

⁶⁹The year ahead

ANNUAL PLAN 2016-2017

Consultation Document



TELL US WHAT YOU THINK

Do it online

www.nrc.govt.nz/annualplan2016

or fill in a feedback form at the back of
this document and return it to us by
4pm Friday 6 May 2016.

PUTTING NORTHLAND FIRST

**NORTHLAND
REGIONAL
COUNCIL**



HE ANGA WHAKAMUA 70

He anga whakamua

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

Te mea tuatahi, ko ngā mihi ki tō tātou Kaihanga, Tēnā hoki o tatou mate huhua o ngā tau, ngā marama, ngā wiki me ngā rā e pahure.

Tino hari, tino koa a matou e hoatu kia koutou te Whakamahere-a-tau 2016-2017 a Te Kaunihera-ā-Rohe o Te Tai Tokerau.

Hore kau etahi mea e rereke ana ki ta tatou Rautaki Whakamahere 2015-2025. Nga rereketanga ki enei nga kaupapa, e mahia nga mahi.

Ngā pūtake hou o tēnei Whakamahere a tau:

- He hononga ki nga hapori whanui
- He manaaki taonga me nga whaitua
- He manaaki awa
- Haere nga ma te rohe
- He mahi tautoko.

Tetahi o enei putake hou e korerotia kei roto i tenei Whakamahere. E whakamanawa ana matou ma koutou e tuku o koutou whakaaro e pa ana nga kaupapa kei roto i tenei whakamahere-a-tau.

Tirohia ki te mutunga o tenei Whakamahere me pehea e tuku ou whakaaro.

Na reira, e nga mana, e nga reo, e nga hapori, tena koutou katoa.

He anga whakamua acknowledges and recognises the importance of Māori and their culture in moving Northland forward together as one. It introduces Northland Regional Council's Annual Plan 2016-2017, and outlines the new activities proposed in this annual plan, explaining each of the areas that are discussed further in this document. It invites feedback on the plan – directing people to the last page for guidance on how to provide a submission – and provides greetings to all.

WHAT WE DO



DOING MORE WITH LESS Annual Plan 2016/17

Whether you've been involved in previous plans, or if this is the first time you've had anything to do with an annual plan – welcome.

The concise nature of this document is due in part to the thoroughness of the work and deliberation that went into the Long Term Plan 2015-2025. It set out our programme of work for the next 10 years and explains how it will be paid for.

This consultation document is the first of its kind following changes to the Local Government Act. Annual plans now follow a more streamlined process, so this document looks and feels different to the annual plan summaries we've produced in the past. It's all about simplifying the process, getting rid of any duplication between long term and annual plans, and keeping the costs to you, as ratepayers, as low as we can.

Our key focus throughout this year's annual plan was to seek ways to do more for our residents and ratepayers without increasing your costs, and we have found a number of innovative ways to do this. The following pages explain the key differences between what we are planning to do in the coming

year and what we said we were going to do in the long term plan – how we can do more with less.

The long term plan set out a 2.34% rate increase for the 2016/17 year. We have worked hard to ensure that all existing services can be maintained without any further rates increase. We have brought in a range of new initiatives to be funded from either this pre-set rates increase, or from our cash and other reserves. Work that is funded from cash reserves does not result in a rate increase meaning that your rates are kept as low as possible. Reduced interest costs have enabled us to make some savings that we have passed on to ratepayers.

Thank you for taking the time to read this consultation document and we look forward to hearing your feedback on whether you think we're on the right track.



Bill Shepherd
Coastal North
Chairman



Malcolm Nicolson
Chief Executive



Graeme Ramsey
Kaipara



John Bain
Whāngārei Urban



Monty Knight
Te Hiku



Craig Brown
Coastal South



Joe Carr
Hokianga-Kaikōhe



Paul Dimery
Coastal Central



Dover Samuels
Coastal North



David Sinclair
Whāngārei Urban

FEEDBACK SESSIONS

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Want to talk to a councillor about our Annual Plan? For locations and registration details, phone 0800 002 004 by **Friday 22 April 2016**.

UPDATING YOU It's business as usual

The Long Term Plan 2015-2025 set out our key levels of service – what we plan to achieve over the next 10 years, how our performance will be measured and how council services will be paid for.

There are no significant changes from the Long Term Plan 2015-2025 proposed in this year's annual plan.

What will the Annual Plan 2016-2017 show you?

