

AGENDA

Council
Tuesday 19 February 2019 at 10.30 am

Northland Regional Council Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 19 February 2019, commencing at 10.30 am

Recommendations contained in the council agenda are NOT council decisions. Please refer to council minutes for resolutions.

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<p>ACC - Accident Compensation Corporation</p> <p>AHB - Animal Health Board</p> <p>ALGIM - Association of Local Government Information Management</p> <p>AMA - Aquaculture Management Area</p> <p>AMP - Asset Management Plan/Activity Management Plan</p> <p>BOI - Bay of Islands</p> <p>BOPRC - Bay of Plenty Regional Council</p> <p>CAPEX - Capital Expenditure (budget to purchase assets)</p> <p>CBEC - Community, Business and Environment Centre</p> <p>CDEM - Civil Defence Emergency Management</p> <p>CEG - Co-ordinating Executive Group – Northland Civil Defence management team</p> <p>CEO - Chief Executive Officer</p> <p>CIMS - Co-ordinated Incident Management System (emergency management structure)</p> <p>CMA - Coastal Marine Area</p> <p>CPCA - Community Pest Control Areas</p> <p>CRI - Crown Research Institute</p> <p>DHB - District Health Board</p> <p>DOC - Department of Conservation</p> <p>DOL - Department of Labour</p> <p>DPMC - Department of Prime Minister and Cabinet</p> <p>ECA - Environmental Curriculum Award</p> <p>ECAN - Environment Canterbury</p> <p>EE - Environmental Education</p> <p>EECA - Energy Efficiency Conservation Authority</p> <p>EEZ - Exclusive Economic Zone</p> <p>EF - Environment Fund</p> <p>EMA - Employers and Manufacturers Association</p> <p>EMC - Environmental Management Committee</p> <p>EOC - Emergency Operations Centre</p> <p>EPA - Environmental Protection Authority</p> <p>FDE - Farm Dairy Effluent</p> <p>FNDC - Far North District Council</p> <p>FNHL - Far North Holdings Limited</p> <p>FPP - First Past the Post – voting system for NRC elections</p> <p>GE - Genetic Engineering</p> <p>GIS - Geographic Information System</p> <p>GMO - Genetically Modified Organism</p> <p>HSNO - Hazardous Substances & New Organisms Act</p> <p>HBRC - Hawke's Bay Regional Council</p> <p>HEMP - Hapū Environmental Management Plan</p> <p>Horizons - Brand name of Manawatu-Wanganui Regional Council</p> <p>HR - Human Resources</p> <p>HSWA - Health and Safety at Work Act 2015</p> <p>IEMP - Iwi Environmental Management Plan</p> <p>IPPC - Invited Private Plan Change: a process to allow Aquaculture Management Areas to be established</p> <p>IRIS - Integrated Regional Information System</p> <p>KDC - Kaipara District Council</p> <p>KPI - Key Performance Indicator</p> <p>LATE - Local Authority Trading Enterprise</p> <p>LGA - Local Government Act 2002</p> <p>LGNZ - Local Government New Zealand</p> <p>LGOIMA - Local Government Official Information and Meetings Act 1987</p> <p>LGOL - Local Government Online</p> <p>LTP - Long Term Plan</p> <p>LTFS - Long Term Financial Strategy</p> <p>MCDEM - Ministry of Civil Defence & Emergency Mgmt</p> <p>MFE - Ministry for the Environment</p> <p>MHWS - Mean High Water Springs</p> <p>MMH - Marsden Maritime Holdings Limited</p> <p>MNZ - Maritime New Zealand</p> <p>MOH - Ministry of Health</p>	<p>MOT - Ministry of Transport</p> <p>MPI - Ministry for Primary Industries</p> <p>MSD - Ministry of Social Development</p> <p>NCMC - National Crisis Management Centre</p> <p>NES - National Environmental Standards</p> <p>NDHB - Northland District Health Board</p> <p>NZRC - New Zealand Refining Company (Marsden Point)</p> <p>NGO - Non-Governmental Organisation</p> <p>NIF - Northland Intersectoral Forum</p> <p>NIWA - National Institute of Water and Atmosphere</p> <p>NORTEG - Northland Technical Advisory Group</p> <p>NZCPS - New Zealand Coastal Policy Statement</p> <p>NZTA - New Zealand Transport Agency</p> <p>NZQA - New Zealand Qualifications Authority</p> <p>NZWWA - New Zealand Water and Wastes Association</p> <p>OFI - Opportunity for Improvement</p> <p>ORC - Otago Regional Council</p> <p>OSH - Occupational Safety & Health (now Ministry of Business, Innovation and Employment)</p> <p>PCBU - Person Conducting Business or Undertaking</p> <p>PDF - Portable Document Format</p> <p>PPE - Personal Protective Equipment</p> <p>RAP - Response Action Plan</p> <p>RAQP - Regional Air Quality Plan</p> <p>RCP - Regional Coastal Plan</p> <p>RFI - Request for Information</p> <p>RFP - Request for Proposal</p> <p>RTC - Regional Transport Committee</p> <p>RLTS - Regional Land Transport Strategy</p> <p>RMA - Resource Management Act 1991</p> <p>RMG - Resource Managers Group (Regional Councils)</p> <p>RMZ - Riparian Management Zone</p> <p>ROI - Return on Investment</p> <p>RPMS - Regional Pest Management Strategy</p> <p>RPS - Regional Policy Statement</p> <p>RSG - Regional Sector Group</p> <p>RTO - Regional Tourism Organisation</p> <p>RWASP - Regional Water and Soil Plan</p> <p>SIPO - Statement of Investment Policy and Objectives</p> <p>SITREP - Situation Report</p> <p>SMF - Sustainable Management Fund</p> <p>SOE - State of Environment (or) State Owned Enterprise</p> <p>SOLGM - Society of Local Government Managers</p> <p>SPARC - Sport & Recreation New Zealand</p> <p>SRC - Southland Regional Council (Environment Southland)</p> <p>STV - Single Transferable Vote</p> <p>SWAG - Surface Water Allocation Group</p> <p>SWPA - Sustainable Water Programme of Action</p> <p>TA - Territorial Authority: City & District Councils</p> <p>TAG - Technical Advisory Group</p> <p>Tier 1 - Site level plan or response for an oil spill</p> <p>Tier 2 - Regional level plan or response to an oil spill</p> <p>Tier 3 - National level plan or response to an oil spill</p> <p>TLA - Territorial Local Authority – City & District Councils</p> <p>TMP - Treasury Management Plan</p> <p>TOR - Terms of Reference</p> <p>TPK - Te Puni Kōkiri (Ministry of Maori Development)</p> <p>TRAION - Te Rūnanga a Iwi o Ngāpuhi</p> <p>TRC - Taranaki Regional Council</p> <p>TROTR - Te Rūnanga o Te Rarawa</p> <p>TUANZ - Telecommunications Users Association of NZ</p> <p>WCRC - West Coast Regional Council</p> <p>WDC - Whangarei District Council</p> <p>WHHIF - Whangarei Harbour Health Improvement Fund</p> <p>WRC - Waikato Regional Council</p> <p>WSMP - Workplace Safety Management Practices</p> <p>WWTP - Wastewater Treatment Plant</p>
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TITLE: Health and Safety Report for December 2018 and January 2019

ID: A1159977

From: Tracey Warboys, Health and Safety Specialist

Executive Summary/Whakarāpopototanga

This report provides an update from the Health and Safety Specialist for the months of December 2018 and January 2019. Four medium events for the period, with three investigations raised. Lack of generic traffic management plans to be raised as a medium risk on the risk register as currently in non-compliance with the Code of Practice for Temporary Traffic Management Plans. Informative workshops held and affected departments to determine sites to be included in the TMP.

Recommendation

That the report 'Health and Safety Report for December 2018 and January 2019' by Tracey Warboys, Health and Safety Specialist and dated 4 February 2019, be received.

Background/Tuhinga

Total of 24 reports for the period: December 2018 – 10, January 2019 – 14. Medium events are:

- Security: Flyger Road nursery break in (tools stolen). Police notified.
- Serious Near Miss: Excavator slipped down the river bank during Kaihu River Maintenance. Nil injury or damage to plant.
- Incidents: Small fire while using gas bottle during Rose Street transport promotion. Nil injury.
- Employee distracted while driving and ran off the road. Minor injury to staff member, front end damage to vehicle.

Legislation

Health and Safety at Work Strategy for 2018–2028 launched by WorkSafe. WorkSafe advise that the Government, sectors, businesses and communities must take steps to align their health and safety related work with the strategy. Further material, reports and updates will be published on their website.

Policy and documentation review

Processes continue to be mapped. Population of staff's health and safety training records commenced (in Promapp).

Health monitoring

Fifty staff participated in the annual skin checks, with three referrals for further investigation.

Audit and inspections

- Final renovation inspection undertaken with ARCO. Overall the contract managed well with minor housekeeping issues resolved as they arose.
- Internal quality audit undertaken – waiting on report.
- Mt Tiger pre-harvest inspection undertaken – minor recommendations made.

- Mt Tiger aerial spraying stopped due to Northland Forestry Management not completing the annual contractor assessment. Assessment undertaken and spraying observation undertaken with minor recommendations.

Other

- Year in Review presented to ELT (Dec). Presentation to the Risk and Working Party scheduled (Feb).
- HR and H&S Strategic Management Review undertaken.
- 4x4 and defensive driver training completed (16 staff).

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 05 February 2019

TITLE: Confirmation of Minutes - 11 December 2018

ID: A1158038

From: Chris Taylor, Governance Support Manager

Recommendation

That the minutes of the council meeting held on 11 December 2018 be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Council minutes - 11 December 2018 [↓](#)

Authorised by Group Manager

Name: Chris Taylor

Title: Governance Support Manager

Date: 12 February 2019

Council Meeting
11 December 2018

Northland Regional Council Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 11 December 2018, commencing at 10.30am

Present:

Chairman, Bill Shepherd
Councillors:

John Bain
Justin Blaikie
Paul Dimery
Mike Finlayson
Penny Smart
Rick Stolwerk
Joce Yeoman

In Attendance:

Full Meeting

Deputy Chief Executive Officer
GM - Corporate Excellence
GM - Regulatory Services
Governance Support Manager

Part Meeting

Finance Manager
Corporate Planning Manager
Strategic Projects Manager
Financial Accountant
Kaiahi – Kaupapa Māori
Communications & Engagement Specialist
Strategic Policy Specialist
GIS Officer
Property Officer
Forestry Advisor
Land Management Advisor – Freshwater Project

The Chair declared the meeting open at 10.30am.

Apologies (Item 1.0)

Moved (Shepherd/Bain)

That the apologies from Councillor Sinclair and the Independent Financial Advisor for non-attendance be received.

Carried

Council Meeting
11 December 2018

Declarations of Conflicts of Interest (Item 2.0)

It was advised that councillors should make declarations item-by-item as the meeting progressed.

Receipt of supplementary and tabled items - council meeting 11 December 2018 (Item 2.0A)

ID: A1136473

Report from Chris Taylor

Moved (Smart/Stolwerk)

That as permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987 the following tabled and supplementary reports be received:

- ☐ Supplementary Item 5.1: Financial Report to 30 November 2018
- ☐ Tabled Item 6.5: Shag Lake – Grants for fencing and stockwater reticulation

Carried

Health and Safety Report for November 2018 (Item 3.0)

ID: A1133755

Report from Tracey Warboys, Health and Safety Specialist

Moved (Yeoman/Stolwerk)

That the report 'Health and Safety Report for November 2018' by Tracey Warboys, Health and Safety Specialist and dated 28 November 2018, be received.

Carried

Confirmation of Minutes - 20 November 2018 (Item 4.1)

ID: A1132228

Report from Chris Taylor, Governance Support Manager

Moved (Dimery/Bain)

That the minutes of the council meeting held on 20 November 2018 be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 4.2)

ID: A1132749

Report from Chris Taylor, Governance Support Manager

Moved (Bain/Stolwerk)

That the action sheet be received.

Carried

ID: A1137189

2

Council Meeting
11 December 2018

Working Party Updates and Chairpersons' Briefings (Item 4.3)

ID: A1135043

Report from Sally Bowron, Strategy, Governance and Engagement Team Admin/PA

Moved (Finlayson/Blaikie)

That the report 'Working Party Updates and Chairpersons' Briefings' be received.

Carried

Financial Report to 30 November 2018 (Supplementary Item 5.1)

ID: A1132457

Report from Vincent McColl, Financial Accountant

Moved (Bain/Blaikie)

That the report 'Financial Report to 30 November 2018' by Vincent McColl, Financial Accountant and dated 5 December 2018, be received.

Carried

Secretarial Note:

- ☐ *The Financial Manager provided commentary on the effect of market volatility on council's managed funds.*
- ☐ *A correction to be made to the table 'YTD Revenue Variance Indicators by Revenue Type' that the returns on the Short Term Fund and Infrastructure Investment Fund were **lower** than budgeted.*

Northland Inc. First Quarterly Reporting 2018/19 against Statement of Intent 2018-21 (Item 5.2)

ID: A1132803

Report from Jon Trewin, Economic Policy Advisor

Moved (Dimery/Finlayson)

That the report 'Northland Inc. First Quarterly Reporting 2018/19 against Statement of Intent 2018-21' by Jon Trewin, Economic Policy Advisor and dated 26 November 2018, be received.

Carried

Regional Swimming Water Quality Targets (Item 6.1)

ID: A1132658

Report from Justin Murfitt, Strategic Policy Specialist

Moved (Yeoman/Stolwerk)

1. That the report 'Regional Swimming Water Quality Targets' by Justin Murfitt, Strategic Policy Specialist and dated 26 November 2018, be received.

Carried

ID: A1137189

3

Council Meeting
11 December 2018

It was further moved (Yeoman/Smart)

2. That council approve final regional swimming water quality targets as set out in Attachment 1 (pertaining to Item 6.1 of the 11 December 2018 council meeting agenda).
3. That Attachment 1 replace the draft regional swimming water quality targets on the council website prior to 31 December 2018.

Carried

Secretarial Note: The Strategic Policy Specialist provided commentary on the regional swimming water quality targets and presented the initial results of the 'Where's your wai?' consultation.

Productivity Commission Issues Paper: Local Government Funding and Financing (Item 6.2)

ID: A1129258

Report from Justin Murfitt, Strategic Policy Specialist

Moved (Yeoman/Finlayson)

1. That the report 'Productivity Commission Issues Paper: Local Government Funding and Financing' by Justin Murfitt, Strategic Policy Specialist and dated 14 November 2018, be received.
2. That staff develop a draft submission on the issues paper by the Productivity Commission.
3. That council delegate authority to approve the draft submission to the Chairman and the Chief Executive Officer (subject to the process set out in the delegations manual).

Carried

Council - Iwi Governance Agreement (Item 6.3)

ID: A1133533

Report from Jonathan Gibbard, Group Manager - Strategy, Governance and Engagement

Moved (Dimery/Finlayson)

1. That the report 'Council - Iwi Governance Agreement' by Jonathan Gibbard, Group Manager - Strategy, Governance and Engagement and dated 28 November 2018, be received.

