recreational boating areas in New Zealand with some of the best diving, fishing and sightseeing in the world, and is the first point of entry for the majority of visiting foreign yachts. Ship and boat repair facilities, tourism, commercial boating and port and refinery operations provide core economic benefits and employment to the region.

The preparation of the 30 year Transport Strategy is a requirement under the Land Transport Management Act 2003 and is required to be taken into account by road controlling authorities and the New Zealand Transport Agency during the formulation of their own land transport programmes. The council is responsible for the implementation of the regional component of the strategy and the oversight of other activities incorporated within the strategy.

Under the New Zealand Transport Agency's funding procedures, only regional councils may apply for government funding for subsidised public transport services, Total Mobility Schemes and related public transport administrative functions. The registration of commercial public transport services by the council is required under the section 31 of the Public Transport Management Act 2008.

## HOW TRANSPORT CONTRIBUTES TO COUNCIL OBJECTIVES

The transport activity contributes to the following council objectives:

- Maintain the quality of the relatively unspoilt parts of Northland's environment, improve degraded areas and promote the setting aside of special and significant environmental areas for the enjoyment of our people.
- Facilitate those infrastructural improvements that connect people in Northland and improve our links to the outside world.
- Encourage the sustainable use of our environment in ways that will progress our collective quality of living.
- Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment to encourage our collective pride in Northland.

The Harbour safety and navigation activity provide the aids to navigation that enable a safe environment for recreational and commercial marine use which protects the environment from the adverse effects of maritime accidents (e.g. oil leakage). The maritime department is pro-active in managing the marine area to allow for the ever changing uses and needs of the marine sector. The maritime resources of vessels and skilled skippers are used by other council departments for purposes of water quality monitoring, and marine pollution regulations enforcement and education. Providing for safe navigation in harbours allows for continued economic use of the resources available. Harbour Safety management systems encourage key stakeholder involvement allowing business development in a safe manner. The public are consulted regarding changes to their harbours, and public concerns are addressed.

Harbours provide key economic benefits to Northland from tourism, fishing, diving, and access to kai moana. Whāngārei provides access to multiple ship repair, maintenance and ship-building industries that could not operate without an efficient harbour. Additionally Marsden point refinery is critical to New Zealand's economic well-being, and provides employment to a large skilled workforce. Northport provides an export point for logs, woodchip and other general goods. The Bay of Islands provides an access point for cruise ships bringing tens of thousands of visitors to the region each summer, and provides income to the council by way of pilotage fees. The Bay of Islands is one of the most popular recreational boating areas in New Zealand, and both the Bay of Islands, and Whāngārei, provide the first official ports of entry for visiting foreign yachts. Northlanders identify with the sea, and are proud of their coastline. Careful management of navigational safety is important for the region.



The transport network provides for the efficient and economic movement of goods and people around the region. Projects to provide new and improved infrastructure ensure environmental sustainability by taking into consideration the environmental impacts of the region's transport infrastructure. All buses operating on the CityLink Service in Whāngārei are fitted with Euro 4 low emission motors. The subsidised public transport service and the Total Mobility Scheme provides opportunities for the transport disadvantaged to access places of work, retail, medical and recreation.

There are no **significant negative effects** from delivering the Transport group of activities.

## KEY ISSUES FOR CONSULTATION

The key issues for consultation include proposals to establish permanent bus services in Dargaville and Kaitāia. Details of these proposals are included in the "Issues for consultation" section on pages 20-21. The funding for both of these services is not included in the financial statements within this draft plan.

## HOW WE MEASURE OUR PERFORMANCE

The council administers the Regional Transport Committee which has representatives from each of the three district councils and the New Zealand Transport Agency as well as representatives for the transport objectives. The Regional Transport Committee receives regular updates on the progress with the Regional Land Transport Programme and 30 Year Transport Strategy including financial reporting. The council receives updates on projects within the Harbour safety and navigation activity at the monthly council meetings. The council's Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the Transport group of activities; these are also captured in the council's Annual Report.

### Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Levels of service	Why it is important	Performance measure	Performance target	Baseline
Embed safety in the thinking of all Northland road users.	There is a community expectation and national directive to make our roading network safer.	Reducing the annual number of fatal and serious injury motor vehicle crashes in Northland.	Crashes involving fatalities: 2012 <20 2013 <18 2014 <17 2015-21 <17  Crashes involving serious injuries 2012 <30 2013 <22 2014 <20 2015-21 <18	The number of crashes for both categories for the past five years is below this table. Crashes involving fatalities – average for last 5 years = 24.4. Crashes involving serious injuries – average for last 5 years = 40.4.
Providing an efficient and effective public bus service.	A reliable and effective bus service will have an increasing number of patrons.	Number of passengers for the Whāngārei urban bus service.	Increases annually.	2008/09 269,556 (+17%) 2009/10 289,485 (+7%) 2010/11 287,006 (-1%)
Maintaining navigation aids for safe navigation.	Safety of harbour and coastal waters. Also mitigates environmental problems of oil spills from wrecks.	Failures to navigation aids are repaired within five working days of reporting.	100% of the time.	New measure.
Providing safe pilotage services for vessels entering the Bay of Islands.	Pilotage provides additional safety. Large ships carry large amounts of oil.	Number of incidents from providing pilotage services within BOI harbours.	Zero incidents related to pilotage.	2009/10 – 0 2010/11 – 0

These measures were selected as the major aspects for Transport after considering the level of risk either posed by the council's activities or the risk that these activities are intended to minimise; the importance of the activities as rated by residents in the past (from submissions, community surveys, feedback to officers, the Environmental Hotline, presentations to council meetings); the government's policy direction and the council's objectives.

Number of crashes with fatalities and serious injuries for the period 2007-2010.