Although it's largely "business as usual" we are proposing some changes in the coming year including:

- Some new initiatives that tie into our existing council services;
- Changes to some of our targeted rates; and
- Minor changes to our charging policy and treasury management policy.

NEW INITIATIVES

Changes are proposed in the following council activities:



Community representation and engagement



Resource and catchment management



River management



Transport



Harbour and safety navigation



Support services

Each of these areas is discussed in this document. We are also changing the way in which some targeted rates are set. While these changes only affect a small number of ratepayers, we have outlined them here as well, to keep you informed.

Formal hearings are no longer required but we'd still love to hear from you. Fill out the feedback form and make sure you return it to us by **4pm Friday 6 May**. If you want to talk to a councillor at a feedback session about our Annual Plan

2016/17, phone 0800 002 004 by **Friday 22 April 2016** for locations and registration details. Thank you for your interest in our work. We look forward to hearing what you think.

Supporting information

In our supporting information we've provided more detail about our proposals, and our financial statements. You can read this information online at **www.nrc.govt.nz/annualplan2016** or contact our regional offices on 0800 002 004.

WHAT'S DIFFERENT Annual Plan 2016/17

As part of the Long Term Plan 2015-25, the council budgeted a 2.34% rate increase for the 2016-2017 financial year – and we're not planning to change this.

Read on to learn more about the improved services and new initiatives we are proposing for the coming year. We've outlined this new work in the same activity groups that were used in the long term plan to make it easier for you to compare and see the differences.

You can view a copy of the Long Term Plan 2015-25 at www.nrc.govt.nz/ltp2015



Community representation and engagement

Northland has one of the highest levels of participation in the national Enviroschools programme of any region in the country. There are currently 30 schools on a waiting list to join and an extra \$32,500 of funding will allow all of them to join, over time.

This change relates to activity 1.1.3 on p.24 of the long term plan.

The council supports the development of regional facilities. As a result, we are proposing to contribute \$24,000 towards the completion of the Turner Centre in Kerikeri.

This change relates to activity 1.1.5 on p.24 of the long term plan.

Through its Māori Advisory Committee, council provides opportunities for Māori to gain knowledge of council processes and participate in decision-making. In response to a change in national policy, it is proposed to set aside an additional \$11,500 to fund meeting allowances for this committee.

This change relates to activity 1.1 on p. 23 of the long term plan.

Council wants to work more closely with, and help Northlanders. One of these areas is the management of mangroves. We are proposing to make \$5000 available in the form of staff time and resources to help community groups with mangrove management projects.

This change relates to activity 1.1.5 on p.24 of the long term plan.

How much more is being spent on community representation and engagement?

\$73,000

\$73,000

Funded from rate increase

\$0

Funded from other reserves

What does this mean for your rates?

An extra 80c per SUIP/rating unit



One of the Enviroschools students setting traps for Project Possum.



Resource and catchment management

Controlling pests is key to protecting Northland's unique biodiversity and the council is actively involved in a wide range of pest control projects throughout Northland. We are proposing to contribute an extra \$50,000 to a joint project with the Department of Conservation and the Ministry for Primary Industries to undertake a large-scale pest control exercise in Northland's iconic Waipoua Forest.

This change relates to activities 2.5.1, 2.5.2 and 2.5.3 on p.36 of the long term plan.

Helping to keep Northland's rivers and lakes as clean and healthy as possible is also a key priority. The council is proposing to spend \$187,000 to update technical equipment and the other resources required for monitoring of farm dairy effluent, water quality, pests, and lakes.

This change relates to activities 2.2.1 on p.31 and 2.2.7 on p.32 of the long term plan.

The council is also supporting erosion planting in Northland's hill country through our highly successful poplar and willow nursery. Due to increasing demand, it is proposed to spend \$30,000 to expand the nursery.

This change relates to activities 2.3.1 on p.34 and 3.1.5 on p.42 of the long term plan.



Monitoring Northland's extensive river network.



River management

Council has steadily placed more emphasis on reducing the risks to life and property from floods. This has seen us working more closely with local communities to reduce flood risk in the most at risk areas throughout the region. In response to increased expectations of residents – coupled with the added pressure of climate change – the council is proposing to spend an extra \$131,500 to match this increase in demand for our river management work. This includes upgrading some of the equipment used for flood-forecasting and river level monitoring.

This change relates to activities 3.1.3 and 3.1.8 on p.42 of the long term plan.