Carried

It was further moved (Finlayson/Stolwerk)

2. That council endorse the draft Agreement document between the Mayoral Forum and Te Kahu o Taonui.
3. That Chairman Shepherd be delegated authority to sign the Agreement on behalf of council.
4. That the Chairman and a delegation attend the signing ceremony in February 2019.

Carried

(Councillor Bain voted against the motion and Councillor Dimery abstained)

ID: A1137189

4

Council Meeting
11 December 2018

**'Our Vision | Te Pae Tawhiti' - Council's Strategic Direction Document
(Item 6.4)**

ID: A1133738

Report from Kyla Carlier, Corporate Planning Manager

Moved (Stolwerk/Smart)

1. That the report 'Our Vision | Te Pae Tawhiti' - Council's Strategic Direction Document' by Kyla Carlier, Corporate Planning Manager and dated 28 November 2018, be received.
2. That the document 'Our Vision | Te Pae Tawhiti', included as Attachment 1 pertaining to Item 6.4 of the 11 December 2018 council meeting agenda, be approved for final publication and distribution.
3. That the Group Manager – Strategy, Governance and Engagement be given delegated authority to approve any minor design, formatting, accuracy or typographical amendments to the document prior to it being published.

Carried

Shag Lake - Grants for fencing and stockwater reticulation (Tabled Item 6.5)

ID: A1136471

Report from Imogen Field, Land Management Advisor - Freshwater Improvement Project

Moved (Stolwerk/Blaikie)

1. That the report 'Shag Lake - Grants for fencing and stockwater reticulation' by Imogen Field, Land Management Advisor - Freshwater Improvement Project and dated 7 December 2018, be received.
2. That the grant of \$39,512.00 from the Dune Lakes FIF Project be approved for the construction of a fence and stock water reticulation around Shag Lake.

Carried

Chair's Report to Council (Item 7.1)

ID: A1131108

Report from Bill Shepherd, Chairman

Moved (Shepherd/Bain)

That the report 'Chair's Report to Council' by Bill Shepherd, Chairman and dated 29 November 2018, be received.

Carried

Secretarial Note: The Chair drew attention to commentary from the NZTA Regional Director, Steve Mutton, regarding the significant funding being invested into Northland roads which was attributed to the success of the Northland Transportation Alliance.

ID: A1137189

5

Council Meeting
11 December 2018

Chief Executive's Report to Council (Item 7.2)

ID: A1130869

Report from Sally Bowron, Strategy, Governance and Engagement Team Admin/PA

Moved (Shepherd/Yeoman)

That the report 'Chief Executive's Report to Council' by Sally Bowron, Strategy, Governance and Engagement Team Admin/PA and dated 20 November 2018, be received.

Carried

Secretarial Note: Council formally acknowledged the finalists in the Biosecurity New Zealand awards.

Business with Public Excluded (Item 8.0)

Moved (Shepherd/Bain)

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
8.1	Harvesting of the 1991 Mount Tiger Forestry Block	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
8.2	Confirmation of Confidential Minutes - 20 November 2018	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
8.3	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
8.4	Waipapa Property Investment	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).

ID: A1137189

6

Council Meeting
11 December 2018

8.5	Aquaculture - Provincial Growth Fund	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
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3. That the Forestry Advisor be permitted to stay during business with the public excluded.

Carried

Conclusion

The meeting concluded at 12.32pm.

TITLE: Receipt of Action Sheet

ID: A1157209

From: Chris Taylor, Governance Support Manager

Executive summary/Whakārapopototanga

The purpose of this report is to enable the meeting to receive the current action sheet.

Recommendation

That the action sheet be received.

Attachments/Ngā tapirihanga

Attachment 1: Council Action Sheet - January 2019 [↓](#)

Authorised by Group Manager

Name: Chris Taylor

Title: Governance Support Manager

Date: 12 February 2019

Outstanding council actions as at 29 January 2019

Id	Meeting	Target Date	Description	Request Details	Most Recent Comment
4641	Council 18/09/2018	31/12/18	Reforecasting of budgets	That the Audit Working Party undertake a 'reforecasting exercise' to discuss best practise when there are changes to budgeted costs and revenue.	The Audit Working Party decided to wait for the New Year before considering if a reforecast was to be actioned.
4692	Council 11/12/2018	25/12/18	Kauri Dieback results	That the results of soil testing for Kauri Dieback at priority one sites be circulated to councillors.	The soil testing results will be reported back to council in the CEO report following receipt of results.
4693	Council 11/12/2018	25/12/18	Local Government Commission Chair	That the new Chair of the LGC be invited to address council in March/April 2019.	Noted.
4694	Council 11/12/2018	25/12/18	Acknowledgement letter	That an acknowledgement letter be sent to Todd Hamilton from Backyard Kiwi, on behalf of council (noting his nationally recognised work).	Yet to be actioned.

Actions completed in the last month (11 December 2018 – 29 January 2019)

Id	Meeting	Date Completed	Description	Request Details	Most Recent Comment
4655	Council 23/10/2018	25/01/19	Field trip	That consideration be given to a councillor field trip to look at dune lakes projects and initiatives for Waioara Freshwater Improvements.	Complete. A field trip to the Otaikarangi pocket of the Hikurangi Swamp Scheme is scheduled for 27 February 2019.
4659	Council 23/10/2018	25/01/19	Financial reporting	That a council workshop be held to explain the use of the new interactive financial tool (following consideration by the Executive Leadership Team).	Complete. The tool will be workshopped with council on 26 Feb 2019.
4678	Council 20/11/2018	25/01/19	Revised Mid North bus service	Staff to report back to council on the revised Mid North Bus Service following the Summer period (November 2018 - January 2019) and the following quarter (February 2019 - April 2019).	Complete. Council made a formal resolution on the revised Mid North bus service at the November council meeting.
4685	Council 11/12/2018	25/01/19	Northland Inc. KPIs	That council be provided with additional information regarding NINC KPIs reported as 'Not on Track' in the first quarterly reporting 2019/19	Complete. Information sent to councillors 14 December 2018.

TITLE: Working Party Updates and Chairpersons' Briefings

ID: A1154691

Recommendation

That the report 'Working Party Updates and Chairpersons' Briefings' be received.

Planning Working Party (Chair, Councillor Joce Yeoman)

The Planning Working Party met on 5 December 2018. The topics for discussion included:

- Far North District Plan Feedback
- General Business

Following discussion, the Planning Working Party provided advice on the following next steps:

- A number of amendments to the feedback were suggested. Once the suggested amendments are made by staff it was requested it be sent through to the working party chair for review before sending to the Far North District Council.
- Staff to report back with an update on the Planning Department's work programme.

Pest Management Working Party (Chair, Councillor Mike Finlayson)

The Pest Management Working Party met on 12 December 2018. The topics for discussion included:

- Deer control programme
- Pest Fish Plan
- Biosecurity 2025 "Ko ta tou – This is Us" launch
- Ōpua fanworm response update
- Communications and Engagement Strategy for Biosecurity

Following discussion, the Pest Management Working Party provided advice on the following next steps:

- Staff to include a repeat of the farm survey for pest fish and plants in the Pest Fish Plan.
- School biosecurity educational kits (House of Science) were to be investigated for Enviroschools.
- Several recommendations for council and public biosecurity communications were made.

Natural Resources Working Party (Chair, Councillor Justin Blaikie)

The Natural Resources Working Party met on 4 December 2018. The topics for discussion included:

- Stewardship of our ancient iconic trees
- Final draft of Environment Fund criteria review
- Hill Country Erosion Fund contract bid
- Water Strategy/Flood Strategy and Communications/Engagement Plans

Following discussion, the Natural Resources Working Party provided advice on the following next steps:

- Staff to check the science around the benefits of fencing vs riparian planting and provide an update to council.
- Staff to check the district council rules/initiatives around wetlands for the Whangārei district.
- Report back to Natural Resources Working Party to advise results of hill country erosion funding round.

Authorised by Group Manager

Name: Jonathan Gibbard

Title: Group Manager - Strategy, Governance and Engagement

Date: 12 February 2019

TITLE: Council Working Group Updates

ID: A1159587

Recommendation

That the report 'Council Working Group Updates' be received.

Awanui River Working Group (Chair - Councillor Mike Finlayson)

The Awanui River Working Group met on 9 November 2018. The topics for discussion included:

- Budget 2018 – 2019 and Proposed Work programme.
- Bells Hill slip and Te Ahu works update.
- Preliminary scheme design.
- Flood modelling update.

Following discussion, the Awanui River Working Group provided advice on the following next steps:

- Provide the depreciation process on scheme assets.
- Consideration to placing bollards/gates at Allen Bell Drive.
- Liaise with FNDC on a possible recreation area for Kaitāia, once works is complete at the Firth site.
- Update district councils when new flood mapping is released.

Whangārei Harbour Catchment Group (Chair – Lorna Douglas)

The Whangārei Harbour Catchment Group met on 3 December 2018. The topics for discussion included:

- Update on Whitebait Connection work in the catchment.
- Presentation from NRC staff updating the Hātea water quality project.
- Update from WDC staff on progress with stormwater management in the catchment.
- Discussion regarding allocation of funding to projects that support objectives in Catchment Plan.

Following discussion, the Whangārei Harbour Catchment Group agreed on the following next steps:

- The group agreed to a request from WDC councillors to write a letter formally supporting prioritisation for stormwater pollution mitigation in the catchment.
- The group will decide on allocation of budget to specific projects as more detail comes available for the Takahiwai and Mair Park inanga restoration projects, potentially via group email;
 - Any funds remaining after support for the inanga projects could be allocated for further fish passage barrier removal.

Mangere Catchment Group (Chair – John Ballinger)

The Mangere Catchment Group met on 26 November 2018. The topics for discussion included:

- Where's your Wai?
- Implementation of non-regulatory actions.
- Frequency of meetings.

Following discussion, the Mangere Catchment Group provided advice on the following next steps:

- Whole group to network and send suggested planting site ideas to NRC in the next week. Looking for high profile sites that are already fenced on Kara Road and / or life style blocks and / or sheep and beef farmers.
- Investigate design of a sign combining all collaborators e.g. Mangere Catchment Group, NRC, Enviroschools.
- Contact Finnisha to see whether elver transfers are still taking place, and if so, how the catchment group might help.

Authorised by Group Manager

Name: Bruce Howse
Title: Group Manager - Environmental Services
Date: 07 February 2019

TITLE: Financial Report to 31 January 2019

ID: A1161254

From: Vincent McColl, Financial Accountant

Executive summary

This report is to inform council of the year to date (YTD) financial result to January 2019. Council has achieved a YTD surplus after transfers to and from reserves of \$1.21M, which is \$1.89M unfavourable to budget. Excluding the negative impact of externally managed funds (\$2.24M) council has achieved a \$350K favourable YTD variance to budget.

Recommendation

That the report 'Financial Report to 31 January 2019' by Vincent McColl, Financial Accountant and dated 7 February 2019, be received.

Report

SUMMARY OPERATING RESULTS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$ 24,062	\$ 26,887	\$ (2,824)
Expenditure	\$ 22,234	\$ 22,527	\$ 293
NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES	\$ 1,828	\$ 4,360	\$ (2,531)
Transfer From (To) Special Reserves	\$ (615)	\$ (1,253)	\$ 638
NET (COST)/SURPLUS AFTER TRANSFERS FROM/(TO) RESERVES	\$ 1,213	\$ 3,106	\$ (1,893)

Revenue

Year to date revenue is \$24.06M, which is \$2.82M or 10.5% below budget.

YTD REVENUE VARIANCE INDICATORS BY REVENUE TYPE			
	FAV / (UNFAV)		Commentary
	\$	%	
Rates	\$230,889	1.5%	<ul style="list-style-type: none"> A higher level of rating units / SUIPs were used for the rating strike versus what was in the LTP.
User Fees and Sundry	\$120,134	3.8%	<ul style="list-style-type: none"> Higher than budgeted consent application fees of \$116K offsetting costs incurred (hearings, consultants and legal) Higher than budgeted consent management fees of \$41K Unbudgeted prosecutions of \$54K Partially offset by: Lower than budgeted fare box revenue of \$105K
Grants and Subsidies	(\$94,236)	(4.6%)	<ul style="list-style-type: none"> Lower than budgeted NZTA subsidies of \$55K offset by lower than budgeted transport contract costs Lower than budgeted revenue for FIF projects of \$150K offsetting lower expenditure for these projects Partially offset by: Unbudgeted subsidies received for the Mycoplasma Bovis response of \$92K
Investment Interest Income	(\$21,178)	(6.8%)	<ul style="list-style-type: none"> This is due to a change in I&G interest attribution and will be remedied in February
Investment Property Income	(\$24)	(0.0%)	
Dividend Income	(\$55,088)	(2.7%)	<ul style="list-style-type: none"> Lower than budgeted MMH final dividends by a quarter of a cent (\$0.0025) per share.
Short Term Fund	(\$128,641)	(396.3%)	<ul style="list-style-type: none"> Actual December YTD returns as per Eriksens Global of 0.3% (0.6% annually) are lower than the budgeted 2.4% (4.75% annually)
Property Reinvestment Fund	(\$1,082,422)	(151.2%)	<ul style="list-style-type: none"> Actual December YTD returns of -1.9% (-3.8% annually) are lower than the budgeted 3.8% (7.5% annually).
Community Investment Fund	(\$876,151)	(151.0%)	<ul style="list-style-type: none"> Actual December YTD returns of -1.9% (-3.8% annually) are lower than the budgeted 3.8% (7.5% annually). Nearly all of the losses incurred here are offset by lower than budgeted transfers to reserve.
Infrastructure Investment Fund	(\$921,240)	(171.8%)	<ul style="list-style-type: none"> Actual December YTD returns of -1.4% (-2.8% annually) are lower than the budgeted 2.9% (5.75% annually)
Total	(\$2,824,268)	(10.5%)	

Expenditure

Year to date expenditure is \$22.23M, which is \$293K or 1.3% below budget.