Year	Fatalities	Serious Injuries
2007	28	115
2008	27	107
2009	31	89
2010	20	86
2011	7	53

## ASSUMPTIONS SPECIFIC TO TRANSPORT

There are no assumptions specific to the Transport group of activities.

## LEVEL OF SERVICE CHANGE

No service levels were changed in the 2011-2012 financial year from the previous year or Long Term Plan. New public bus services are proposed for Dargaville and Kaitiāia to be funded by targeted rates. These proposed rates are not included in the financial statements of the draft Long Term Plan as the new service is subject to community support and meeting the funding criteria for New Zealand Transport Agency. The combined funding from targeted rates is less than \$100,000.

## FUNDING IMPACT STATEMENT FOR TRANSPORT

Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	728,233	889,482	978,299	1,084,255	1,180,319	1,319,173
Targeted rates (other than a targeted water rates)	410,476	415,982	459,810	458,497	457,830	522,127
Subsidies and grants for operating purposes	1,206,966	1,196,996	1,237,797	1,288,091	1,347,279	1,631,994
Fees, charges and targeted rates for water supply	1,425,382	1,514,146	1,557,450	1,573,180	1,588,234	1,641,259
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	6,055	9,800	10,114	10,437	10,792	11,170
<b>Total Operating Funding</b>	<b>3,777,112</b>	<b>4,026,405</b>	<b>4,243,469</b>	<b>4,414,460</b>	<b>4,584,454</b>	<b>5,125,722</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	3,579,290	3,861,272	3,955,161	4,071,878	4,190,596	4,733,172
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	513,283	627,286	638,978	670,350	695,476	699,908
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>4,092,573</b>	<b>4,488,557</b>	<b>4,594,139</b>	<b>4,742,228</b>	<b>4,886,072</b>	<b>5,433,081</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>(315,460)</b>	<b>(462,152)</b>	<b>(350,670)</b>	<b>(327,767)</b>	<b>(301,617)</b>	<b>(307,359)</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
to meet additional demand	-	-	-	-	-	-
to improve levels of service	204,480	47,600	34,485	11,715	36,561	1,140
to replace existing assets	68,515	40,900	252,068	100,112	63,872	51,290
Increase / (decrease) in reserves	52,731	(26,606)	17,128	14,746	11,844	8,981
Increase / (decrease) of investments	(641,186)	(524,046)	(654,351)	(454,341)	(413,894)	(368,770)
<b>Total Applications of Capital Funding</b>	<b>(315,460)</b>	<b>(462,152)</b>	<b>(350,670)</b>	<b>(327,767)</b>	<b>(301,617)</b>	<b>(307,359)</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>315,460</b>	<b>462,152</b>	<b>350,670</b>	<b>327,767</b>	<b>301,617</b>	<b>307,359</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June
					<b>Sources of Operating Funding</b>
1,350,683	1,451,187	1,568,835	1,696,129	1,784,695	General rates, uniform annual general charges, rates penalties
520,542	519,843	518,237	516,406	514,561	Targeted rates (other than a targeted water rates)
1,480,726	1,533,251	1,556,732	1,607,177	1,616,183	Subsidies and grants for operating purposes
1,659,370	1,676,539	1,694,242	1,714,064	1,734,023	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
11,550	11,931	12,324	12,768	13,215	Local authorities fuel tax, fines, infringement fees and other receipts
<b>5,022,871</b>	<b>5,192,751</b>	<b>5,350,370</b>	<b>5,546,544</b>	<b>5,662,676</b>	<b>Total Operating Funding</b>
					<b>Applications of Operating Funding</b>
4,521,608	4,639,662	4,710,829	4,835,095	4,892,676	Payments to staff and suppliers
-	-	-	-	-	Finance costs
728,320	741,166	763,292	796,959	810,819	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>5,249,928</b>	<b>5,380,828</b>	<b>5,474,122</b>	<b>5,632,054</b>	<b>5,703,495</b>	<b>Total Applications of Operating Funding</b>
<b>(227,057)</b>	<b>(188,078)</b>	<b>(123,752)</b>	<b>(85,510)</b>	<b>(40,818)</b>	<b>Surplus / (Deficit) of Operating Funding</b>
					<b>Sources of Capital Funding</b>
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	<b>Total Sources of Capital Funding</b>
					<b>Applications of Capital Funding</b>
-	-	-	-	-	Capital expenditure
					to meet additional demand
35,356	14,853	12,576	-	43,421	to improve levels of service
218,028	81,689	95,577	84,687	250,816	to replace existing assets
6,081	2,943	(242)	(3,748)	(7,283)	Increase / (decrease) in reserves
(486,522)	(287,562)	(231,663)	(166,449)	(327,772)	Increase / (decrease) of investments
<b>(227,057)</b>	<b>(188,078)</b>	<b>(123,752)</b>	<b>(85,510)</b>	<b>(40,818)</b>	<b>Total Applications of Capital Funding</b>
<b>227,057</b>	<b>188,078</b>	<b>123,752</b>	<b>85,510</b>	<b>40,818</b>	<b>Surplus / (Deficit) of Capital Funding</b>
-	-	-	-	-	<b>Funding Balance</b>

# Community Representation and Engagement

This group of activities only includes the Community representation and engagement activity.