How much more is being spent
on resource and catchment
management?

\$267,000

\$130,000

Funded from
rate increase

\$137,000

Funded from
other reserves

What does this mean for your rates?

An extra \$1.70 per SUIP/rating unit

How much more is being spent
on river management?

\$131,500

\$70,000

Funded from
rate increase

\$61,500

Funded from
other reserves

What does this mean for your rates?

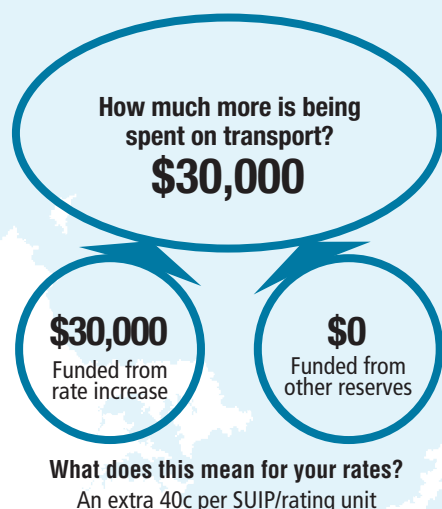
An extra 90c per SUIP/rating unit



Transport

The demand for reliable and effective bus services in Northland continues to grow. In order to meet this demand from residents, the council is proposing to budget an extra \$30,000 in the transport area.

This change relates to activity 6.1.2 on p.57 of the long term plan.

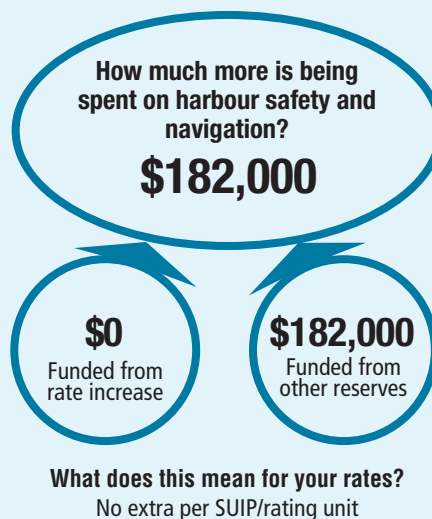


Harbour safety and navigation

Northland's extensive and world-renown coastline is one of our biggest assets. The council provides and maintains an extensive network of navigation and safety aids so that Northlanders and visitors alike can safely enjoy our waters. However, this network is ageing and needs to be replaced to ensure the future safety of people and the coastal environment. As a result, we are proposing to spend \$152,000 on new buoys and beacons.

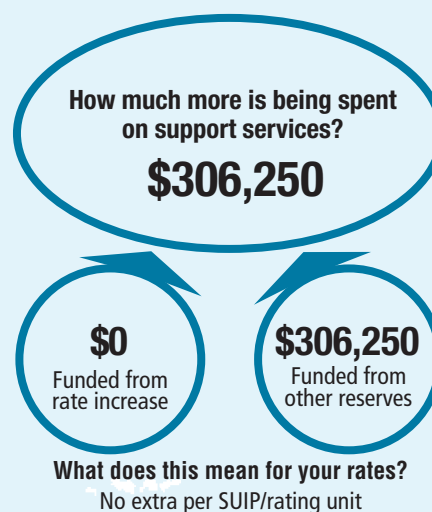
We are also proposing to spend \$30,000 to remove a rock on the approach to the Waipapa Landing pontoon in Kerikeri. This will remove a serious navigation hazard to vessels operating in the area.

These changes relate to activity 6.2.2 on p.58 of the long term plan.



Support services

The council is constantly looking to improve the services offered to residents and ratepayers. In order to provide the best value we can, we are investing more in our support services. This includes a wide range of efficiency-related initiatives such as, automating our agenda and minute system, digitising our historical aerial photography, and improving remote access for field staff. There is also a one-off legal expense related to the rates dispute within the Kaipara district. The legal expense will be funded from council reserves and will therefore not impact directly on the amount residents pay in their rates.



MONEY MATTERS

Charging policy

In the Long Term Plan 2015-2025 we said that we would increase our fees and charges by 2.34% for the 2016/17 year, and that is what we are doing. There are also some updates and clarification required to our charging policy, and we will be making these changes. The updated policy that tells you about our fees and charges can be found in our supporting information, available online at www.nrc.govt.nz/annualplan2016

Local Government Funding Agency borrowing

From time to time, council borrows money from external sources to fund infrastructure projects. In our Long Term Plan 2012-2022, we reserved the right to borrow externally from the Local Government Funding Agency as a non-guaranteeing local authority, where it is the most cost-effective funding source available. Accordingly, minor editorial changes have been made to our Treasury Management Policy to reflect this. More information is available in our supporting information.