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY			
	FAV / (UNFAV)		Commentary
	\$	%	
Regulatory Services	(\$98,598)	(3.0%)	<ul style="list-style-type: none"> Higher than budgeted consent application costs of \$175K (consultants and hearing committee costs) partially offset with higher than budgeted consent revenue Offset by: Small variances across this group
Environmental Services	\$118,124	2.4%	<ul style="list-style-type: none"> Lower than budgeted natural hazards consultants of \$93K. This is a saving against budget flagged to reduce the deficit from poor externally managed fund performance.
Strategy and Engagement	\$154,827	3.7%	<ul style="list-style-type: none"> Lower economic development projects than budgeted YTD of \$67K. This is offset with lower transfers from reserve. Lower than budgeted TTMAC member costs of \$13K Other accumulated small variances within this group
Customer Service and Community Resilience	\$90,010	2.1%	<ul style="list-style-type: none"> Lower transport contract costs of \$101K partially offset by lower than budgeted NZTA subsidies and farebox revenue Budget timing differences on the Hatea River channel dredging of \$41K. This is fully offset with lower than budgeted transfers from reserves. Offset by: More than budgeted Emergency services grants of \$62K offset by higher than budgeted transfers from reserve
Corporate Excellence	\$9,764	0.3%	<ul style="list-style-type: none"> Lower than budgeted HR expenditure of \$20K Lower than budgeted vehicle running costs due to a budget change in how vehicle costs are tracked. This will be realigned across the organisation in February. Lower than budgeted internal audit fees of \$14K Offset by: Higher than budgeted expenditure on council's IaaS system and other IT expenditure of \$196K
CEO Office	\$18,950	0.9%	<ul style="list-style-type: none"> Lower than budgeted labour charged to the CEO Department of \$150K Offset by: Higher than budgeted investment properties related expenditure of \$142K partially offset by higher than budgeted recovery of tenants costs
Total	\$293,078	1.3%	

Note that across council there is a \$266K favourable salaries variance predominantly due to a deferral in the recruitment of positions identified in the LTP.

Transfers to reserves

Year to date transfers to reserves are \$638K lower than budget. This is due to having no externally managed fund gains to be transferred to reserve of \$765K offset by lower reserve funding being required for Investment and Growth Reserve (IGR) projects that are running behind budget and

higher than budgeted transfers to the bus reserves. Of the net \$2.1M impact of the externally managed funds up to \$1.6M can be funded from previously reinvested externally managed fund gains with the balance to be funded from operational savings.

Capital Expenditure

Capital expenditure of \$1.98M (excluding commercial property purchases and the Kensington commercial development) is lower than budgeted \$2.73M. This is predominantly due to the timing of flood infrastructure work compared to budget.

Attachments

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 12 February 2019

TITLE: Credit note for approval

ID: A1136567

From: Trish Wells, Accounts Receivable Officer

Executive summary

After an internal review, our processing of the resource consents we granted for APP.39163.01.01, which was the subject of Judicial Review proceedings lodged by Forest and Bird and later the Department of Conservation, it was discovered that the wrong template for the notification decision was used. In light of this mistake, a credit note has been requested by council's Group Manager – Regulatory Services for the costs of processing the consent application.

Recommendation(s)

1. That the report 'Credit note for approval' by Trish Wells, Accounts Receivable Officer and dated 10 December 2018, be received.
2. That the issue of credit note 7403973 to the value of \$8,441.32 including GST (as detailed in the report from the Accounts Receivable Officer, Trish Wells, dated 10 December 2018) be approved.

Background

The credit note has been authorised by the appropriate manager. The following credit note amount is higher than that delegation and is therefore listed for the council's ratification:

Credit Note No.	Credit Amount inc. GST	Original Amount inc. GST	Customer/Reason
7403973	\$8,441.32	\$8,441.32	APP.039163.01.01 Following the granting of this consent, the council received notice from the High Court of a Judicial Review of its notification and substantive decisions lodged by the Royal Forest and Bird Protection Society of New Zealand Inc (Forest and Bird). The council engaged a law firm to represent it in these proceedings, who then undertook a risk assessment of the council's decisions process. As a result of this assessment, it was found that council had used the wrong notification decision template. Based on this information, council made the decision not to defend the Judicial Review. The credit note for the outstanding consent application fees is an acknowledgement of the notification decision error council has made.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	To approve the credit note	To prevent the council from defending the Judicial Review as per legal instruction.	NA
2	To not approve the credit note	NA	Council would have to reinstate the charges and defend the Judicial Review incurring further costs both legal and in staff time.

The staff's recommended option is to approve the credit note

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance because it is part of council's day-to-day activities and is in accordance with the approved Delegations Manual – Financial Delegations from the Council to Officers.

3. Policy, risk management and legislative compliance

The decision is consistent with the Delegations Manual – Financial Delegations from the council to officers.

Being a purely administrative matter, Community views, Māori impact statement, Financial implications and Implementation issues are not applicable.

Attachments

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 12 February 2019

TITLE: Approval to Borrow to Fund Flood Protection Infrastructure

ID: A1156622

From: Simon Crabb, Finance Manager

Executive summary/Whakarāpopototanga

Council signalled in the 2018–28 Long Term Plan that future flood protection infrastructure would be funded by external borrowing, and programmed to be repaid from the equity component of related targeted rates and regional wide flood infrastructure rates.

For the seven months to 31 January 2019, capital expenditure on Awanui flood protection infrastructure has totalled \$1M, and council approval is sought to borrow this amount from the Local Government Funding Agency (LGFA) at a rate in the vicinity of 4.13% pa over 14 years.

Recommendations

1. That the report 'Approval to Borrow to Fund Flood Protection Infrastructure' by Simon Crabb, Finance Manager and dated 25 January 2019, be received.
2. That council enters into a loan from the Local Government Funding Agency of \$1,016,260 (inclusive of 1.6% Borrower Notes) at a fixed borrowing cost in the range of 4% pa and 4.25% pa for a term of 14 years, to fund Awanui flood protection infrastructure capital works, and be repaid from the Awanui River Targeted Rates and the Regional Wide Flood Infrastructure Rates.

Background/Tuhinga

It is proposed that council take a loan of \$1M from the LGFA at a fixed rate in the vicinity of 4.13% pa over the longest term available of 14 years (repayable on 14 April 2033) to fund the capital works incurred on Awanui River flood protection infrastructure for the 7 months to 31 January 2019. Repayment of this loan (partially after 14 years with the balance fully repaid after 30 years) will be funded from the equity component of the Awanui River Targeted Rate and Regional Wide Flood Infrastructure Rate collected over the next 30 years. As the equity component of these rates are collected it will be periodically deposited and financially separated in the Infrastructure Investment Fund.

Currently council has external borrowing totalling \$18.5M of which \$14.7M relates to infrastructure assets and \$3.8M relates to the loan that council issued to Northland Emergency Services Trust (NEST). Council currently does not carry any internal borrowing associated with its infrastructure projects.

Of the total \$18.5M borrowings, \$8.5M is currently issued from the Local Government Funding Agency (LGFA). Council's borrowing limit is \$62M of which \$20M is permitted to come from the LGFA in council's current capacity as a non-guaranteeing member. At the time of writing, the LGFA fixed interest rate for a 14 year loan is 4.13% per annum. Trading banks are not lending beyond 5 years and even the commercial institutions are having problems lending long term to unrated councils because of their own investment policies requiring a credit rating.

All councils that borrow from the LGFA must subscribe to borrower notes (convertible debt securities) in an amount equal to 1.6% of their borrowings. In this case, council will be subject to \$16,260 of borrower notes that will be retained by the LGFA, earn interest and be repaid to council when the related loan is repaid.

The benefits associated with securing a borrowing cost in the vicinity of 4.13% pa as opposed to withdrawing funds from the Infrastructure Investment Fund at a cost of capital of 5.75% pa (based on the IIF targeted rate of return) will be passed directly onto the Northland community.

It should be noted that the above rates are based on the New Zealand yield curve and official cash rate at the time of writing, and are indicative and subject to change between now and the date any drawdown is undertaken.

To align the timing of the interest payments with council's other borrowings the first interest payment date will be on 13 August 2019 and then semi-annually thereafter.

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Enter into a loan with the LGFA at a fixed interest cost in the vicinity of 4.13% per annum over a 14-year term to fund \$1M of capital works to date related to the Awanui flood protection scheme.	Provide certainty and savings to the Northland community.	There is no opportunity to take advantage of any future favourable interest rate movements as the LGFA loan is locked into a fixed interest rate.
2	Utilise funds from the Infrastructure Investment Fund (IIF) to fund the capital works related to the Awanui flood protection scheme, and charge a cost of capital of 5.75%.	No additional borrowing is entered into and capacity is maintained for any future borrowing.	An increased cost is placed on Northland community due to the increased cost of capital associated with IIF funding.

The staff's recommended option is 1.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it has previously been consulted on and provided for in council's Long Term Plan and is in accordance with the approved Treasury Management Policy.

3. Policy, risk management and legislative compliance

The activities detailed in this report are in accordance with council's Treasury Management Policy and the 2018–28 Long Term Plan.

Further considerations

4. Community views

The impact of external borrowing from the Local Government funding agency has been consulted on with the community through the appropriate consultative procedures in accordance with s82 of the Local Government Act 2002.

5. Māori impact statement

Targeted consultation on the council's intention to borrow externally from the Local Government Funding Agency was undertaken with iwi as part of the 2018–28 Long Term Plan consultation process using existing relationship channels.

6. Financial implications

Interest rates are based on the current New Zealand interest rate yield curve at the time of writing, and are indicative and subject to change between now and the date any drawdown is undertaken.

7. Implementation issues

There are no implementation issues that council needs to be aware of.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 07 February 2019

TITLE: Regional Rates Collection - Update to 31 December 2018

ID: A1156884

From: Simon Crabb, Finance Manager

Executive Summary/Whakarāpopototanga

The three district councils administer the collection of the regional council rates on our behalf. The purpose of this report is to provide an update on the collection of this year's current rates and the rate arrears owing to the regional council by each district council.

Recommendation

That the report 'Regional Rates Collection - Update to 31 December 2018' by Simon Crabb, Finance Manager and dated 25 January 2019, be received.

Background/Tuhinga

Table one over the page presents a full reconciliation of councils' 2018/19 current rates and rate arrears that have been collected by each district council in the six months to 31 December 2018, and the outstanding amounts that remain to be collected.

Far North District Council

The Far North District Council has collected 47% of our current year rates (2017 48.8%).

\$221,517 (2017 \$204,034) of rate arrears has also been collected in the past six months resulting in a closing total rate arrears balance (excluding current year rates) still to be collected of \$2,720,599 (Dec 2017 \$3,071,935). Māori freehold land accounts for \$2,084,427 of the total rate arrears balance.

Attachment 1 is the revenue and collections report provided by Far North District Council outlining the actions they have in place to collect outstanding rate arrears. A representative from FNDC will attend the council meeting.

Kaipara District Council

The Kaipara District Council has collected 49% of our current year rates.

\$143,645 of rate arrears has also been collected in the past six months resulting in a closing total rate arrears balance of \$464,256.

Whangarei District Council

The Whangarei District Council (WDC) has collected 60% of our current year rates (2017 59%).

\$132,572 (2017 \$113,129) of rate arrears has also been collected during the past six months resulting in a closing rate arrears balance of \$196,214 (Dec 2017 \$232,137).

When rates are received from the District Councils they are deposited into council's Short Term Investment Fund. When council receives a lower level of rating revenue, it can result in a reduced level of returns derived from the Short Term Fund.

Table one. Dec 2018	Far North District Council TOTAL	Kaipara District Council	Whangarei District Council	TOTAL
Current Year Rates				
Full Year Rate Strike	\$11,559,484	\$4,796,732	\$15,906,688	\$32,262,904
plus penalties added	\$87,240	\$88,409	\$35,141	\$210,791
less discounts applied			-\$72,296	-\$72,296
less rates & penalty remissions	-\$311,856	-\$22,072	-\$339,925	-\$673,853
less rates & penalty writeoffs	-\$57,170	-\$3,508	-\$16,643	-\$77,321
plus postponed rates & other adjustments	-\$27,741		\$14,273	-\$13,468
Total Current Year Rates	\$11,249,957	\$4,859,561	\$15,527,238	\$31,636,756
Current Year Rates Collected (YTD)				
Current rates collected	-\$5,270,156	-\$2,370,797	-\$9,367,094	-\$17,008,046
Current rate penalties collected	-\$15,343	-\$13,441	-\$4,047	-\$32,831
Total Current Year Rates Collected	-\$5,285,499	-\$2,384,238	-\$9,371,141	-\$17,040,878
Current Rates YTD Collection Rate	47%	49%	60%	54%
Balance of Current Rates remaining to be collected during year	\$5,964,458	\$2,475,323	\$6,156,097	\$14,595,878
Rate Arrears				
Opening Rate Arrears	\$3,682,117	\$611,690	\$317,370	\$4,611,177
plus rate arrear penalties added			\$22,817	\$22,817
less rate & penalty remissions	-\$24,295			-\$24,295
less rate & penalty write offs	-\$746,509	-\$3,789	-\$11,400	-\$761,698
plus postponed rates & other adjustments	\$30,803	\$0		\$30,803
Total Rates Arrears	\$2,942,116	\$607,901	\$328,786	\$3,878,804
Rate Arrears Collected (YTD)				
Rate arrears collected	-\$201,370	-\$117,391	-\$126,196	-\$444,957
Rate arrear penalties collected	-\$20,147	-\$26,254	-\$6,377	-\$52,778
Total Rate Arrears Collected	-\$221,517	-\$143,645	-\$132,572	-\$497,734
Rate Arrears YTD Collection Rate	8%	24%	40%	13%
Balance of Rate Arrears outstanding and remaining to be collected	\$2,720,599	\$464,256	\$196,214	\$3,381,069

Attachments/Ngā tapirihanga

Attachment 1: Far North District Council - Revenue and Collections Quarterly Report to 31 December 2018 [↓](#)

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 13 February 2019

MEETING: FINANCE COMMITTEE – NORTHLAND REGIONAL COUNCIL

**Name of item: REVENUE AND COLLECTIONS QUARTERLY REPORT
31 December 2018**

Author: Margriet Veenstra, Manager - Transaction Services

Date of report: 25/01/2019

Document number: A2343696

Executive Summary

The purpose of the report is to provide quarterly reporting to Northland Regional Council on action taken to collect current rates and rate arrears, and to provide information on how collection is tracking against targets.

1) Background:

This document has been prepared to highlight the actions taken by Far North District Council for the collection of the Northland Regional Council's rates and to reduce the monies outstanding. This report is prepared as at the end of the second quarter of the financial year 2018/19.

2) Discussion and options

- An Urgent Demand process in cooperation with the in-house Legal team commenced in September 2018.
 - Focus on 180 highest arrears General Title properties without a mortgage. Three letters were created to support the process: Urgent Demand, Final Urgent Demand and Legal proceedings to commence.
 - Audit of all accounts has been completed
 - 75% of customers have received both urgent demand letters, of which 85% are due to move to legal proceedings.
 - 3% of customers paid their arrears in full
 - 11% are now on a payment plan.
 - 12% are either deceased rate payers or abandoned land
 - 10% of customers require further investigation
 - Next steps: Meeting with external Legal provider is to take place early February to identify a select number of properties to commence court proceedings.
- A review commenced in November of all accounts referred to the external collection agency with the view of taking back all accounts to Councils Debt Management Team.
 - So far 47% of accounts have been taken back to Council
 - Of those taken back, 47% have received first and/or second letters as part of the Urgent Demand process.
 - 37% have either returned mail and/or need further investigation.
 - 6% accounts are now paid and/or have a payment plan in place.
 - 10% are abandoned land or deceased rate payer
- Audit is taking place of all fixed direct debits currently in place with Council. So far, 80% of customers have now been switched to variable direct debit or have a new fixed direct debit within minimum Rates Easy Pay requirement.