## ABOUT COMMUNITY REPRESENTATION AND ENGAGEMENT

The Northland community is represented by eight councillors to make decisions for the Northland Regional Council. The council is divided into three constituencies in line with the boundaries of the three districts making up the Northland region. Community representation is as follows:

- Whāngārei constituency – four members
- Far North constituency – three members
- Kaipara constituency – one member

The Northland Regional Council has four committees to assist it to achieve its purpose in governing within its legal mandate. The Community Representation and Engagement activity guides the council's operations in accordance with the requirements of the Local Government Act 2002 including:

- The identification of council objectives.
- The preparation of the council's long term plans and annual plans.
- Monitoring the council's progress towards achieving its objectives.
- Implementing the council's policy for decision making under the Local Government Act 2002.
- Implementing the council's policy on undertaking consultation and seeking community views under the Local Government Act 2002.
- Organising and monitoring the electoral process for regional council elections.

## WHY WE PROVIDE COMMUNITY REPRESENTATION AND ENGAGEMENT

Community representation through elected councillors is the central part of the democratic process and is dictated by statutory requirements. Essentially the role of elected members is to provide good governance over the functions and responsibilities of the Northland Regional Council. The Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, the Local Electoral Act 2002 and other relevant legislation sets out the role of elected members and places obligations relating to the conduct of regional council business. These obligations are designed to ensure that the council:

- Conducts its business in an open, transparent and democratically accountable manner; and
- Gives effect to its identified priorities and desired outcomes in an efficient and effective manner.

## HOW COMMUNITY REPRESENTATION AND ENGAGEMENT CONTRIBUTES TO COUNCIL OBJECTIVES

The Community Representation and Engagement activity contributes to the following council objectives:

- Maintain the quality of the relatively unspoilt parts of Northland's environment, improve degraded areas and promote the setting aside of special and significant environmental areas for the enjoyment of our people.
- Build a business friendly environment that encourages business and employment opportunities.
- Invest in Northland to increase Northland's economic performance and quality of living.
- Facilitate those infrastructural improvements that connect people in Northland and improve our links to the outside world.
- Encourage the sustainable use of our environment in ways that will progress our collective quality of living.
- Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment to encourage our collective pride in Northland.

As policy-maker for the council the councillors play an instrumental role in contributing to the council objectives through understanding and representing the views of the region and encouraging the participation of others in our decision-making. Having transparent decision-making processes that are easily understood helps to encourage community participation. The council will continue to provide opportunities for Māori to gain knowledge of council processes and to support avenues for Māori to participate in the decision-making processes. The council will also continue to recognise the special relationship Māori have with the natural and physical resources of the region. Once the first steps have been taken, council hopes to build a strong governance relationship with the iwi authority governance representatives that will see us broadening our relationship and engaging directly around major issues, proposals and consultations.

Two key policy processes for this term of council is the development of this Long Term Plan (which occurs every three years) and the new Regional Policy Statement (which occurs about every 10 years). The proposals within this draft Long Term Plan are intended to address our active contribution towards all of the council objectives and the Regional Policy Statement is addressing matters that relate to the sustainable use of our natural and physical resources.

There are no **significant negative effects** from delivering the Community Representation and Engagement group of activities.

## HOW WE MEASURE OUR PERFORMANCE

The council's Audit and Finance Committee receives quarterly reports for spending against budgets and the performance against the following major measures and targets for the Community representation and engagement group of activities; these are also captured in the council's Annual Report.

### Timeframes for performance targets

Unless timeframes are stated all the performance targets apply for the 10 years of the plan.

Levels of service	Why it is important	Performance measure	Performance target	Baseline
Maintaining effective, open and transparent democratic processes.	This is council in action – facilitating community participation in decision making.	Submissions received on council's long term plans and annual plan.	Increasing number of submissions for Annual Plans and Long Term Plans.	220 submissions - 2011/2012 Annual Plan. 500 submissions – 2010/2011 Annual Plan. 612 submissions – 2009-19 Long Term Plan.
Maintain effective, open and transparent democratic processes.	Providing responses to submitter feedback enhances the experience of submitters and encourages their ongoing participation in local government decision making processes.	Time to respond to submitters post adoption of annual plans and long term plans.	Within one month of adoption.	2011/2012 Annual Plan – one month.
Providing effective advocacy on behalf of Northlanders on matters of regional significance.	This is council in action – advocating for Northlanders on issues of importance to them.	Level of advocacy undertaken on issues of importance to Northland over and above government submission processes.	10 submissions made annually.	New measure

Participation in our decision-making and advocacy by the council were selected by the council as the major aspects for the Community Representation and Engagement activity.