Savings on targeted rates

One of the ways we have managed to do more with less, is by making savings across several of our targeted rates and then passing these savings on to ratepayers. These savings have come about because we have been able to negotiate lower interest rates for money we have borrowed to fund various projects.

The changes are summarised here and further information can be found in the supporting documentation. Changes will be reflected in the funding impact statement of the final annual plan.

Regional recreational facilities rate

This rate is applied 100% to the development of the regional events centre. We expect to fully pay for the events centre in the 2017/18 financial year, which is when the rate is due to end. Lower costs of borrowing mean that by keeping the rate at its current amount, we will pay off the loan earlier than expected and therefore reduce the official term of the rate. We will then consult further with the community about whether the rate should continue and enable us to support other recreational facilities in Northland.

Regional infrastructure rate

This rate was established in 2007/08 to fund activities relating to the development of regional infrastructure

projects, beginning with land for the proposed Marsden Point rail link. As with the regional recreational facilities rate, due to lower costs of borrowing keeping the rate at its current amount means we'll repay the loan sooner than expected, therefore reducing the term. This means that other infrastructure projects can be identified and started sooner.

Monitoring our region's rivers.



Whāngārei urban rivers management rate

This is a targeted rate applied to residential and commercial properties that fall within the Whāngārei central business district flood and contributing water catchment areas. It was established to fund the capital and operational costs of the Kotuku detention dam. Lower costs of borrowing mean that this rate can be reduced by 14% compared with

what was projected in the Long Term Plan 2015-2025, while maintaining the payback period of 20 years.

Kerikeri-Waipapa rivers management rate

This rate is applied to properties that are identified in the contributing catchments within the Kerikeri-Waipapa area, to fund the Kerikeri-Waipapa rivers flood management scheme works. The rate was set on a uniform basis in the long term plan, with the intention of consulting further on whether a differential rate should be applied.

We'll be contacting the affected land owners directly with a proposal to set a differential rate. This is being considered due to the fact that flood modelling has shown some properties will benefit directly from the flood scheme, whereas other properties in the catchment will only benefit indirectly. A differential rate would see those properties that stand to benefit the most, pay more than the remaining beneficiaries, at a rate of three to one.



Council staff at Kotuku dam.



Placing more emphasis on reducing risk to life and property from flooding.

Awanui river management rate

This rate is applied differentially by location and area of benefit, as defined in the Awanui River flood management scheme. This rate is now going to be less than expected due to lower interest rates and a favourable result from the tender process.

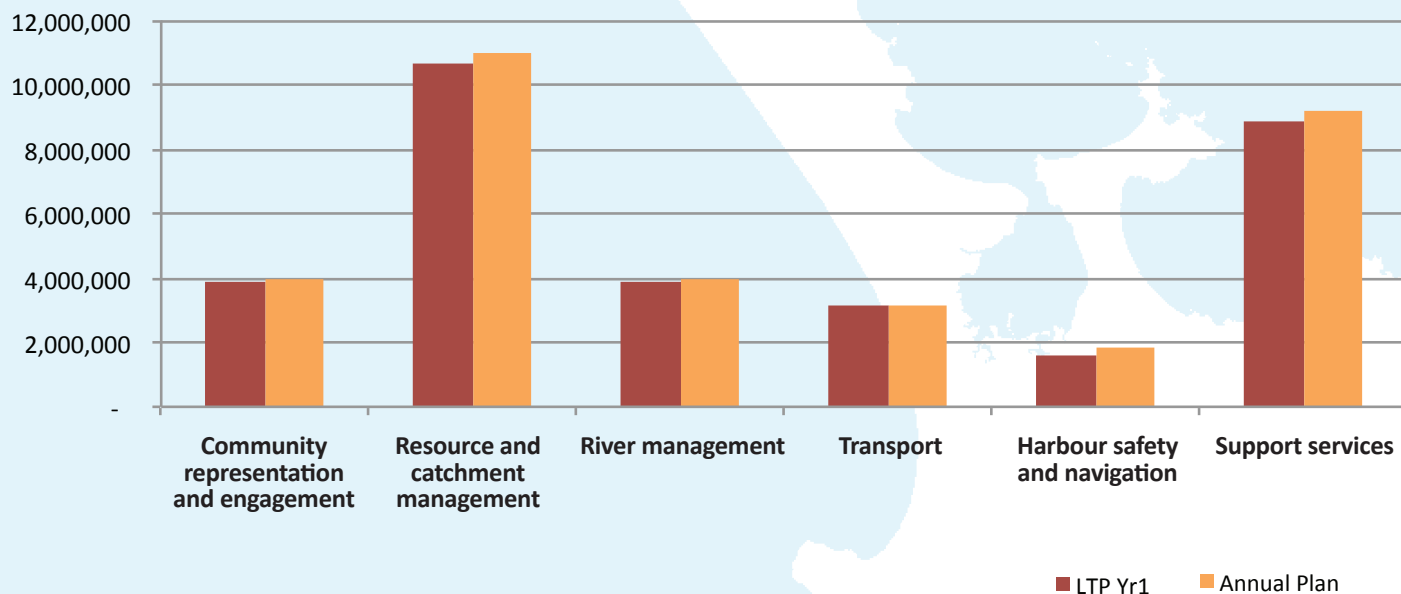
Work is currently being done on the way that this rate is set – differentially and by location – to ensure that this is the fairest way of paying for the flood management scheme. We will contact the affected land owners directly with any proposal to change the way that the rate is set. This will happen outside of this annual plan process.