- Continuous audit of existing Arrangements to Pay to ensure the agreements are being met. Contacting the customer where this is not the case and either reschedule the agreement or cancel and move to next recovery step.
- A review of all procedures is being undertaken to ensure adequate monitoring and actions are proceeding in a timely manner
- The ongoing promotion of the Internal Affairs Rates Rebates Scheme in day to day communications with Ratepayers and regular meetings with relevant community organisations is another key focus.

Collection Data

An analysis of arrear, by collection status, is included in the following table. Arrears are the debt outstanding at the beginning of the 2018/19 financial year, together with arrears on rates for the 2nd quarter to 31 December 2018. *Note: the data used for the below analysis was extracted on 23/01/19 which resulted in a difference of \$12,721 for the total debt to be collected.*

Arrears Collection Type Analysis Q2						
	Arrears \$			% of collection type to Total debt to		
Collection Type	General Title	Maori Freehold Land	Total	General Title	Maori Freehold Land	Total
Direct Debits (repay arrears within 2 years - REP)	8,120	562	8,682	1%	0%	0%
Direct Debits other (not under REP)	4,767	14,796	19,563	1%	1%	1%
DMT Agreements to pay	21,340	257	21,597	3%	0%	1%
External Collection Agency	93,127	13,306	106,433	15%	1%	4%
Abandoned Land	34,162	0	34,162	5%	0%	1%
Legal	14,092	0	14,092	2%	0%	0%
Deceased	36,327	8,996	45,323	6%	0%	2%
Liquidation	1,699	0	1,699	0%	0%	0%
Total under above arrangements	213,634	37,917	251,551	34%	2%	9%
Balance to be collected by Other means	409,817	2,046,511	2,456,328	66%	98%	91%
Total Debt to be collected	623,451	2,084,427	2,707,878	100%	100%	100%

Council's remission policies

Council's remission policies are designed to recognise the unique nature of the Far North with its significant areas of unoccupied Maori freehold land. Overall the policies address issues of financial hardship and the protection of areas of land with particular conservation or community values. The following table shows the instance of remissions for each policy and the financial impact of these remissions.

Policy Name	Number Remissions Granted Year to date			
	2019		2018	
	Qty	\$value	Qty	\$value
Maori Freehold Land Remissions	689	-\$ 164,238.88	670	\$ 126,241.38
Charitable or Community Organisations	51	-\$ 13,448.69	47	\$ 8,325.80
Remission of Postponements	19	-\$ 10,913.85	0	\$ -
Contiguous Properties	385	-\$ 81,749.87	379	\$ 49,260.20
Properties partly in District	1	-\$ 139.76	1	\$ 76.86
Conservation Property	225	-\$ 59,204.74	220	\$ 38,996.03
Total	1,370	-\$ 329,695.79	1,317	\$ 222,900.27

TITLE: Externally Managed Funds: Transfer of Private Equity Funds from PRF to CIF

ID: A1156890

From: Simon Crabb, Finance Manager

Executive summary/Whakarāpopototanga

In light of the potential cashflow required for the Kensington and Kaipara Service Centre development projects it is proposed to swap the illiquid private equity funds currently held in the Property Reinvestment Fund (PRF) with cash redeemed from the Community Investment Fund. Once transferred, all of council's investment in private equity will be held in the CIF, which is council's longest term fund.

Any amendment to council's Statements of Investment Policy and Objectives (SIPOs) to reflect the proposed private equity transfer (and the associated capacity to absorb the committed yet uncalled capital component of \$2.3M) will be incorporated as part of a wider review following the presentation from council's Independent Investment Advisor (Jonathan Eriksen of EriksensGlobal) at the council workshop on 5 February 2019.

The SIPO review will also incorporate the necessary changes to reflect an ongoing strategy of transferring PRF growth assets to PRF income assets as a means of providing funding certainty for council's two major development projects. Once construction contracts are in place, EriksensGlobal will be provided with a projected cashflow, and subsequently recommend any future fund transfers.

Recommendations

1. That the report 'Externally Managed Funds: Transfer of Private Equity Funds from PRF to CIF' by Simon Crabb, Finance Manager and dated 25 January 2019, be received.
2. That the private equity funds held in the Property Reinvestment Fund are transferred to the Community Investment Fund and reimbursed with cash redeemed from Community Investment Fund Income assets, in line with the recommendations provided by EriksensGlobal.
3. That growth assets held in the Property Reinvestment Fund are transferred to Income assets as necessary to provide funding certainty for the costs of the Kensington and Kaipara Service Centre development projects, in line with the recommendations provided by EriksensGlobal.

Background/Tuhinga

Tables 1 and 2 over the page present recommendations from EriksensGlobal to:

- transfer the private equity funds currently held in the PRF into the CIF as the CIF has the longest investment time horizon of all council's managed funds and therefore is best positioned to tolerate a higher level of volatility (and greater returns) associated with private equity assets;
- replace the private equity funds transferred out of the PRF with cash redeemed from the CIF - Milford and Mint Income funds with a view to creating liquidity and funding certainty in the PRF to draw upon as the costs of the Kensington and Kaipara Service Centre development fall due. This cash will be used as the first funding source to pay for the initial development project costs.

Table 1 - CIF

as at 31 December 2018	NRC Investment	% of CIF	Target % of CIF	Recommended Adjustments:	ADJUSTED TOTALS	
Aspiring	\$1,080,111	7.8%		\$0	\$1,080,111	7.8%
Miford Active Growth	\$3,053,246	22.0%		\$0	\$3,053,246	22.0%
Total Australasian Eq.	\$4,133,357	29.8%	25.0%	\$0	\$4,133,357	29.8%
Continuity Capital No.4	\$394,902	2.8%		\$1,146,087	\$1,540,989	11.1%
PCP III	\$146,958	1.1%		\$146,958	\$293,916	2.1%
MLC PE II	\$272,970	2.0%		\$272,970	\$545,940	3.9%
Total Private Equity	\$814,830	5.9%	5.0%	\$1,566,015	\$2,380,845	17.2%
Schroders RRF	\$2,252,840	16.3%			\$2,252,840	16.3%
AMP GMAF	\$606,264	4.4%			\$606,264	4.4%
Total Global Equities	\$2,859,104	20.6%	20.0%	\$0	\$2,859,104	20.6%
TOTAL GROWTH ASSETS	\$7,807,291	56.3%	50.0%	\$1,566,015	\$9,373,306	67.6%
Milford Div. Income	\$3,059,599	22.1%		-\$1,000,000	\$2,059,599	14.9%
Mint Div. Income	\$2,056,420	14.8%		-\$566,015	\$1,490,405	10.8%
Harbour Income	\$938,771	6.8%		\$0	\$938,771	6.8%
Total Diversified Income	\$6,054,790	43.7%	45.0%	-\$1,566,015	\$4,488,775	32.4%
Cash			5.0%	\$0	\$0	0.0%
TOTAL INCOME ASSETS	\$6,054,790	43.7%	50.0%	-\$1,566,015	\$4,488,775	32.4%
TOTAL ASSETS	\$13,862,081	100.0%	100.0%	\$0	\$13,862,081	100.0%

Table 2 – PRF

as at 31 December 2018	NRC Investment	% of PRF	Current Target % of PRF	Recommended Adjustments:	ADJUSTED TOTALS	
Aspiring	\$3,145,389	19.3%		\$0	\$3,145,389	19.3%
Mint Trans Tasman Equities	\$3,328,002	20.4%		\$0	\$3,328,002	20.4%
Quay Street Altum	\$854,396	5.2%		\$0	\$854,396	5.2%
Salt Long Short	\$1,623,817	10.0%		\$0	\$1,623,817	10.0%
Total Australasian Equity	\$8,951,604	54.9%	40.0%	\$0	\$8,951,604	54.9%
Continuity Capital No.2	\$1,146,087	7.0%		-\$1,146,087	\$0	0.0%
PCP III	\$146,958	0.9%		-\$146,958	\$0	0.0%
MLC PE II	\$272,970	1.7%		-\$272,970	\$0	0.0%
Total Private Equity	\$1,566,015	9.6%	10.0%	-\$1,566,015	\$0	0.0%
TOTAL GROWTH ASSETS	\$10,517,619	64.5%	50.0%	-\$1,566,015	\$8,951,604	54.9%
Milford Div. Income	\$1,388,751	8.5%		\$0	\$1,388,751	8.5%
Mint Div. Income	\$2,851,057	17.5%		\$0	\$2,851,057	17.5%
Quay Street Income	\$1,561,565	9.6%		\$0	\$1,561,565	9.6%
Total Diversified Income	\$5,801,373	35.5%	50.0%	\$0	\$5,801,373	35.5%
Cash	\$0			\$1,566,015	\$1,566,015	9.6%
TOTAL INCOME ASSETS	\$5,801,373	35.5%	50.0%	\$1,566,015	\$7,367,388	45.1%
TOTAL ASSETS	\$16,318,992	100.0%	100.0%	\$0	\$16,318,992	100.0%

A strategy of continuing to increase the weighting of PRF Income assets is proposed to be incorporated into the SIPO review process currently underway. Income assets typically are less volatile, have a lower risk of capital loss, and are easier and quicker to convert into cash. As such, they enhance the certainty of cashflow required to fund the costs of council's upcoming development projects.

Considerations

Options

No.	Option	Advantages	Disadvantages
1	Transfer the private equity funds currently held in the Property Reinvestment Fund into the Community Investment Fund and reimburse with the equivalent amount from CIF Income funds.	Hold funds in the PRF that are easily and quickly converted to cash, are less volatile and have a lower risk of capital loss and thus provide funding certainty for the Kensington and Kaipara development projects.	The CIF increases its exposure to private equity which is illiquid.
2	Status Quo	No additional risk is taken in the CIF, and the CIF maintains its current level of liquidity.	The target return of the CIF (council's longest fund time horizon) is not increased and the PRF will continue to hold an element of illiquid investment that will not be available as funding for development projects.

The staff's recommended option is 1.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance because it is part of council's day-to-day activities and is in accordance with the approved Treasury Management Policy.

3. Policy, risk management and legislative compliance

The activities detailed in this report are in accordance with council's Treasury Management Policy, the 2018–28 Long Term Plan both of which were approved in accordance with council's decision-making requirements of sections 76–82 of the Local Government Act 2002.

Being a purely administrative matter, Community Views, Māori Impact Statement, Financial Implications and Implementation Issues are not applicable.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 13 February 2019

TITLE: Emergency Services Fund Update - Funding Uptake, Engagement and Promotion Plan and Reserve

ID: A1160121

From: Tony Phipps, Group Manager - Customer Services - Community Resilience and
Natasha Stubbing, Marketing and Engagement Manager

Executive summary/Whakarāpopototanga

The purpose of this report is to provide an update on the uptake of the Emergency Services Fund (ESF), progress with engagement and promotion and to recommend the use and distribution of the accumulated funds from the ESF reserve.

Engagement and Promotion

Over the past six months our Marketing and Engagement team have been meeting with each of the Emergency Services Funding recipients to formulate a publicity and promotions plan that is mutually beneficial. A summary of the activities to date and proposed future activities is outlined and it is recommended that council approve up to \$10,000 a year of any reserve funds be spent each year on ESF engagement and promotion.

Distribution of Reserve

A reserve balance has accumulated in the Emergency Services Fund due to higher actual rate collection and lower collection costs than budgeted. A recommendation is made to distribute any accumulated reserve funds to the current fund recipients in proportion to current allocations.

Recommendation

1. That the report 'Emergency Services Fund Update - Funding Uptake, Engagement and Promotion Plan and Reserve ' by Tony Phipps, Group Manager - Customer Services - Community Resilience and Natasha Stubbing, Marketing and Engagement Manager and dated 5 February 2019, be received.
2. That council approves the use and distribution of the Emergency Services Fund Reserve as follows: up to \$10,000 a year can be spent on ESF engagement and promotion, and the remainder distributed to ESF recipients in direct proportion to current allocation.

Background/Tuhinga

Funding Uptake

Table 1 below shows the Emergency Services Fund recipients, annual allocations and funding uptake for (financial year) FY 18/19 to 31 January 2019.

Emergency Service Provider	Funding Purpose	Annual Allocation (in each of three years, GST exclusive)	Funding Uptake as at 31 Jan 2019
Northland Emergency Services Trust	Operational costs for the air rescue and ambulance services	\$525,000	\$262,500

Emergency Service Provider	Funding Purpose	Annual Allocation (in each of three years, GST exclusive)	Funding Uptake as at 31 Jan 2019
Surf Life Saving Northern Region	Professional guards at popular beaches outside volunteer paid hours	\$201,000	\$201,000
St John Northern Region	Partially-fund replacement of Northland ambulances	\$90,000	\$90,000
Coastguard Northern Region	Operating, support and training costs for Northland units	\$84,000	\$42,000

Engagement and promotion

In the past council has not actively promoted our support of the emergency services funding recipients. Given ratepayers' increased desire to be informed about where their rates are spent and how they receive value for money for their rates, it is imperative council communicate our funding of these vital services.

Ratepayers contribute about \$12 each a year, creating a funding pool to support organisations whose primary purpose is to save lives that are in immediate or critical danger.

We met with each of the funding recipients and developed a promotional campaign plan; however, this has been challenging with getting information and outputs from the organisations. Another issue has been dealing with the organisations' internal protocols and procedures which has meant a number of our proposed activities not yet coming to fruition.

The engagement and promotions include some external costs for advertising and promotional materials, signage and banners, etc. estimated at up to \$10,000 per year. As we have no current budget to cover those costs it is recommended that they be funded from the ESF reserve.

Table 2 below shows a summary of our activities to date and our proposed future activities.

Organisation	Activity/action	Status	Additional expenditure costs
ALL	• Promotion at the annual emergency services open day	Complete	n/a
	• Article included in new council newsletter To Tatou in both the electronic and print version	Complete	n/a
	• Updated content on council website	Complete	n/a
	• Social media advertising on Facebook and Instagram	Complete	n/a
	• Pull up banners promoting all emergency services funding recipients	In progress	\$1600
NEST	• Radio advertising during NEST annual appeal and 30-year celebration	Complete	\$4000
	• Print advert in Northern Advocate	Complete	\$400
	• Advertorial in Northern Advocate NEST 30-year celebration edition	Complete	n/a

Organisation	Activity/action	Status	Additional expenditure costs
	<ul style="list-style-type: none"> Pullup banner at NEST office (temporarily on loan need to supply permanent solution) Signage on hanger Branding on new helicopters 	Complete On hold On hold	n/a \$2000 TBC
Surf Lifesaving Northern Region	<ul style="list-style-type: none"> 3.9m blade flying flags at each Northland beach with paid lifeguards Print advert in January edition of Savvy magazine Information included in national media release Branding on uniform Permanent signage at lifeguard facilities 	Complete Complete Unavailable Need to progress	\$2600 \$270 n/a Approx. \$1500
CoastGuard Northern Region	<ul style="list-style-type: none"> Promoted Old4New lifejacket campaign on social media Promotion of Coastguard messages during safe boating campaign Permanent signage at Coastguard facilities Promotion around volunteer week 	Complete Ongoing Need to progress May	n/a n/a Approx. \$1500 n/a
St Johns Ambulance Northern Region	<ul style="list-style-type: none"> Unveiling and ceremony of new ambulance Branding on new ambulance Signage at buildings (note this will be minimal and internal only) 	TBC TBC On hold	n/a n/a Approx. \$500
The promotion and activities still to be completed will cost approx. <i>Note: This includes money to find a better solution to display flying flags on beaches for next summer's patrol as current solution not viable.</i>			\$7500-8000



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» Baylys Beach

» Whangārei Heads

» Waipu Cove

» Ruakaka

» Ahipara/Ninety Mile Beach



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W www.nrc.govt.nz/emergencyservices

P 0800 002 004



Reserve use and distribution

In January 2018 \$22,500 was paid from the reserve to Surf Lifesaving Northern Region to cover the cost of a Lifeguard Service at Baylys Beach from 23 December 2017 to 14 January 2018.