# Funding impact statement for Community Representation and Engagement

Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	1,148,798	1,385,850	1,545,979	1,680,399	1,831,259	1,946,887
Targeted rates (other than a targeted water rates)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	60,000	61,920	63,901	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	8,000	-	-	-	-	-
<b>Total Operating Funding</b>	<b>1,156,798</b>	<b>1,445,850</b>	<b>1,607,899</b>	<b>1,744,301</b>	<b>1,831,259</b>	<b>1,946,887</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	1,681,635	1,942,742	2,146,366	2,048,659	2,077,735	2,294,124
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	365,311	447,897	455,811	477,419	488,909	499,668
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>2,046,946</b>	<b>2,390,640</b>	<b>2,602,176</b>	<b>2,526,078</b>	<b>2,566,644</b>	<b>2,793,791</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>(890,148)</b>	<b>(944,790)</b>	<b>(994,278)</b>	<b>(781,778)</b>	<b>(735,385)</b>	<b>(846,905)</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
to meet additional demand	-	-	-	-	-	-
to improve levels of service	-	-	-	-	-	-
to replace existing assets	-	-	-	-	-	-
Increase / (decrease) in reserves	-	-	(144,480)	-	-	(159,569)
Increase / (decrease) of investments	(890,148)	(944,790)	(849,798)	(781,778)	(735,385)	(687,336)
<b>Total Applications of Capital Funding</b>	<b>(890,148)</b>	<b>(944,790)</b>	<b>(994,278)</b>	<b>(781,778)</b>	<b>(735,385)</b>	<b>(846,905)</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>890,148</b>	<b>944,790</b>	<b>994,278</b>	<b>781,778</b>	<b>735,385</b>	<b>846,905</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June
					<b>Sources of Operating Funding</b>
2,106,023	2,251,281	2,438,866	2,573,800	2,710,805	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	Targeted rates (other than a targeted water rates)
-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	Fees, charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	Local authorities fuel tax, fines, infringement fees and other receipts
<b>2,106,023</b>	<b>2,251,281</b>	<b>2,438,866</b>	<b>2,573,800</b>	<b>2,710,805</b>	<b>Total Operating Funding</b>
					<b>Applications of Operating Funding</b>
2,185,252	2,246,276	2,491,894	2,376,427	2,441,061	Payments to staff and suppliers
-	-	-	-	-	Finance costs
520,525	529,341	545,228	569,937	579,286	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>2,705,777</b>	<b>2,775,617</b>	<b>3,037,122</b>	<b>2,946,364</b>	<b>3,020,347</b>	<b>Total Applications of Operating Funding</b>
<b>(599,754)</b>	<b>(524,336)</b>	<b>(598,256)</b>	<b>(372,564)</b>	<b>(309,542)</b>	<b>Surplus / (Deficit) of Operating Funding</b>
					<b>Sources of Capital Funding</b>
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (decrease) in debt
-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	<b>Total Sources of Capital Funding</b>
					<b>Applications of Capital Funding</b>
					Capital expenditure
-	-	-	-	-	to meet additional demand
-	-	-	-	-	to improve levels of service
-	-	-	-	-	to replace existing assets
-	-	(176,064)	-	-	Increase / (decrease) in reserves
<b>(599,754)</b>	<b>(524,336)</b>	<b>(422,192)</b>	<b>(372,564)</b>	<b>(309,542)</b>	<b>Increase / (decrease) of investments</b>
<b>(599,754)</b>	<b>(524,336)</b>	<b>(598,256)</b>	<b>(372,564)</b>	<b>(309,542)</b>	<b>Total Applications of Capital Funding</b>
<b>599,754</b>	<b>524,336</b>	<b>598,256</b>	<b>372,564</b>	<b>309,542</b>	<b>Surplus / (Deficit) of Capital Funding</b>
-	-	-	-	-	<b>Funding Balance</b>

## ASSUMPTIONS SPECIFIC TO COMMUNITY REPRESENTATION AND ENGAGEMENT

In November 2011 the Crown and three iwi of Te Hiku o Te Ika (Te Aupōuri, Ngāi Takoto and Te Rarawa) agreed that deeds of settlement setting out collective redress and redress specific to each iwi are ready for presentation to the members of the iwi to decide on ratification. Te Hiku o Te Ika a Maui (the tail of the fish of Maui) is the region from the Hokianga Harbour to Mangōnui, northwards. There are five iwi in the region – Ngāti Kuri, Te Aupōuri, Ngāi Takoto, Ngāti Kahu and Te Rarawa. Each deed of settlement sets out in detail redress packages that are proposed to settle all the historical claims of the iwi and are made up of:

- An agreed historical account and Crown acknowledgements (which form the basis for a Crown apology);
- Cultural redress; and
- Financial and commercial redress.

Co-governance arrangements over public conservation land (with the Crown) and Te Oneroa-a-Tōhē/Ninety Mile Beach (with local councils – Far North District Council and Northland Regional Council) are agreed between the iwi and the Crown with shared cultural redress payments as contribution to the Te Oneroa-a-Tōhē/Ninety Mile Beach co-governance arrangement (\$400,000 for Te Oneroa-a-Tōhē Board, \$412,500 for the recognition of Te Aupōuri, Ngāi Takoto and Te Rarawa historical and cultural association).

Council has budgeted an extra \$30,000 for iwi engagement each year over the life of the plan. Council has assumed that it will support the Board through “committee secretariat” support along with Far North District Council. The settlement process that sets up the Board will provide some of the initial funding for the operation and support of the Board. Council has also budgeted for staff support for the development of the Beach Management Plan in years 1-3 (\$8,000 in years 1 and 2; \$4,000 in year 3).

## LEVEL OF SERVICE CHANGE

No service levels were changed in the 2011-2012 financial year from the previous year or Long Term Plan and no service levels are proposed to change in this plan. The increase in expenditure from 2011-12 reflects minor increases to a wide range of expenses.

# Council-controlled organisations

## NORTHLAND REGIONAL COUNCIL COMMUNITY TRUST

The Northland Regional Council Community Trust (which trades as Enterprise Northland), is classified as a council-controlled organisation under the criteria set down in section 6 of the Local Government Act 2002. The Trust currently has two subsidiaries Destination Northland Limited and the Enterprise Northland Trust, neither of which are classified as council-controlled organisations. To be classified as a council-controlled organisation, council must have the right to appoint 50% or more of the trustees/directors. The Trust Deed of the Northland Regional Council Community Trust expressly provides that all the trustees be appointed by the Northland Regional Council, whereas council does not have the right to appoint any trustees or directors of either Enterprise Northland Trust or Destination Northland Limited. The council has a policy on the appointment of directors and trustees to council organisations (included on page 159) in this draft Long Term Plan.

Within this draft plan is a proposal to change the role of the Northland Regional Council Community Trust to fund management only, and work with the Northland Regional Council Community Trust to change the ownership of its subsidiary Destination Northland Limited and to change the role of Enterprise Northland Trust to a non-trading entity that will remain available for a suitable activity requiring its charitable status when the opportunity arises. See pages 29-36 for more details on the council's proposal.