Planned spending

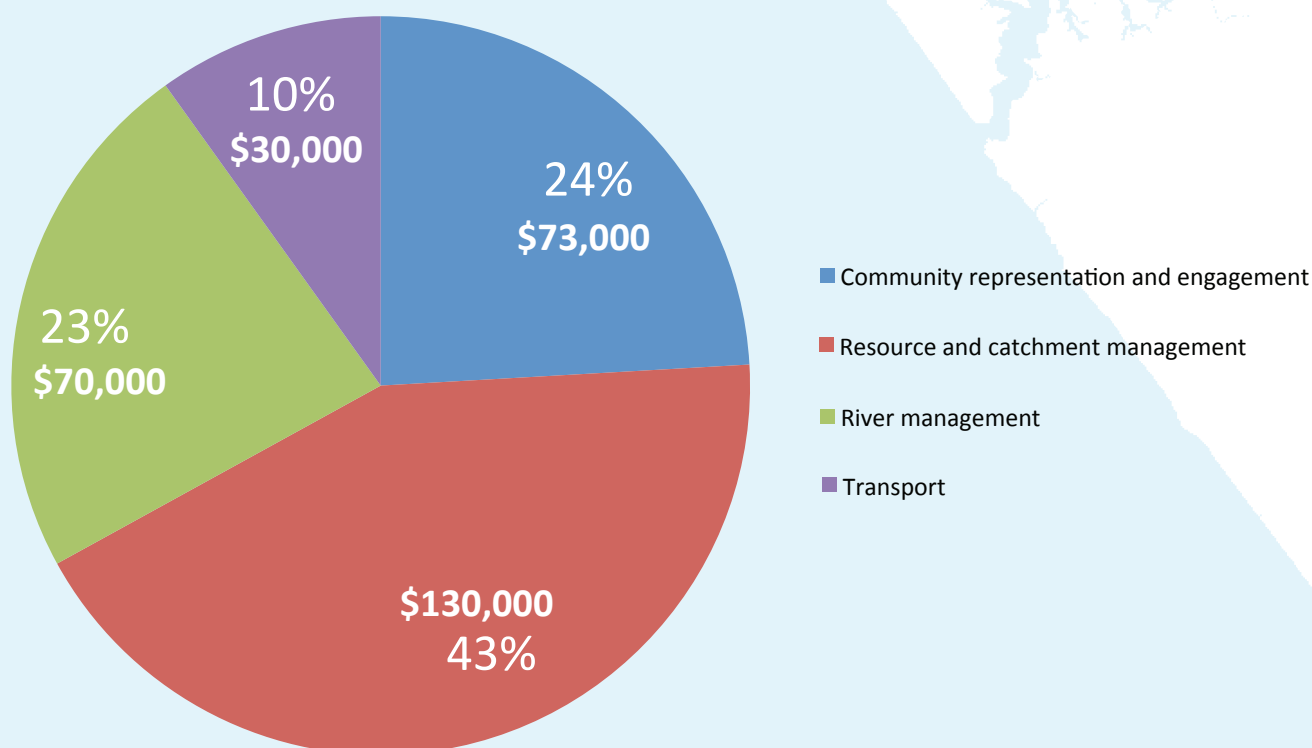
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These graphs show the differences in spending between what was indicated in the long term plan and what will be in the Annual Plan for 2016/17, and how your rates increase will be spent.