The options for distribution of the reserve funds was discussed by a council workshop on 22 November 2017 (refer to A1006389) and council expressed support for paying out the accumulated reserve to current fund recipients in proportion to the fund allocation to those recipients. However, due to an oversight this was not formally put to council and resolved.

To rectify this, a recommendation is made with this paper.

- As at 30 June 2017 the Emergency Services Fund reserve balance was \$117,885.
- As at 30 June 2018 the Emergency Services Fund reserve balance was \$148,736.
- \$22,500 was paid to SLSNR in January 2018 and up to \$10,000 per year allocated to ESF promotion and recognition advertising and signage for use at Northland events and ESF recipient sites.
- The total funds in reserve for the purpose of the calculations below is \$140,736.

The distribution of the reserve funds based on the above is set out in table 3 below

Emergency Services Fund Recipient	Annual Allocation 2015/18 (GST Exclusive)	Pro-Rata percentage of Reserve Balance	Amount already paid to Fund Recipient	Balance to pay to Fund Recipient	Annual Allocation 2018/21 (GST Exclusive)
NEST	\$525,000	(64%)	-	\$104,471	\$525,000
SLSNR	\$120,000	(15%)	\$22,500	\$1,985	\$200,000
ST JOHN	\$90,000	(11%)	-	\$17,626	\$90,000
COASTGUARD	\$84,000	(10%)	-	\$16,324	\$84,000
<i>Total</i>	<i>\$819,000</i>		<i>\$22,500</i>	<i>\$140,736</i>	<i>\$899,000</i>

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Use and distribute the accumulated ESF reserve funds to: up to \$10,000 per year for advertising and promotional materials, with the remainder distributed to fund recipients in direct proportion to current allocations.	Provides for promotion and recognition of the ESF and recipient emergency services and is a logical and straightforward distribution amongst recipients.	Up to \$10,000 less per year for distribution directly to ESF recipients.
2	As for 1 above, with no allocation for advertising and promotion materials.	Up to \$10,000 more per year for distribution directly to ESF recipients.	Little or no promotion of the ESF.
3	Use some other than proportional distribution formula.	None apparent.	Less logical and straightforward.

The staff's recommended option is option 1.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it has previously been consulted on and provided for in council's Long-Term Plan and/or is part of council's day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

Being a purely administrative matter, Community views, Māori impact statement, Financial implications and Implementation issues are not applicable.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Tony Phipps

Title: Group Manager - Customer Services - Community Resilience

Date: 06 February 2019

TITLE: Treasury Management Policy

ID: A1102988

From: Dave Tams, Group Manager, Corporate Excellence

Executive Summary

This report seeks council approval of the Treasury Management Policy and the financial instruments and named counterparties and limits, and the changes to the Terms of Reference of the Audit and Finance Working Party and the delegations, which are required to make this policy operational.

Recommendations

1. That the report 'Treasury Management Policy' by Dave Tams, Group Manager Corporate Excellence and dated 3 December 2018 be received.
2. That an update to the Terms of Reference of the Audit and Finance Working Party to include 'recommend new borrowing to council' be approved.
3. That the following updates to the Financial Delegations from the council to officers be approved:
 - a. Change the 'Overall management' delegation to 'Overall responsibility for day to day treasury management activities including establishing appropriate structures, procedures and controls' and delegate this to the General Manager – Corporate Excellence.
 - b. Delegate the General Manager – Corporate Excellence to ensure financial policies comply with legislation.
 - c. Remove the delegation to the Chief Executive Officer to approve new counterparties and counterparty limits.
 - d. Remove the delegation to the Chief Executive Officer to enter international swaps and derivatives.
4. That the Delegations Manual be amended accordingly to reflect recommendation 2 above and to make other minor changes for consistency and clarity, including updating references to Treasury Management policies.
5. That the financial instruments be approved:

Category	Financial instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short term and long-term loan facilities) Floating rate note (FRN) Fixed rate note (MTN)
Investments <181 days	Short term bank deposits Bank registered certificates of deposit (RCDs)
Investments (other)	LGFA borrower notes Bank term deposits linked to pre-funding maturing debt

6.	<p>Interest rate risk management</p> <p>Forward rate agreements (FRAs) on bank bills</p> <p>Interest rate options on:</p> <ul style="list-style-type: none"> • Bank bills (purchased caps and one for one collars) • Interest rate swaptions (purchased swaptions and one for one collars only)
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That the named counterparties and limits be approved:

Counterparty/issuer	Maximum investments per counterparty (\$m)
NZ Government	Unlimited
Local Government Funding Agency (LGFA)	20.0
<p>NZ registered banks:</p> <ul style="list-style-type: none"> • ANZ Bank New Zealand Limited • ASB Bank Limited • Bank of New Zealand (BNZ) • Kiwibank Limited • Westpac New Zealand Limited 	20.0

Background

The last treasury management document: *'Treasury Risk Management Policy including liability and investment policies'* was long, included two other policies, and had extensive operational detail. For the 2018–2028 Long Term Plan process, the Treasury Management Policy was streamlined into three smaller documents.

The Investment Policy and Liability Management Policy are required by sections 104 and 105 of the Local Government Act 2002 (LGA), and were approved by council as part of the 2018–2028 Long Term Plan process. The Treasury Management Policy (TMP) gives policy and operational guidelines and limits for council's treasury management activities.

During the development of the TMP, staff found a gap between the Liability Management Policy - which identifies that the Audit and Finance Working Party is responsible for recommending new borrowing to council - and the Terms of Reference (TOR) of the working party - which is silent on this matter. Staff recommend that council approve an amendment to the TOR to remedy this inconsistency.

The Chief Executive Officer and Audit and Finance Working Party reviewed the draft TMP during September and October 2018. It was then taken to the 17 October 2018 council workshop, and consulted with the Executive Leadership Team at its 1 November 2018 meeting.

The revised TMP contains altered responsibilities – some of which will require changes to the Financial Delegations from the council to officers in the Delegations Manual, as outlined in **Attachment 2**.

The financial instruments outlined in the TMP were approved by council in the previous treasury policy. Staff recommend that this continues. Since that policy, interest rate swaps and derivatives have been removed from the list, as these are not used by council. Staff recommend that council approves the list of financial instruments, as outlined in the TMP. Once this list is approved, any other financial instrument must be specifically approved by the council on a case-by-case basis and only be applied to the one singular transaction being approved.

The counterparties and limits summary guide in the TMP was approved by council in the previous treasury policy. Staff recommend that council expand on this summary guide by approving the existing counterparties on a named basis as outlined in **Attachment 3**.

Once this list is approved, any new named counterparties must be approved by council.

Considerations

Recommendations 2, 3d, 4, 5 and 6 are of low impact, as they confirm the status quo.

Recommendations 3a and 3b give the General Manager – Corporate Excellence greater responsibility for the treasury management function.

Recommendation 3c increases the responsibilities of council, where they once sat with the CEO.

Options

No.	Option	Advantages	Disadvantages
1	Approve the financial instruments and named counterparties and limits, and the changes to the TOR of the Audit and Finance Working Party and the delegations.	The TMP and council approvals are clear and consistent, and the TMP is fully operational.	Slower approval of new counterparties, international swaps and derivatives, and financial instruments.
2	Do not approve the financial instruments and named counterparties and limits, and the changes to the TOR of the Audit and Finance Working Party and the delegations.	Status quo is retained. No implementation work is required.	The TMP is not fully operational, so will need to be amended.
3	Approve all but recommendations 2, 3d, 4, 5 and 6.	Status quo.	The TMP is not fully operational, so will need to be amended.
4	Approve all but 3a and 3b.	Responsibilities stay at CEO level. No implementation work is required.	The TMP is not fully operational, so will need to be amended.
5	Approve all but recommendation 3c.	Approval of new named counterparties could occur faster in future.	The TMP is not fully operational, so will need to be amended.

Staff recommend option 1.

Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is part of council's day to day activities.

Policy, risk management and legislative compliance

The decision is consistent with policy and legislative requirements.

Being a purely operational matter, Community Views and the Māori Impact Statement are not applicable.

Financial implications

Making the TMP operational does not have any direct financial implications, but it does change how some of council's financial decisions are made.

Implementation

The General Manager – Corporate Excellence will ensure the treasury procedures, and that both the Treasury Management Policy, and the treasury procedures are maintained and complied with.

Attachment 1: Treasury Management Policy DRAFT [↓](#)

Attachment 2: Treasury Management Policy - Proposed changes to Delegations Manual [↓](#)

Attachment 3: Named counterparties and limits 29 8 2018 [↓](#)

Authorised by Group Manager

Name: Dave Tams
Title: Group Manager, Corporate Excellence
Date: 04 February 2019



Treasury Management Policy

Effective from DATE

Treasury Management Policy (A1054519)
12 February 2019

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Introduction

As a council, our treasury activities include management of liquidity, investment performance and financial liabilities.

The aim of council's treasury management is prudent, effective and efficient financial management. This is achieved by adhering to principles contained in relevant policies and other documents, such as:

- Liability Management Policy
- Investment Policy
- Revenue and Financing Policy
- Delegations Manual (part D)
- Long Term Plan (LTP) including the council's Financial Strategy
- Annual Plans
- Statements of Investment Policies and Objectives (SIPOs).

This document outlines how we will manage treasury activities and the risks these activities expose council to.

This document is reviewed by the Audit and Finance Working Party, approved by the Group Manager – Corporate Excellence (GM-CX), and applies to all treasury activity undertaken by the council. It will be reviewed at least every three years, as part of the council's long term planning cycle.

Legislation and compliance

Except where the law stipulates that the Chief Executive Officer (CEO) has first line responsibility for compliance, it is the responsibility of the GM-CX to ensure the council's treasury management framework and processes comply with all relevant legislation. It is the responsibility of the CEO to ensure the GM-CX is fulfilling these responsibilities. The Local Government Act 2002 (LGA) and its amendments define the operating environment for local authorities in relation to treasury activities and risk management.

Other legislation is also relevant:

- Local Government (Rating) Act 2002
- Local Government (Financial Reporting and Prudence) Regulations 2014, Schedule A
- Local Government Borrowing Act 2011
- Public Bodies Lease Act 1969 and Property Law Act 2007
- Trustee Act 1956, Part 2 (Investment).

Objectives

The key objectives of treasury activities are to:

- ensure the council always has sufficient funds available to meet both planned and reasonable but unforeseen expenditure
- prudently manage the borrowing costs and investment returns that impact the council's operational budgets, the council's reliance on rates and hence, fairness to current and future ratepayers
- safeguard the council's assets

- ensure that all the council's external borrowing, investments and incidental financial arrangements meet requirements of the Local Government Act 2002 (LGA) and other relevant financial legislation
- reduce the volatility of the council's reported financial performance
- implement mitigation strategies to reduce treasury risks
- provide timely reporting to the CEO and council, with appropriate and accurate reporting of treasury activities and risk management.

By doing this we will maintain confidence in the creditworthiness and integrity of the council through positive relationships with financial institutions, investors and investment counterparties.

Roles and responsibilities

A summary of treasury roles and responsibilities is below. All treasury activity will be in accordance with what council has approved, as per the relevant policies documents outlined in the introduction of this policy.

Council	<p>Approve long term and annual plans (including associated policies, measures and limits), and delegations</p> <p>Approve acquisition or disposal of strategic assets, property or forestry</p> <p>Approve new lenders, new borrowing and changes to borrowing limits</p> <p>Confirm the current matrix of <u>approved counterparties and limits</u>, and approve new named counterparties and limits.</p> <p>Approve new fund managers, new externally managed funds and SIPOs.</p> <p>Authorise withdrawal from externally managed funds (except the Short Term Investment Fund (STIF))</p> <p>Authorise bank signatories and ratify the opening and closing of bank accounts</p> <p>Review treasury performance.</p>	
Investment Subcommittee	<p>Contribute to review of financial policies</p> <p>Recommend SIPOs and fund managers</p> <p>Invest and withdraw between fund managers (in line with SIPOs)</p> <p>Manage the mix of investments in managed funds, and recommend action on forecast variances against budgets</p> <p>Determine the means of investment reporting</p> <p>Monitor and report on financial performance of funds.</p>	<p>Audit & Finance Working Party</p> <p>Monitor and review financial policies (including this policy)</p> <p>Monitor and review financial performance, report to council</p> <p>Monitor and review the reporting framework for treasury activity and risk management</p> <p>Recommend new borrowing.</p>
CEO	<p>Manage investments (with Investment Sub-committee)</p> <p>Authorise withdrawal from, and investment in, the STIF</p> <p>Manage new borrowing and refinancing of existing debt</p> <p>Report on treasury performance</p>	
GM - CX	<p>Approval of this policy, including the schedule of treasury limits</p> <p>Overall responsibility for treasury management, including compliance with legislation</p> <p>Establish appropriate structures, procedures and controls, and reporting requirements, to support all treasury activities</p> <p>Oversee cash requirements and day-to day treasury functions, banking and payments</p> <p>Recommend counterparties and limits</p> <p>Consider external advice and assistance required to manage treasury activity</p> <p>Monitor all investments, report on risk/return on portfolio components and the portfolio as a whole.</p>	
Finance Manager	<p>Manage, monitor and review treasury activity and outcomes</p> <p>Report to GM-CX, CEO and council</p>	
Finance Team	<p>Day-to-day treasury activities and transactions, including fixed and floating debt, internally managed funds, cash management, risk management & reporting</p>	

Treasury Policies

These treasury policies outline the council's identification and management of risks, and provides specified limits for each. These risks are:

- Liquidity risk – the council not having sufficient available cash to meet its requirements
- Interest rate risk – loss arising from unforeseen changes to interest rates
- Foreign exchange risk – loss arising from unforeseen movements in relevant exchange rates
- Counterparty credit risk – borrowers or parties holding council's deposited funds being unable to repay amounts owed when they fall due or are requested.
- Legal and operational risks – risk of losses arising from the council's inability to legally enforce or fulfil an action, and loss from human error or fraud in relation to how we conduct our treasury activity.

Liquidity

Liquidity is a measure of the extent to which council has cash and other liquid assets to meet its immediate and short-term obligations, or access to funding sources (including borrowing) that can be quickly converted to do this. In accounting terms, it is the availability of current assets to meet current liabilities.