The information below follows through on the proposal and therefore lists the proposed nature and scope of the Northland Regional Council Community Trust's activities and the performance measures and targets assuming its new role as a fund manager only. These may therefore be subject to change dependent on the outcome of consultation and the discussions the council will have with the Northland Regional Council Community Trust's trustees.

### **Nature and scope of the Northland Regional Council Community Trust's activities**

The principal objectives of the Trust will be to:

- Maximise returns from the Northland Regional Council Community Trust's Fund while maintaining the real value of the capital base (increased annually by an inflation adjustment as measured against the base index of 30 June 2011, \$10,253,000).
- Progressively shift the Fund's portfolio mix of investment into a greater proportion of investment directly and indirectly in Northland and the Northland economy while maintaining the base as above.

### **Key performance targets and measures for the NRCCT group:**

- Achieve an annual investment return on the operating balance of the Fund for each financial year at a rate to be determined by and recorded in the Northland Regional Council Community Trust's Statement of Intent.
- Provide a quarterly report to the council providing the information outlined in the statement of intent in respect of the Trust Fund.
- To annually distribute 100% of the gross income less an inflation adjustment and the Northland Regional Council Community Trust's operating costs to the council.

# Support Services

The funding impact statement below relates to council's support services which are the corporate and support functions for the organisation and include the expenditure and funding sources for commercial activities (interest, dividends and rental income) finance operations, records administration, human resources, communications, information technology and other administration.

Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June	Annual Plan 2011 - 2012	Year 1 2012-2013	Year 2 2013-2014	Year 3 2014-2015	Year 4 2015-2016	Year 5 2016-2017
	\$	\$	\$	\$	\$	\$
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	803,217	-	-	-	-	-
Targeted rates (other than a targeted water rates)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	26,419	37,000	38,184	39,406	40,746	42,172
Internal charges and overheads recovered	5,919,340	6,117,789	6,357,943	6,843,568	7,021,849	7,119,995
Local authorities fuel tax, fines, infringement fees and other receipts	6,052,221	6,200,013	6,078,776	5,934,062	6,332,287	6,086,197
<b>Total Operating Funding</b>	<b>12,801,198</b>	<b>12,354,802</b>	<b>12,474,903</b>	<b>12,817,035</b>	<b>13,394,882</b>	<b>13,248,364</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	5,542,046	5,451,874	5,576,039	5,723,128	5,867,065	5,934,580
Finance costs	1,000	1,000	1,000	1,000	1,000	1,000
Internal charges and overheads applied	369,486	16,077	16,324	17,162	17,562	17,928
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>5,912,533</b>	<b>5,468,951</b>	<b>5,593,364</b>	<b>5,741,291</b>	<b>5,885,627</b>	<b>5,953,508</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>6,888,665</b>	<b>6,885,851</b>	<b>6,881,539</b>	<b>7,075,745</b>	<b>7,509,255</b>	<b>7,294,856</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
to meet additional demand	-	-	-	-	-	-
to improve levels of service	2,237,007	1,576,616	376,680	388,734	137,654	74,086
to replace existing assets	769,875	448,500	503,616	546,890	681,114	841,726
Increase / (decrease) in reserves	1,325,455	1,031,839	1,729,421	2,587,131	3,700,809	4,299,806
Increase / (decrease) of investments	2,556,328	3,828,897	4,271,822	3,552,990	2,989,678	2,079,239
<b>Total Applications of Capital Funding</b>	<b>6,888,665</b>	<b>6,885,851</b>	<b>6,881,539</b>	<b>7,075,745</b>	<b>7,509,255</b>	<b>7,294,856</b>
<b>Surplus / (Deficit) of Capital Funding</b>	<b>(6,888,665)</b>	<b>(6,885,851)</b>	<b>(6,881,539)</b>	<b>(7,075,745)</b>	<b>(7,509,255)</b>	<b>(7,294,856)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

A change in council rates as a source of operating funding for the Communications department has occurred since the 2011/12 Annual Plan was developed. The majority of the costs associated with the Communications department are now treated as a council overhead and redistributed across the council's activities. The exception is the cost associated with Environmental Education which is now included in the Community representation and engagement activity

Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	Draft Prospective Funding Impact Statement for the 2012-2022 LTP, periods ending 30 June
<b>Sources of Operating Funding</b>					
-	-	-	-	-	- General rates, uniform annual general charges, rates penalties
-	-	-	-	-	- Targeted rates (other than a targeted water rates)
-	-	-	-	-	- Subsidies and grants for operating purposes
43,606	45,045	46,531	48,206	49,893	Fees, charges and targeted rates for water supply
7,278,585	7,284,393	7,396,096	7,661,347	7,749,818	Internal charges and overheads recovered
6,203,673	6,265,532	6,216,562	6,814,831	6,352,717	Local authorities fuel tax, fines, infringement fees and other receipts
<b>13,525,864</b>	<b>13,594,969</b>	<b>13,659,189</b>	<b>14,524,384</b>	<b>14,152,429</b>	<b>Total Operating Funding</b>
<b>Applications of Operating Funding</b>					
5,910,225	6,031,985	6,169,421	6,501,410	6,606,497	Payments to staff and suppliers
1,000	1,000	1,000	1,000	1,019	Finance costs
18,725	19,011	19,589	20,532	20,822	Internal charges and overheads applied
-	-	-	-	-	- Other operating funding applications
<b>5,929,949</b>	<b>6,051,996</b>	<b>6,190,010</b>	<b>6,522,942</b>	<b>6,628,338</b>	<b>Total Applications of Operating Funding</b>
<b>7,595,915</b>	<b>7,542,973</b>	<b>7,469,179</b>	<b>8,001,443</b>	<b>7,524,091</b>	<b>Surplus / (Deficit) of Operating Funding</b>
-	-	-	-	-	- <b>Sources of Capital Funding</b>
-	-	-	-	-	- Subsidies and grants for capital purposes
-	-	-	-	-	- Development and financial contributions
-	-	-	-	-	- Increase / (decrease) in debt
-	-	-	-	-	- Gross proceeds from sale of assets
-	-	-	-	-	- Lump sum contributions
-	-	-	-	-	- <b>Total Sources of Capital Funding</b>
<b>Applications of Capital Funding</b>					
Capital expenditure					
-	-	-	-	-	- to meet additional demand
430,164	493,056	459,023	241,031	141,589	to improve levels of service
436,056	527,752	597,359	588,246	860,999	to replace existing assets
5,450,936	6,350,907	7,369,515	8,888,237	9,384,144	Increase / (decrease) in reserves
1,278,759	171,258	(956,717)	(1,716,071)	(2,862,641)	Increase / (decrease) of investments
<b>7,595,915</b>	<b>7,542,973</b>	<b>7,469,179</b>	<b>8,001,443</b>	<b>7,524,091</b>	<b>Total Applications of Capital Funding</b>
<b>(7,595,915)</b>	<b>(7,542,973)</b>	<b>(7,469,179)</b>	<b>(8,001,443)</b>	<b>(7,524,091)</b>	<b>Surplus / (Deficit) of Capital Funding</b>
-	-	-	-	-	- <b>Funding Balance</b>