How has our budget changed?



Where is your rates increase being spent?



Tell us what you think

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This annual plan is very much business as usual and there are no significant changes from our Long Term Plan 2015-2025. Tell us if you agree or disagree with the new initiatives we're proposing to fund from the 2.34% rate increase, and our other reserves. Be sure to tell us the reasons why, so that council can understand your point of view. **Closing date for submissions is 4pm Friday 6 May.** If you'd prefer, you can fill in a feedback form online at www.nrc.govt.nz/annualplan2016

Your name, township and feedback will be published in public documents.

First name:

Surname:

Organisation (if applicable):

Postal address:

.....

Email address:

Phone:

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

Please complete this form and return it to us as outlined below.

POST: Annual Plan 2016-2017
Northland Regional Council
Freepost 139690
Private Bag 9021, Whāngārei Mail Centre,
Whāngārei 0148

EMAIL: mailroom@nrc.govt.nz

FAX: 09 470 1202

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

What's your view on the proposed changes to our activities and adjustments to our targeted rates?

Please tick any you'd like to give feedback on.

| Community representation and engagement | AGREE | NEUTRAL | DISAGREE |
|---|-------|---------|----------|
| Provide \$32,500 so all schools waiting can join EnviroSchools, over time | [] | [] | [] |
| Contribute \$24,000 towards the Turner Centre in Kerikeri | [] | [] | [] |
| Provide \$11,500 to fund the Māori Advisory Committee | [] | [] | [] |
| Provide \$5000 to support community initiatives to manage mangroves | [] | [] | [] |

Comments

| Resource and catchment management | AGREE | NEUTRAL | DISAGREE |
|--|-------|---------|----------|
| Contribute \$50,000 towards a large-scale pest control project in Waipoua Forest | [] | [] | [] |
| Spend \$187,000 to upgrade technical equipment used for environmental monitoring | [] | [] | [] |
| Spend \$30,000 to expand the poplar and willow nursery | [] | [] | [] |

Comments

| River management | AGREE | NEUTRAL | DISAGREE |
|---|-------|---------|----------|
| Spend an extra \$131,500 on flood risk reduction work | [] | [] | [] |

Comments

Please be aware when providing personal information that all submissions are part of a public consultation process. As such, information provided will be made publicly available, including submitters' names and addresses.

| Transport | AGREE | NEUTRAL | DISAGREE |
|--|-------|---------|----------|
| Spend an extra \$30,000 on providing reliable and effective bus services | [] | [] | [] |
| Comments | | | |

| Harbour safety and navigation | AGREE | NEUTRAL | DISAGREE |
|---|-------|---------|----------|
| Spend \$152,000 on replacing buoys and beacons | [] | [] | [] |
| Spend \$30,000 removing a rock on the approach to the Waipapa Landing pontoon in Kerikeri | [] | [] | [] |
| Comments | | | |

| Support services | AGREE | NEUTRAL | DISAGREE |
|--|-------|---------|----------|
| Spend \$106,250 to improve efficiency and value of a range of support services | [] | [] | [] |
| Pay \$200,000 legal fees for rates dispute in Kaipara district | [] | [] | [] |
| Comments | | | |

We are also proposing several minor alterations to targeted rates that are reflected in the Annual Plan 2016/17. These will result in small changes to the funding impact statement.

| | AGREE | NEUTRAL | DISAGREE |
|---|-------|---------|----------|
| Regional recreational facilities rate – reduce term of the loan by three months (SUIP). | [] | [] | [] |
| Regional infrastructure rate – reduce term by two years. | [] | [] | [] |
| Whāngārei urban rivers management rate – reduce rate by 14%. | [] | [] | [] |
| Kerikeri-Waipapa rivers management rate – change to 3:1 differential. | [] | [] | [] |
| Awanui River management rate – lower rate. | [] | [] | [] |
| Comments | | | |

Remember: Formal hearings are no longer required but if you would like to talk to a councillor about your feedback, please contact us on 0800 002 004 to book a date and time before 4pm Friday 22 April.