Liquidity risk is the potential inability of council to meet its financial obligations as they fall due, in normal or abnormal (but modelled) operating conditions.

Liquidity risk arises through:

- Short term receipts and payments timing being mismatched
- Assets and liabilities not maturing evenly over time
- Market disruption
- Significant deterioration of the quality of council assets
- Negligent management or fraudulent activities.

Liquidity risk management

The key outcome of effective liquidity management is to optimise the cash held by the council at all times. Liquidity management is therefore the management of liquid assets and funding sources (including borrowing) to meet both short and long-term commitments as and when they fall due.

We will manage any short term mismatches between operational receipts and payments to ensure that the inability to meet short term obligations does not occur. We achieve this by maintaining accurate cash flow forecasts to determine planned cash requirements and to assist our borrowing decisions. We will ensure a suitable contingency is always available for unforeseen reasonable cash requirements. We will ensure we maintain the liquidity ratio as per the long term plan.

Primarily, we will meet our need for cash at any time from the STIF, a managed fund of short duration investments. In most cases, surplus cash will be immediately invested in the STIF or directly with banks as cash or term deposits.

We manage council's mix of liquid and illiquid investments, and the duration of our financial investments to meet future cash flow projections and forecast debt associated with future capital expenditure programs (as outlined in the long term plan).

Regarding borrowing, we will seek to smooth loan repayments over time to avoid concentrating cash outflows into short periods of time. Council will accumulate and hold funds to repay borrowings.

Liquidity risk limits

Treasury limits relating to interest rate risk management are detailed in [liquidity risk limits](#) in the schedule of treasury limits.

Interest rate

The council has interest costs related to its borrowings, and interest rate income related to its cash and cash equivalents (including term deposits and bonds).

The council's Investment Policy outlines the approach we will take to actively manage underlying interest rates given council's expectations of risk and returns on cash and cash equivalents, and seek to reduce volatility resulting from interest rate fluctuations.

The council's Liability Management Policy outlines the approach we will take to manage liquidity and interest rate risk relating to external borrowings, given council's expectations of risk and the cost of borrowing. Based on market conditions and approved forecasts, the council will target a mix of fixed and floating rates where appropriate.

The [liquidity risk limits](#) outline the approach we will take to address the cashflow impacts of drawing down and repaying borrowing, and how we will target the repayment and duration profile of our borrowings at any time.

Interest rate risk management

Interest rate risk refers to the impact that movements in interest rates can have on the council's performance compared to what is budgeted in the long term and annual plans.

The council seeks to avoid the concentration of interest rate repricing at any time, so that financial performance is not adversely affected.

Interest rate risk is managed by entering fixed or floating arrangements for deposits and borrowings based on assessment of market conditions at the time. The performance of these arrangements is regularly monitored and reported on against appropriate benchmarks.

For any borrowings which are to be repaid by a specific targeted rate, council may put 100% of this debt into fixed rate arrangements. This provides certainty that the total cost of borrowing and the principal will be met by the funds recovered through these rates.

Interest rate risk limits

Treasury limits relating to interest rate risk management are detailed in [interest rate risk limits](#) in the schedule of treasury limits.

Counterparty credit

Counterparty credit management is spreading investments among as wide a range of approved counterparties as practicable to avoid concentrations of credit risk.

Counterparty risk management

Counterparty risk is the risk of financial losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the council is a party. The risk to the council in a default event will be weighted differently depending on the type of instrument entered.

The GM-CX will recommend that council approve new counterparties and limits based on long-term credit ratings (Standard & Poor's or Moody's).

To manage this risk, the council will only invest and place deposits with creditworthy counterparties. Prior to approving new investments, the counterparty credit limits will be reviewed by those delegated to approve investments to ensure limits are not breached.

Counterparty risk is also managed through the externally managed fund SIPOs.

To avoid undue concentration of exposures, financial instruments will be used with as wide a range of counterparties as possible. Where possible, transaction notional sizes and maturities will also be well spread.

The GM-CX will report periodically on counterparties and their borrowings against the limits.

Council will seek independent advice periodically to ensure Council assets are safeguarded.

Counterparty risk limits

Treasury limits relating to counterparty risk management are detailed in counterparty risk limits in the schedule of treasury limits.

Foreign exchange

The council invests in Australian denominated assets through its externally managed funds. Each externally managed fund is governed and managed by the terms of a SIPO. As a portion of the council's underlying investments will be invested in Australia, returns may be affected by movements between the Australian dollar (AUD) and New Zealand dollar (NZD).

The council is responsible for the funds' foreign exchange risk exposure, which is the purchase and sale of Australian denominated assets, the portfolio requiring an associated foreign exchange transaction selling or buying NZDs.

The council also has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services and plant and equipment.

As per the liability management policy, the council will **not** enter any borrowings denominated in a foreign currency.

Foreign exchange risk management

Council will not attempt to manage foreign exchange risk, but rather allow through the SIPOs governing Council's managed funds, individual fund managers the discretion to hedge NZD/AUD as they see fit.

Operational and legal

Operational risk is the risk of financial or reputational loss due to human error (or fraud), system failures and inadequate procedures and controls.

Legal risks relate to the unenforceability of a transaction due to the council not having the legal capacity or power to enter into the transaction, usually because of prohibitions contained in legislation. The council may be exposed to such risks if it is unable to enforce its rights due to deficient or inaccurate documentation.

Operational and legal risk management

The GM-CX ensures adequate internal structures, procedures and controls are in place to protect the council's financial assets and prevent unauthorised transactions. This includes:

- written instructions for all standard treasury transactions and procedures
- using expert advice for any non-standardised transactions

- segregation of duties between staff that can enter transactions, and those that can control, check and confirm those transactions
- adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting
- financial delegations as outlined in the delegations manual
- using standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties
- matching of third party confirmations and the immediate follow-up of anomalies
- ensuring legal agreements are entered prudently
- ensuring financial covenants are not breached
- ensuring all parties involved in treasury transactions and are aware of the policies and procedures that must be complied with.

Financial instruments are not entered into if the systems, operations and internal controls do not satisfactorily support the measurement management and reporting of the risks.

Operational and legal risk limits

Treasury limits relating to operational risk management are detailed in operational and legal risk limits in the schedule of treasury limits.

Schedule of Treasury Limits

Liquidity risk limits

Balance sheet

As per the financial strategy and liability management policy, we ensure the sum of external debt, liquid funds and committed bank facilities are at least 110% of external debt (liquidity ratio).

Future cashflow

Cash held for future cashflow may consist of:

- bank accounts
- maturing and redeemed term deposits and investments
- the Short Term Investment Fund (STIF).

Cash held for future cashflow (for the month being forecast) shall be the amount required to fund councils forecasted:

- operational expenses +20% contingency
- capital expenses +20% contingency
- Loan repayments related to council projects for which rates are or have been levied

The cash held requirement shall be forecasted monthly and monitored daily. Forecasted and actual cashflows will be reported to the GM-CX monthly.

Maturity/repayment profile of borrowing

The maturity profile of the total committed funding (for all loans and committed facilities) must be:

Maturity Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	10%	100%

For any borrowings which are to be repaid by a specific targeted rate, council may have a maximum maturity profile in any one year of 100%.

A maturity schedule outside these limits requires specific council approval at the time the new borrowing is approved.

Interest rate limits

Interest on external debt

As per the liability management policy, we will ensure that net interest on external debt will not exceed:

- 20% of total annual revenue, and
- 25% of annual rates income.

Fixed and floating mix

We will match the proportion of fixed deposits to floating borrowings e.g.:

View of future interest rates	Borrowings		Deposits	
	Fix %	Floating %	Fix %	Floating %
Decreasing	30	70	70	30
Neutral	50	50	50	50
Increasing	70	30	30	70

This is based on the concept that if we believe that interest rates are increasing, we should fix more borrowings and float more deposits (and vice versa).

We will monitor and report on interest rate risk management against appropriate benchmarks.

Instruments held

No more than \$10 million will be held in interest rate risk management instruments, principally interest rate swaps, with each New Zealand registered bank.

Financial instruments

The following financial instruments are considered acceptable:

Category	Financial instrument
Cash management and borrowing	Bank overdraft
	Committed cash advance and bank accepted bill facilities (short term and long-term loan facilities)
	Loan stock / bond issuance
	Fixed rate note (MTN)
Investments <181 days	Short term bank deposits
	Bank registered certificates of deposit (RCDs)
Investments (other)	LGFA borrower notes
	Bank term deposits linked to pre-funding maturing debt
Interest rate risk management	Forward rate agreements (FRAs) on bank bills
	Interest rate options on:
	<ul style="list-style-type: none"> Bank bills (purchased caps and one for one collars) Interest rate swaptions (purchased swaptions and one for one collars only)

Any other financial instrument must be specifically approved by the council on a case-by-case basis and only be applied to the one singular transaction being approved. All investment securities must be senior in ranking.

The investment policy prohibits direct investment in:

- derivative instruments such as futures (except for hedging purposes)
- speculative products or use of structured products
- securitised products.

As per the liability management policy, the council will not enter any borrowings denominated in a foreign currency.

Counterparty risk limits

Counterparties and limits

The following guide summarises the acceptable counterparties and limits. It excludes externally managed funds, which are governed by the appropriate Statement of Policy Objectives (SIPO).

Counterparty/issuer	Minimum long term/short term credit rating – stated & possible	maximum investments per counterparty (\$m)
NZ Government	N/A	Unlimited
Local Government Funding Agency (LGFA)	N/A	20.0
NZD registered Supranational [name]	AAA	20.0
State owned enterprise [name]	BBB / A2	5.0
NZ registered bank [name]	A- / A2	20.0
Corporate bonds/ commercial paper* [name]	A- / A2	2.0
	BBB / A2	1.0
Local government stock/ bonds/ floating rate note/ commercial paper**[name]	A- / A2 (if rated)	20.0
	Unrated	5.0

*Subject to a maximum exposure no greater than 40% of the net financial investment portfolio (NFIP) being invested in corporate debt securities at any one point in time. A maximum of 20% of the NFIP can be rated less than A- and no lower than BBB.

** Subject to a maximum exposure no greater than 60% of the NFIP being invested in local government debt at any one point in time. The maximum portfolio exposure limit does not apply to the LGFA.

This summary guide will be expanded on a counterparty named basis (denoted by [name] above), outlining the actual counterparties and limits in place. This will be authorised by the council.

Externally managed fund limits

Each SIPO outlines the limits for an externally managed fund. In addition to these limits, no more than 20% of the aggregated sum of externally managed funds will be held with any one fund manager.

Foreign exchange risk limits

NZD/AUD risk on portfolio returns

- Council will not hedge

Operational risk limits

Treasury procedures	Written procedures for the treasury management function must be maintained and complied with.
Delegations	<ul style="list-style-type: none"> • Staff must comply with the delegations manual at all times • All delegated financial authorities are reviewed at least every year to ensure they are still appropriate and current • a letter must be sent to all counterparties at least annually to confirm details of all relevant current delegated authorities empowered to bind council • whenever a person with delegated authority on any account or facility leaves the council, all relevant banks and other counterparties must be advised in writing in a timely manner to ensure that no unauthorised instructions are to be accepted from such persons.
Authorising signatures	<p>The CEO must sign off on all documentation for new loan borrowings, re-financings and investment structures.</p> <p>GM-CX must sign off all documentation in respect of day-to-day treasury transactions.</p>
Reporting	<p>The council will comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.</p> <p>There will be regular internal reporting on treasury activity. At a minimum, reports on treasury activity will be provided monthly to the GM-CX. Reports will be disseminated to the CEO and council.</p>
Legal documentation	All legal documentation in respect to external borrowing and financial instruments will be approved by the council's solicitors prior to the transaction being executed.
Legal agreements	Financial instruments will only be entered into with banks that have in place an executed ISDA Master Agreement with the council. In the absence of an ISDA document a "long form confirmation" is acceptable so long as a master ISDA is signed with the bank counterparty following the transaction.
Financial covenants	The council will not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements. The council will comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

Treasury Management Policy

Proposed changes to Delegations Manual: Financial Delegations from the Council to Officer

Delegation	Delegated to:	Proposed changes	Reason for change
Overall management of day to day treasury management activities including establishing appropriate structures, procedures and controls.	Chief Executive	Text change: "Overall responsibility for day to day..." Delegated to: General Manager – Corporate Excellence	Clarification. As per Treasury Management Policy.
Borrowing and investment Undertaking new borrowing or re-financing of existing debt in accordance with LTP / AP, requirements of the LGA 2002, approved policies, including Treasury Management Policy, counterparties, approved expenditure limits and any relevant council resolutions. Approve new counterparties & counterparty limits.	Chief Executive	Text change: "...approved policies, including Investment, Liability Management and Treasury Management Policies, counterparties..." Delete text: "Approve new counterparties & counterparty limits."	As per new policy structure. As per Treasury Management Policy, this now sits with council.
Investments – in accordance with Treasury Management Policy, Statement of Investment Policy & Objectives (SIPO) & relevant sub-committee or working party Terms of Reference.	Chief Executive Group Manager – Corporate Excellence	Text change: "– in accordance with Investment Policy, Treasury Management Policy, Statement of Investment..."	As per new policy structure.
Compliance with legislation Ensuring the Treasury Management Policy and other financial policies included in Part 6 subpart 3 of LGA 2002 comply with existing and new legislation.	Chief Executive Group Manager – Corporate Excellence	Text change: "Ensuring the financial policies included in Part 6 subpart 3 of LGA 2002 comply with existing and new legislation." Delegated to: General Manager – Corporate Excellence	Exclude reference to Treasury Management Policy as this no longer contains content required by the LGA. As per Treasury Management Policy.
International Swaps & Derivatives Enter into ISDA agreements with NZ Banks as required to fulfill investment objectives within LTP / AP and relevant council policies.	Chief Executive	Remove delegation	Swaps and derivatives have been removed from the financial instruments to be approved, as they are not used.

Named counterparties and limits

This expands on the counterparties and limits summary guide in the Schedule of Treasury Limits in the Treasury Management Policy (TMP). Any new named counterparties must be approved by council.

Counterparty/issuer	Credit ratings required in TMP	Credit rating at 28.8.2018	Recommended limit \$m
NZ Government	N/A	N/A	Unlimited
Local Government Funding Agency (LGFA)	N/A	N/A	20.0
ANZ Bank New Zealand Limited	Long term: A- Short term: A2	Standard and Poor's: AA- Moody's: A1	20.0
ASB Bank Limited	Long term: A- Short term: A2	Standard and Poor's: AA- Moody's: A1	20.0
Bank of New Zealand (BNZ)	Long term: A- Short term: A2	Standard and Poor's: AA- Moody's: A1	20.0
Kiwibank Limited	Long term: A- Short term: A2	Standard and Poor's: A Moody's: A1	20.0
Westpac New Zealand Limited	Long term: A- Short term: A2	Standard and Poor's: AA- Moody's: A1	20.0

TITLE: Adoption of Draft User Fees and Charges 2019/20 and approval to consult

ID: A1157911

From: Robyn Broadhurst, Policy Analyst and Kyla Carlier, Corporate Planning Manager

Executive summary/Whakarāpopototanga

The purpose of this report is to present the Draft User Fees and Charges 2019/20 for adoption, and approval to commence consultation using the special consultative procedure set out in section 83 of the Local Government Act 2002 (LGA).