# Subsidiary organisations

## NORTHLAND PORT CORPORATION (NZ) LTD

### Port ownership

The Northland Regional Council owns 53.6% (22.1 million shares) of the issued capital of the Northland Port Corporation (NZ) Limited (NPC). The balance of shares is held by the public and all shares are listed on the New Zealand stock exchange. The council reviews its shareholding in the company during the triennial review of its strategic plan.

There are six directors of the Northland Port Corporation (NZ) Limited. Two directors retire by rotation each year. The following are the current directors:

Mr R Blackmore	Sir J Goulter
Ms S Huria	Mr D Keys
Mr P Griffiths	Mr C Mitten (Chairman)
Ms E Trout	Mr I C Walker

### Company operations

Over the last few years the company has rationalised its operations and is now essentially an investment company with holdings in the following companies:

- Northport Limited (operates a deep water port facility at Marsden Point)
- North Port Coolstores (1989) Limited
- Northland Stevedoring Services Limited

The company also owns approximately 180 hectares of industrially zoned land in the Marsden Point area which is being progressively developed for industry that utilises the port at Marsden Point.

### Company financial data

As a listed company, Northland Port Corporation (NZ) Limited is not required to publish a statement of corporate intent nor provide budget estimates to the council, its major shareholder. The corporation is exempt from the council-controlled organisations' provisions of the Local Government Act 2002.

### Subsidiaries

Company	NPC Holding	Main activity
Northport Limited	50.0%	Port operating company
Northland Stevedoring Services Limited	50.0%	Stevedores
North Port Coolstores (1989) Limited	50.0%	Coolstore operators
Marsden Point Stevedoring Services Limited	50.0%	Non-trading



## Non-financial policies

The council has various non-financial policies – four policies of this nature are included within the draft plan. The first policy, our Policy on the development of Māori capacity, is legally required to be within the Long Term Plan. The policy on the appointment of directors to council organisations and partnerships with the private sector provide additional context and background. The council's Significance Policy is also included within this draft plan under the major proposals section on pages 45-48.

## Policy on the development of Māori capacity

### POLICY ON RELATIONSHIPS WITH MĀORI

The Local Government Act 2002 contains a range of provisions regarding the relationship of local government with Māori. The intention of these new provisions is the facilitation of participation by Māori in the decision-making processes of local authorities.

In addition to the obligations within the Local Government Act, the Resource Management Act 1991 outlines specific obligations for regional councils regarding:

- Kaitiakitanga;
- The principles of the Treaty of Waitangi;
- The relationship between Māori and their culture; and
- Traditions and their ancestral lands, water, sites, wāhi tapu and other taonga.

While there are legal obligations that the council must and will give effect to, the Northland Regional Council recognises that an approach that transcends the rules based approach of law is also required to enhance relationships and participation for Māori.

Set out below are the Northland Regional Council processes in place to give effect to these obligations and to develop Māori capacity to contribute to decision making.

#### Relationships

Northland Regional Council realises the need to form transparent and responsive relationships in order for them to be meaningful. The council will continue to work at all levels to establish and maintain relationships with Māori. Council acknowledges that to build Māori capacity it also needs to build its own capacity to engage.

Council will continue to work with Māori, particularly through iwi authority governance representatives, to ensure that the governance and engagement models that we are committed to developing:

- Build our relationship and engagement with Māori;
- Build a solid platform for decision making;
- Mature and endure;
- Deliver services and activities that foster the ability and capacity of Māori to contribute to decision making;
- Deliver better outcomes for Māori and Northland.

Council's first priority is to develop a better and more productive relationship with the iwi authority governance representatives. Council accepts this will be organic and not driven by our own rule based framework. To underline our commitment council will:

- Attend training each triennium;
- When invited walk over their rohe with iwi governance representatives to understand the issues and opportunities for Māori;
- Welcome and take up invitations for marae visits and noho marae/marae stays.

Elected representatives and staff will have an opportunity to gain an appreciation of Māori culture and tikanga and will attend education programmes relating to Māoritanga and the Treaty of Waitangi.

### **Treaty of Waitangi**

A special relationship exists between Māori and the Crown through the signing of the Treaty of Waitangi. The Treaty cements the relationship between the Crown and Māori as Treaty partners.

The council will continue to work with the Office of Treaty Settlements by way of provision of information and, where relevant, contributing to investigations of various settlement instruments during the negotiation of claims. Where such settlements have been passed into legislation, the council will enact any legislative requirements of them or directions from the Minister, such as Memorandum of Understanding.

Council will promote the development of an organisational framework for policy and decision making that acknowledges and builds on the Treaty of Waitangi.

### **Iwi liaison**

Section 13 of the council's Governance Statement details the key tasks of council's Iwi Liaison policy, while section 12 outlines the council's consultation policy including for consultation with Māori. A copy of the Governance Statement is available on the council's website [www.nrc.govt.nz/governance](http://www.nrc.govt.nz/governance)

The council views the process of iwi liaison as one of establishing and maintaining a close connection with Māori through clear processes for consultation and involvement in decision-making. By doing so, the council recognises Māori as being a culturally distinct group with different perspectives from the wider community.

### **Provision of information**

Northland Regional Council recognises that in order for Māori to effectively contribute to the decision-making process of council, it is essential that relevant information is provided to support this process.

By providing information, the council acknowledges it needs to be cognisant that it is relevant, clear and provided in a timely fashion in a manner that is appropriate.

### **Contribute to decision-making and capacity building**

The Northland Regional Council will continue to provide opportunities for Māori to gain knowledge of council processes and to support avenues for Māori to participate in the decision-making processes. The council will also continue to recognise the special relationship Māori have with the natural and physical resources of the region.

Once the first steps have been taken, council hopes to build a strong governance relationship with the iwi authority governance representatives that will see us broadening our relationship and engaging directly around major issues, proposals and consultations. We may develop understandings / codes of partnership and build upon existing fora for collective discussion, advice and decision making that then filter throughout the organisation and Northland.

We will continue to build on the operational and management arrangements we have such as continuing to attend and participate in the Iwi Local Government Authority Chief Executives Forum, engaging with the technical expertise within iwi authorities, and maintaining our open door policy of interaction and engagement of hapū and whānau in council projects and initiatives.

We would like to explore with iwi authority governance representatives whether and how we might formalise the process for secondment of iwi representatives into council, council staff working within iwi authority structures, and a review of the consultation policy.

As we develop this policy and the elements within it, we will develop our evaluation model(s) to ensure our efforts are effective. We will do this and conduct our evaluations in ways that recognise and acknowledge that Māori, as individuals and collectives, have diverse interests and aspirations.

# Policy on the appointment of directors to council organisations

Section 57 of the Local Government Act 2002 requires the council to adopt a policy on the appointment of directors to council organisations. As detailed in section 6(1) of the Local Government Act, a council-controlled organisation is a company in which the council holds 50% or more of the voting rights, or 50% or more of the rights to appoint trustees or directors. This definition applies to the Northland Regional Council Community Trust.

Under section 6(4) of the Local Government Act, Northland Port Corporation (NZ) Ltd is exempt from being classified as a council-controlled organisation. However the associated joint venture company Northport Ltd is classified as a council trading organisation. Directors of Northport Ltd are to be appointed by the immediate shareholders.

## Key principles of this policy

- The objective of this policy is to ensure that the council appointments process selects the best person for the role;
- All appointments will be made through an objective, transparent and accountable process;
- All appointments will be made on the basis of merit; and
- All directors will be appointed on the basis of the contribution they can make to the organisation, not on the basis of representation.

## POLICY ON THE APPOINTMENT OF DIRECTORS TO COUNCIL ORGANISATIONS

In order to identify the skills, knowledge and experience required of directors, in each case a person specification will be prepared setting out the skills, knowledge, and experience required of a director. A separate job description will be prepared for the Chairperson. In preparing these person specifications, consideration will be given to the following:

- The nature and scope of the council organisation, its future direction and requirements of its constitutional documents;
- Demonstrated judgement, team work and integrity;
- The objectives of the organisation and the attributes, skills, knowledge, and experience required to contribute to the achievement of those objectives;
- The mix of skills of the existing directors;
- Not currently provided for skills, knowledge, and experience;
- Any future skills, knowledge, and experience required; and
- The need to plan for succession.

It is recommended that all appointed directors should undergo or have already undergone formal governance training or have the requisite experience in this area.

All directors are expected to make a significant contribution to the governance of the organisation, including developing insight into the organisation and its aspirations and participating fully at meetings.

### Appointment of directors to council-controlled organisations

When vacancies arise in any council-controlled organisation, the council will apply the criteria listed above for the selection process and follow the process below for appointing directors:

The council will first decide whether to advertise a particular vacancy or make an appointment without advertisement. When making this decision the council will consider:

- The costs of any advertisement and selection process;
- The availability of qualified candidates; and
- The urgency of the appointment (e.g. a council-controlled organisation that is without a quorum cannot hold a board meeting).

### Appointment by advertisement

Where the council decides to advertise a vacancy, it will form an ad hoc committee to consider applications and make a recommendation to the council.

### **Appointment without advertisement**

Where the council decides not to advertise a particular vacancy, it will form an ad hoc committee to identify a shortlist of candidates and make a recommendation to the council.

### **Final appointment**

The full council will make a decision on the appointment of directors in committee. An elected member who is under consideration to fill a particular vacancy may not take part in the discussion or vote on that appointment.

The appointment/s will be made by council resolution.

### **APPOINTMENT OF STAFF OR COUNCILLORS AS DIRECTORS**

Where it is considered appropriate for either staff or councillors to act as directors of a council-controlled organisation, a separate job description will be prepared that clearly outlines their role and responsibilities.

### **Remuneration of directors of council organisations**

Remuneration for directors of council organisations will be determined on a case by case basis taking into account:

- Each specific role;
- Any existing legal or constitutional requirements;
- The form and purpose of the organisation; and
- Any previous level of fees paid by the shareholder.