Recommendations

1. That the report 'Adoption of Draft User Fees and Charges 2019/20 and approval to consult' by Robyn Broadhurst, Policy Analyst and Kyla Carlier, Corporate Planning Manager and dated 31 January 2019, be received.
2. That council adopts the Statement of Proposal and the Draft User Fees and Charges 2019/20 (**Attachment 1** pertaining to Item 6.2 of the 19 February 2019 council agenda) for the purposes of consultation, pursuant to section 150 of the LGA, and that this be carried out in conjunction with consultation on the Annual Plan 2019/20.
3. That council delegates to the Chief Executive the authority to make any necessary minor formatting, typographical and administrative changes to the Draft User Fees and Charges 2019/20 prior to formal public consultation.

Background/Tuhinga

Council maintains a schedule of fees and charges in what was previously referred to as the Charging Policy (hereafter referred to as User Fees and Charges schedule) and this is reviewed and updated annually. The User Fees and Charges schedule sets out charges fixed and/or authorised under various enactments including: Resource Management Act 1991 (RMA); Local Government and Official Information and Meetings Act 1987; Local Government Act 2002 (LGA); Building Act 2004; Biosecurity Act 1993; and Property Law Act 2007.

Section 150 of the LGA sets out the process by which a local authority may prescribe fees and charges in respect of any matter provided for either under a bylaw, or under any other piece of legislation if that legislation does not specifically authorise the local authority to charge a fee. If not part of a bylaw, fees and charges prescribed under section 150 of the LGA must be prescribed following consultation using the principles of consultation (section 82 of the LGA).

In terms of fees and charges authorised by the RMA, a local authority can fix a charge only in the manner set out in section 150 of the LGA, and after using the special consultative procedure set out in section 83 of the LGA.

The last review of the User Fees and Charges schedule was carried out during the process of developing the Long Term Plan 2018–2028, which also set out inflationary increases for the coming years. At this time, RMA fees were set within the User Fees and Charges schedule and approved inflation increases applied.

To ensure that the appropriate process is followed for the setting of charges under the RMA, the special consultative procedure is being used for the development of this Draft User Fees and Charges 2019/20.

The Biosecurity Act 1993 authorises a local authority to fix charges for cost recovery, however it does not set out the process by which this should be done. Council is therefore referred to the decision-making requirements set out in Part 6 of the Local Government Act, and is undertaking a consultation process so that the council can be informed of community views.

Changes proposed

Council undertakes an annual review of fees and charges as part of the relevant annual or long term planning process. This ensures that the fees and charges are updated using, at minimum, the principles of consultation.

The Draft User Fees and Charges 2019/20 is very similar to the current Charging Policy, with several minor amendments and updates to fees, charges, and policy proposed. These include inflationary increases, clarification to wording, minor updates to charges, and removal of redundant charges.

Due to recent changes in the RMA, three new charges have been added for deemed permitted activities, new moorings in a moorings area, and reinstatement of a mooring following suspension/cancellation.

A new structure for charging water permit holders is also proposed to ensure fees and charges are fair, equitable and relevant to the amount consented.

More information on the changes, and a consideration of alternatives, can be found in the attached Statement of Proposal on the Draft User Fees and Charges 2019/20.

Considerations

1. Options

Consultation on the charges set out in the Draft User Fees and Charges 2019/20 is required under section 150 of the LGA, and the special consultative procedure under section 83 of the LGA is being used to provide the appropriate and most prudent process for adoption of charges authorised under the RMA. Preparation of material setting out the proposal, a draft of the schedule, details of the proposed changes, and making these publicly available, are key requirements of consultation.

Options are set out below. Staff recommend option 1, to adopt the Draft User Fees and Charges 2019/20 and associated Statement of Proposal for consultation concurrently with the consultation process of the Annual Plan 2019/20.

No.	Option	Advantages	Disadvantages
1	Adopt the Draft User Fees and Charges 2019/20 and associated Statement of Proposal for consultation	Fees and charges can be updated for the 2019/20 financial year.	Resources will need to be allocated to the consultation process.
2	Do not adopt the Draft User Fees and Charges 2019/20 and associated	Resources will not need to be allocated to the consultation process.	Fees and charges will not be able to be updated for the 2019/20 financial

	Statement of Proposal for consultation		year, resulting in under recovery of costs.
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2. Significance and engagement

Section 76AA of the LGA directs that council must adopt a policy setting out how significance will be determined, and the level of engagement that will be triggered. This policy assists council in determining how to achieve compliance with LGA requirements in relation to decisions.

This decision itself is of low significance when assessed against council's Significance and Engagement Policy because it is for the purpose of achieving compliance with sections 83 and 150 of the LGA and does not, in itself, impact the community other than to provide them with information.

The decision to adopt the Draft User Fees and Charges 2019/20 for consultation, while not significant in itself, will enable council in the future to make decisions on charges while having full regard to community views in relation to the proposals set out in the schedule. This will assist council in achieving compliance with procedures in relation to decisions as set out in Part 6 of the LGA.

3. Policy, risk management and legislative compliance

The decision to adopt the Draft User Fees and Charges 2019/20 and associated Statement of Proposal will achieve compliance with sections 83 and 150 of the LGA. This decision will also achieve compliance with council's Significance and Engagement Policy, in particular 'We will consult when we are required to by law, when a proposal is considered significant, and when we need more information on options for responding to an issue'.

Further considerations

The decisions contained within this report will enable consultation, which will provide council with feedback on community views and potential impacts on Māori. Any financial impacts or implementation issues are addressed in the attached documentation.

Further consideration of community views, impacts on Māori, financial impacts and implementation issues will be addressed through the deliberations process and subsequent council decision to adopt the final schedule of User Fees and Charges 2019/20.

Attachments/Ngā tapirihanga

Attachment 1: Draft User Fees and Charges 2019/20 and Statement of Proposal [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 12 February 2019



Draft user fees and charges 2019/20

Kaupapa here a utu 2019/20

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Statement of Proposal on the Draft user fees and charges 2019/20



Introduction

This is the Northland Regional Council's Draft user fees and charges for the 2019/20 financial year. The user fees and charges schedule is where you can find all of the fees and charges that council is authorised to set under the various pieces of legislation that it works under (details on these are covered in Part Two of this schedule). Legislation sets specific, and sometimes different, requirements in terms of the process required to set charges. When making a change to any of our charges we take these legislative requirements into consideration, and use the appropriate process. So that an informed decision can be made, council wants to know what you think about the charges we are proposing to change or set and if the balance between user pays and rates to fund activities are about right. Consultation is a big part of that decision making process.

We update our user fees and charges schedule annually to respond to real life and legislative changes, and to ensure that charges do not become outdated.

We are proposing several amendments and updates to the fees, charges, and policy for the 2019/20 year.

Amendments and changes proposed

- All charges within the schedule have been increased by 2.2% - this is slightly lower than actual inflation but is what we budgeted for fees and charges within our Long Term Plan 2018-2028. This increase does not apply to those charges that are set by parties outside of council, in which case the charge is set at the actual cost to council, to be passed on to the user.
- Additional table note added to CST010 of the previous section 3.5.4.2 (now section 3.5.6.2) to provide further clarity, along with updates to the existing tables notes and end notes, again for clarity.
- The charges for previous section 3.5.5 (now section 3.5.7) were inconsistent with previous section 3.5.4.2 (now section 3.5.6.2) and have therefore been adjusted for consistency.
- Previous section 3.7.3 (Safe Operating Licences) has been removed as these are no longer applicable.
- Addition of text in previous section 3.7.5(a)(iii) (now section 3.7.4(a)(iii)) to capture a late booking fee, along with the existing cancellation fee.
- The charge for previous section 3.7.5(c)(ii) & (iii) (now 3.7.4(c)(ii) & (iii)) was inconsistent with those visiting the Bay of Islands and has therefore been adjusted for consistency. Text has also been re-worded to clarify that a ship does not have to pay twice when visiting Whangaroa Harbour.
- The rate for section 3.10.5 (Motor vehicles) has been updated as instructed by Inland Revenue, who set these charges.
- The charge under section 3.10.11 for receiving plans on a memory stick has been removed, and this service is now offered at no charge.
- The policy on remission of charges has been updated to make it clear that no further correspondence will be entered into following a decision to decline an application to have a charge remitted; appeals under section 357(B) of the Resource Management Act are excepted. This section has also been re-ordered into a more logical sequence.
- Minor typographical and referencing updates have been made.

New charges and policy proposed include:

- Following recent changes to the Resource Management Act, we have added a new charge in section 3.2.1 for *Deemed Permitted Activities*. We have also added two new charges in the *Mooring licence amendment fee* table at the end of previous section 3.5.4 (now section 3.5.6) for any new mooring within a mooring area (as consent is no longer required), and for the reinstatement of a mooring following suspension/cancellation.
- An entirely new structure for charging water permit holders is proposed under new sections 3.5.2, 3.5.3 and 3.5.4. Firstly, it is proposed to introduce section 3.5.2 outlining that compliance monitoring/supervision is now charged as actual monitoring as and when it takes place. The previous charge will therefore no longer be included. Secondly, it is proposed to remove the tables previously under sections 3.5.2 and 3.5.6 and replace these with section 3.5.3 - a single table that includes an annual administration charge (no change to the previous) and a simplified method for calculating the annual Resource User Charge. Thirdly, it is proposed to introduce a new charge under new section 3.5.4 for Water Use Returns based on the return method and a new late penalty fee.

What are the alternatives?

Council needs to consider what mechanisms are appropriate to meet the expenditure needs of the organisation. The charges outlined in this schedule represent the activities where council has considered that the principle of user or beneficiary pays is most appropriate.

The alternative to adopting these fees and charges for the 2019/20 year is to either: cover the cost of these activities through other means of income, which might include increasing rates or diverting income from other activities; or council could cease undertaking the activities that give rise to the cost, many of which are required by law.

Should council consider that this expenditure should continue to be met through the fees and charges in this schedule, there is then an alternative option of not updating fees and charges on an annual basis, and instead let the fees remain static, or update them on a less regular basis. By not regularly undertaking a review of charges, and updating as necessary, the likelihood of steep increases in charges when reviews are undertaken is significantly higher. This would also mean that council may not be achieving cost recovery for some activities for a period of time and could be subsidising activities that are intended to be 'user pays'. Conversely, there may be fees set out in the schedule that council no longer charges, leading to confusion about costs.

Not reviewing and undertaking changes as necessary would mean that the policy and schedule of charges has the potential to become outdated and confusing for users. It is also necessary to update charges and policy in line with legislative amendments.

How can I have my say about this schedule?

Council is inviting feedback on the Draft user fees and charges 2019/20 in conjunction with the process of the Annual Plan 2019/20. You can have your say by filling in a feedback form online at www.nrc.govt.nz/annualplan2019 or by emailing submissions@nrc.govt.nz.

The submission period is open from Saturday, 2 March until 4pm Friday, 5 April 2019.

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Introduction



The user fees and charges schedule is reviewed annually. Fees and charges that require formal adoption under section 150 of the Local Government Act 2002 may be consulted on in conjunction with a Long Term or an Annual Plan. The fees set out in this schedule will come into effect on 1 July 2019 and will continue until superseded. A copy of this user fees and charges schedule will also be published on council's website.

Councils are permitted to collect fees from private users of public resources, and to recover all or a portion of the costs for a range of services it performs in relation to those resources.

The law acknowledges that some of the costs associated with administering the private use of public resources have a community benefit, and should therefore be met from the general rate. For example, the Northland Regional Council (the council) grants resource consents that allow organisations and individuals the private benefit to use public resources such as air, water or the coast. Where the benefits associated with consents are solely to applicants, they pay the associated costs in full. Where the benefits accrue more widely – such as in the case of environmental monitoring – then a portion of the associated costs is met through rates.

This document sets out the policies, fees and charges that are collected by the council from private beneficiaries for a range of services it performs.

The fees and charges set out in this document are consistent with the council's revenue and financing policy, which sets out the funding and cost recovery targets for each council activity.

This document is divided into three sections:

- Part One: General principles and policy.
- Part Two: Policies on charging and fees for specific activities and functions.
- Part Three: Schedule of fees and charges.

General policies and principles



1.1 Principles

1.1.1 Charges must be lawful

The council can only levy charges which are allowed by legislation. Section 13 of the Local Government Official Information and Meetings Act 1987 enables the council to charge for providing information sought under the provisions of the Act or the Official Information Act 1982.

Section 36 of the Resource Management Act 1991(RMA) enables the council to fix charges for its various functions (refer to Section 2.2).

Section 150 of the Local Government Act 2002 enables the council to fix charges payable under its bylaws (namely the Navigation Safety Bylaw 2017) and charges for the provision of goods, services, or amenities in accordance with its powers and duties, e.g. recovering costs of responding to environmental incidents, and inspecting dairy farms operating under permitted activity rules for discharges to land.

Section 444(12) of the Maritime Transport Act 1994 allows the council to fix reasonable charges for its activities/services relating to "Tier 1 sites".

Section 243 of the Building Act 2004 enables the council to impose fees or charges for performing functions and services under the Act. It also allows the council to recover its costs from a dam owner should we need to carry out building work in respect of a dangerous dam.

Section 135 of the Biosecurity Act 1993 enables the council to recover its costs of administering this Act and performing the functions, powers, and duties provided for in this Act by such methods it believes on reasonable grounds to be the most suitable and equitable in the circumstances.

Under Section 227 of the Property Law Act 2007, the council can require a charge to cover reasonable legal or other expenses of the lesser in giving consent.

1.1.2 Charges must be reasonable

The sole purpose of a charge is to recover the reasonable costs incurred by the council in respect of the activity to which the charge relates. Actual and reasonable costs will be recovered from resource users and consent holders where the use of a resource directly incurs costs to the council. A contribution from the general rate meets a share of the cost where the community benefits from the council performing its role, for example, environmental monitoring. For more information about how the council funds its activities from its various funding sources, please refer to its revenue and financing policy.

Some charges imposed on consent holders are based on the full costs of the council's administration and monitoring of their consents, plus a share of the costs of its state of the environment monitoring activities that relate to the resource used by those consent holders.

1.1.3 Charges must be fair

Charges must be fair and relate to consent holders' activities. The council can only charge consent holders to the extent that their actions have contributed to the need for the council's work.

The council must also consider the benefits to the community and to consent holders when setting a charge. It would be inequitable to charge consent holders for resource management work done in the interests of the regional community and vice versa. We take this into account when setting the proportion of charges we wish to recover for state of the environment and compliance monitoring from an individual consent holder.

Wherever possible, the council will look for opportunities to streamline and improve processes to ensure that consent processing and compliance monitoring functions continue to be cost effective and efficient.