### **Removal of directors**

Directors may be removed from office according to the specific requirements of the Trust Deed or Constitution and may be subject to additional legislation such as the Local Government Acts 1974 and 2002.

### **Note to the policy:**

As at 20 February 2012 under current arrangements the council does not appoint directors to Destination Northland Limited or Enterprise Northland Trust, subsidiaries of Northland Regional Council Community Trust. Enterprise Northland Trust appoints its own trustees in accordance with its own Trust Deed. Directors to Destination Northland Limited are appointed by its shareholder (under its constitution). Northland Regional Council Community Trust is the majority shareholder.

# Policy on partnerships with the private sector

For the purposes of this policy, partnerships with the private sector are defined as any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business, but does not include an agreement in which the only parties are local authorities, or one or more local authorities and one or more council organisations. A contract for the supply of any goods or services to, or on behalf of a local authority, is not defined as a partnership with the private sector.

Partnerships with the private sector, sometimes referred to as “public private partnerships” or “PPP’s”, are used as a way to finance public goods and services. They are particularly useful when the public budget is limited by allowing a capital contribution to be made by the private sector.

Partnerships may include the approval of loans, grants, investments and/or acting as guarantor.

## The objective of this policy is to outline:

1. The circumstances in which the council may consider entering into a partnership with the private sector, including an initial assessment of the proposal;
2. What consultation may be required;
3. What conditions would need to be met before entering into the partnership;
4. The council’s approach to managing any risks associated with the partnership; and
5. The requirements for ongoing monitoring and reporting.

## Policy on partnerships with the private sector

### 1. Circumstances

The Northland Regional Council may consider entering into partnerships with the private sector where such a partnership is likely to:

- Contribute to the achievement of council objectives;
- Promote the social, economic, environmental or cultural well-being of the region in the present and in the future;
- Be a prudent, efficient and effective use of the council’s resources in the best interests of the region;
- Provide access to funding, expertise or opportunities that would not otherwise be available to the council, or the sector is unwilling or unable to achieve the partnership’s objective without the council’s support;
- Transfer risks to the partner best placed to manage them; and/or
- Provide a more cost-effective solution than if each party acted alone.

An initial assessment will be conducted on all proposals to establish a partnership with the private sector.

This assessment will include:

- Whether the proposal is “significant” in terms of the council’s Policy on Significance;
- (NB: Significant proposals may be subject to an internal or external peer review) \*
- The financial benefit of the partnership proposal compared to the cost if the council were to do the project alone;
- Compliance with sections 76 – 82 of the Local Government Act 2002 including:
  - The identification of all reasonably practicable options for achieving the objective of the partnership;
  - The benefits and costs of each option, including the contribution to current and future well-being; and
  - The views and preferences of the person/s most likely to be affected by, or have an interest in the proposal.

The council may also require the proposed partner to provide a preliminary business plan and/or independently prepared feasibility study prior to considering entering into any partnership.

### 2. Consultation

Consultation on a intended public/private partnership will be required only where:

- There are significant changes in the intended level of service provision for any significant activity undertaken by or on behalf of the council\*;
- Ownership or control of a significant asset is to be transferred to or from the council (section 97 LGA 2002)\*; or

- The intended partnership is deemed significant in accordance with the council's policy on significance whereby the council will determine on a case by case basis what, if any, consultation is required\*.

### **3. Conditions**

The council will require, as a condition of providing funding or other resources to any form of partnership with the private sector, that the private sector partner enters into a written agreement recording the terms of the arrangement or agreement, stating clearly:

- The objectives of, and rationale for the council's involvement in the partnership;
- The parties' respective responsibilities and obligations under the agreement, including responsibility for obtaining any necessary consents, licences or other approvals, or to undertake any matter or do any thing;
- Details of the council's agreement to provide capital and/or operational funding or other resources to the partnership including how the council's contribution will be recognised
- The council's expectations in relation to the private sector partner's contribution to the achievement of council objectives, or promotion of the aspects of community well-being, current and future including, where possible, targets and performance measures;
- The council's requirements in relation to monitoring and reporting of performance including the provision of agreed financial and non-financial records; and
- Consequences of non-performance by the private sector party.

The council may impose any other conditions it considers appropriate in the circumstances.

### **4. Risk management**

Council staff will carry out an assessment of the risks of providing funding or other resources. This will be completed by reviewing all information received from the intended partner, and through discussion and/or enquiry with any party the council chooses, using what the council deems to be the most appropriate methodology, in order to make such an assessment.

At a minimum, the methodology will:

- Identify material risks;
- Assess the probability and likely consequences of those risks; and
- Identify the scope for mitigating those risks.

The risk assessment will be documented and presented to the council for consideration.

Should a public private partnership proceed, a strategy will be developed to manage risks identified during the assessment process. The strategy may include requiring contractual assurances from the private sector partner such as:

- Indemnities and guarantees;
- Details of insurance requirements; and
- Details of the level of monitoring and reporting required.

### **5. Monitoring and reporting**

Staff will be required to monitor performance to agreed standards and report to the council on arrangements entered into for the provision of funding and/or resources. The frequency of reporting will be determined on a case by case basis depending on the nature of each arrangement entered into, and the value of any resources or funding provided. This reporting however, will occur not less than once a year. Reporting is required to cover both the performance of the partnership, and the extent to which council objectives are being furthered as a result of the provision of funding and/or resources.

Monitoring and reporting will be undertaken in accordance with written terms of agreement entered into.

Although it is no longer a requirement of the Local Government Act 2002 to have a policy on partnerships with the private sector, the council considers it to be good practice and transparent to have such a policy to assist with decision making.

\* To be read in conjunction with the council's Significance Policy on pages 45-48.