1.1.4 Charges must be uniformly applied

Charges will not vary greatly within classes of activities and within the context of the scale of the activity, except where environmental incidents and non-compliance with consent conditions incur additional supervision costs.

1.1.5 Charges must be simple to understand

Charges should be clear and easy to understand, and their administration and collection should be simple and cost effective.

1.1.6 Charges must be transparent

Charges should be calculated in a way that is clear, logical and justifiable. The work of the council for which costs are to be recovered should be identifiable.

1.1.7 Charges must be predictable and certain

Consent applicants and resource users are entitled to certainty about the cost of their dealings with the council. The manner in which charges are set should enable customers to evaluate the extent of their liability.

Resource users need to know the cost of obtaining and maintaining a consent in order to manage their business and to plan for future growth and development. Charges should not change unnecessarily; any charges must be transparent and fully justified.

1.1.8 The council must act responsibly

The council should implement its user fees and charges schedule in a responsible manner. Where there are significant changes in charges, the council should provide advance warning and give consent holders the opportunity to make adjustments.

1.1.9 Resource use

The charges in this document support preferred resource use practises which as a consequence require less work to be undertaken by the council.

1.2 General policies

1.2.1 Time periods

The policies, formulae and charges set out in this document apply each year from 1 July to the following 30 June, or until replaced by new charges adopted during the annual plan or long term plan as prescribed by the Local Government Act 2002.

1.2.2 Annual charges

Annual charges shall apply from 1 July to the following 30 June each year, or until amended by the council.

1.2.3 Goods and Services Tax

The charges and formulae outlined in this document are *exclusive* of GST, except where noted otherwise.

1.2.4 Debtors

All debtors' accounts will be administered in accordance with this policy and outstanding debts will be pursued until recovered.

1.2.5 A minimum annual charge

A minimum annual charge as set out in Section 3.5.1 to all consents other than bore permits, sewage discharge permits for individual dwellings, and new consents granted after 1 March each year when the minimum annual charge will be waived for the remainder of that financial year.

1.3 Policy on remission of charges

1.3.1

Council's fundamental position is that in general, all fees and charges set out in this document are to be met by the person who has invoked the service or activity that the fee or charge relates to (for example, the consent applicant in the case of consent processing services or the consent holder in the case of consent administration, monitoring and supervision services).

1.3.2

Where a person seeks to have any fee or charge set out in this document remitted that person may make an application in writing to the relevant group manager for the remission of the charge setting out in detail the applicant's case which may include financial hardship, community benefit or environmental benefit.

1.3.3

Where the application/consent relates to a structure, the remission of any charge will only be considered if that structure is available at no charge for public use.

1.3.4

Existing waivers or remissions issued for charges may be subject to review, as this policy may be reviewed.

1.3.5

Decisions on applications shall be made by the relevant group manager, who may remit a charge in part or full, or decline the application. If a decision is made to decline or partially remit an application, no further correspondence will be entered into following issue of the final decision, except in cases where the appeal relates to an additional charge for processing or monitoring a resource consent under section 357(B) of the Act (see section 1.3.6 below).

1.3.6

The council can fix charges for recovering costs for consent processing, administration, monitoring and supervision services under section 36 of the Resource Management Act 1991. The council can also require the person liable for such a charge to pay an additional charge where the fixed charge is inadequate to recover its reasonable costs in respect to the service concerned (s36(5) RMA). The person receiving the additional charge has the right to object to or appeal the charge under section 357(B) of the Act. In such cases the appeal shall be treated as an objection under section 357B unless, on being advised of this, the appellant does not wish to pursue the matter further.

The council also has the absolute discretion to remit the whole or any part of a charge made under section 36 (s36 AAB(1) RMA).

1.3.7

Where the appeal relates to a fixed charge made under section 36(1) of the Resource Management Act, then the appeal shall be determined by an appropriately qualified certified RMA hearing commissioner "on the papers" or through a formal hearing, should the appellant wish to appear before the commissioner to support their appeal. The commissioner shall be appointed as per the council's standard procedure for appointing RMA hearing commissioners. The commissioner's decision on the appeal shall be final.

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Policies on charging and fees for specific activities and functions



2.1 Provision of information and technical advice

The council recognises that it has a significant advisory and information role. The council has the right, under legislation, to recover the costs of providing certain information.

2.1.1 Information provided under the RMA – consents, hearings etc.

Pursuant to the Local Government Act, and sections 36(1)(e) and (f) of the Resource Management Act, the council may charge for the provision of information as follows:

2.1.1.1 Reasonable charges will be made to cover the costs of making information and documents available, for the provision of technical advice and consultancy services. These costs will include:

1. Staff costs related to making the information available – i.e., officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs (refer Section 3.2);
2. Any additional costs incurred, for example, photocopying, printing binding; and computer processing costs – refer to Section 3.10.10.
3. Where an inquiry requires less than 30 minutes of staff time, no staff costs will be charged. Additional costs of less than \$25.00 will not be charged.

2.1.1.2 Consistency, distance, location – all time after the first half hour and any disbursements involved in providing information that confers a private benefit on the recipient(s) shall be recovered by way of invoicing the cost in line with the policy set out above. This policy is consistent with that applied in local government, except when information is requested under the Local Government Official Information Act (refer to Section 2.1.2).

There is no concession for time or distance travelled by the council's officers to provide technical information. No such concession is provided by other technical consultants.

Information given by telephone is to be treated exactly the same as information provided at an interview.

2.1.1.3 Advise the cost in advance – officers must warn the person seeking information in advance, that a cost will be incurred after the first half hour, and the estimated cost per hour to be charged. This process allows the applicant to weigh the value of his/her requirements, and will effectively control the level of information sought and deflect frivolous requests.

The provision of information should be charged separately from the cost of processing any future resource application.

2.1.1.4 Community and environmental groups – where an organisation clearly gains no economic or private benefit for its members from the information sought, then the free time available should be extended to one hour, and be treated on the same basis as requests under the Local Government Official Information and Meetings Act (refer to Section 2.1.2) unless a regulation or plan provides otherwise. Additional time and disbursements may be charged for, as a reasonable control mechanism, to avoid frivolous or indulgent requests at the ratepayers' cost. These requests should be referred to at least a group manager for a decision on charging.

2.1.1.5 Educational information and materials, and consent holders – when council officers are involved in Resource Management Act workshops or public promotions aimed at increasing the public's awareness of the Resource Management Act consent procedures, the council's environmental role, liaison on planning issues, etc., there is a benefit to the greater community as well as the people attending. Information provided in this context clearly falls within the educational role of the council and is not charged for.

2.1.1.6 Consent holders – all consent holders are entitled to information arising from the monitoring of their consents, including district councils and other corporate bodies.

Other information sought by district councils is to be assessed on individual merit, and referred to the group manager for a decision.

2.1.2 Information provided under the Local Government and Official Information and Meetings Act

The Local Government and Official Information and Meetings Act enables the public to have access to official information held by local authorities because this is good for accountability and effective participation. However, official information and deliberations are protected to the extent that this is consistent with public interest and personal privacy. More information about the Act, including how to make a request for information and why it may be declined, is on the Office of the Ombudsman's [website](#).

Section 13 of the Act provides for the recovery of the cost of making information available under the Official Information Act. However, there are some exceptions to this, e.g. the council cannot charge the Inland Revenue Department for its information requests. The current charges are set out in Section 3.1 of this user fees and charges schedule.

Note: under Section 13(1) of the official information act the council has 20 working days to make a decision (and communicate it to the requestor) on whether we are granting or withholding the information, including how the information will be provided and for what cost. We will also tell the requester that they have the right to seek a review by an Ombudsman of the estimated charge. If the charge is substantial the requester may refine the scope of their request to reduce the charge. We may request a minimum estimated initial fee to be paid under the Official Information Act and the 2002 Charging Guidelines issued by the Secretary for Justice. We will recover the actual costs involved in producing and supplying information of commercial value. In stating our fee schedule we reserve discretion to waive a fee if the circumstances of the request suggest this is appropriate, for example in the public interest or in cases of hardship.

2.2 Resource Management Act 1991

2.2.1 Introduction

Under Section 36(1) of the Resource Management Act, the council may charge for costs associated with the following:

1. Processing resource consent applications, including requests made by applicants or submitters under Section 100A of the Act,
2. Reviews of consent conditions,
3. Processing applications for certificates of compliance and existing use certificates,
4. The administration, monitoring and supervision of resource consents,
5. Carrying out state of the environment monitoring,
6. Applications for the preparation of, or changes to, regional plans or policy statements, and
7. For providing information in respect of plans and resource consents and the supply of documents (also refer to Section 2.1.1).

2.2.2 Performance of action pertaining to charges

With regard to all application fees and amounts fixed under Section 36(1) of the RMA, the council need not perform the action to which the charge relates until the charge has been paid in full [RMA, Section 36AAB(2)] except if section 36(1)(ab)(ii), 36(ad)(ii) or 36(cb)(iv) apply.

2.2.3 Applications for resource consents, reviews of consent conditions, certificates of compliance and existing use certificates

2.2.3.1 Applicants will be charged for the reasonable costs, including disbursements, of receiving and processing applications for resource consents, reviews of resource consent conditions under Sections 127 and 128 of the RMA or Sections 10, 20, 21 and 53 of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004, certificates of compliance and existing use certificates. These costs include:

a. Minimum estimated initial fee on application as set out in Section 3.2.1 and **Staff Charge Rates** (which are rates derived from actual employment costs plus a factor to cover administration and general operating costs) charged at the relevant hourly rate as set out in Section 3.2. These are minimum charges for resource consent applications and are charges 'fixed' under Section 36(1) of the RMA (they are therefore not subject to objection rights). All consent processing costs which exceed the minimum estimated initial fee are considered to be additional charges pursuant to Section 36(5) of the RMA and these may be progressively charged on a monthly basis or invoiced at the end of the consenting process. Prior to consideration of the application, the Chief Executive Officer is authorised to require an additional minimum estimated initial fee of up to \$20,000 for complex applications.

b. Hearings – the costs of pre-hearing meetings and hearings will be charged to the applicant. The costs of councillors who are members of hearing committees (panel) will be recovered as determined by the Remuneration Authority. Staff costs and hearing panel members' fees or the reasonable costs of independent (non-councillor) commissioners at formal hearings will be charged.

Charges relating to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.

Where a hearings panel has directed that expert evidence is pre-circulated then all persons who are producing such evidence shall be responsible for providing the prescribed number of copies of such evidence to the council. In the event that the council needs to prepare copies of such evidence the person producing the evidence will be charged for the copying.

Submitters that request that independent hearing commissioners under Section 100a of the RMA will also be charged a portion of the cost of those hearing commissioners in accordance with Section 36(1)(ab).

c. *External costs* disbursements will also be charged; for example, advertising, legal and consulting advice, laboratory testing, hearing venues and incidental costs.

d. *Withdrawn applications* are subject to the minimum fees set out in Section 2.2.7.4, Section 3.2.1 or Section 3.4 as appropriate, or the actual costs of the work completed to the date of withdrawal (whichever is greater).

2.2.3.2 *The final costs of processing each resource consent application* will be based on reasonable costs and will include the charging of staff time at the rates set out in Section 3.2 and disbursements. In the event that consultants are used to assist the council in processing resource consent applications, the actual costs of the consultants will be used in calculating the final costs.

2.2.3.3 *Where an application is for multiple activities involving more than one type of consent*, minimum estimated initial fees are required for each type with the following exceptions:

1. The fee for land use consents for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging and gravel extraction) also includes the water and discharge permits to divert and discharge stormwater where these are required;
2. The fee for discharge permits for sewage volumes greater than three cubic metres per day (e.g. communal subdivision systems, marae etc.) includes the associated discharge to air resource consent; and
3. The fee for discharge permits to discharge stormwater includes the associated water permit to divert stormwater.

Notwithstanding the above, the council may determine that other 'packages' of consent applications do not require individual minimum estimated initial fees for each consent type.

2.2.3.4 *The consent holder will be invoiced the amount of the minimum estimated initial fee for reviews* of consent conditions at the time the review is initiated by the Council.

2.2.3.5 *There is a 'fixed fee' for applications for discharge permits for burning of specified materials*, including vegetation, by way of open burning or incineration device (e.g. backyard burning). This fixed fee only applies to such applications if they are able to be processed on a non-notified basis and no additional charges will be invoiced for such applications even if the costs exceed the fixed fee. However, in the event that the application is required to be limited notified or publicly notified then the council will require the applicable minimum estimated initial fee for notified and limited notified applications (as outlined in Section 3.2.1 before notification of the application.)

2.2.3.6 *The council will provide a discount, if applicable, on the administrative charges imposed under Section 36 of the RMA* in accordance with the Resource Management Discount Regulations 2010 for all applications lodged on or after 31 July 2010.

2.2.4 Administration, monitoring and supervision of resource consents

2.2.4.1 *Administration* covers how the council records and manages the information it has on the resource consents it grants. The council is obliged to keep "records of each resource consent granted by it" under Section 35(5)(g) of the RMA, which must be "reasonably available [to the public] at its principal office" [Section 35(3) of the RMA]. The council keeps this information on hard copy files or electronic databases. The costs of operating and maintaining these systems are substantial.

The minimum annual resource consent charge set out in 3.5.1 recovers some of the costs of the administration of resource consents.

2.2.4.2 *Monitoring* is the gathering of information to check consent compliance and to ascertain the environmental effects that arise from the exercise of resource consents. The council is obliged to "monitor" "the exercise of the resource consents that have effect in its region" under Section 35(2)(d) of the RMA.

2.2.4.3 *Supervision* covers functions that the council may need to carry out in relation to the ongoing management of resource consents. This can include the granting of approvals to plans and other documentation, review and assessment of self-monitoring results provided by the consent holder, provision of monitoring information and reports to consent holders, meetings with consent holders relating to consent compliance and monitoring, and participation in liaison and/or peer review groups established under consent conditions or to address issues relating to the exercise of resource consents.

In determining charges under Section 36 of the Resource Management Act, the council has given consideration to the purpose of the charges and the council's functions under the Act. It is considered that consent holders have both the privilege of using resources and responsibilities for any related effects on the environment. It is the council's role to ensure that the level of effects is managed, monitored and is acceptable, in terms of sustainable management and the community's values. The annual charges for the administration, monitoring and supervision of resource consents are based on the assumption that those consents will be complied with and exercised in a responsible manner.

Annual resource consent (management) charges will be based on a set minimum charge plus charges for consent monitoring and/or supervision undertaken by council staff. Where appropriate, a portion of costs associated with State of the Environment (SOE) monitoring of resources used by consent holders is also collected, for example, the costs of running council's hydrological sites, water quality monitoring networks and associated surveys such as macroinvertebrate and fish monitoring. This particularly applies to water take consents, both surface and groundwater, and marine farms.

2.2.5 Invoicing non-scale fees

2.2.5.1 The majority of large-scale activities or activities with high potential adverse effects (where annual monitoring costs exceed \$1,000 GST inclusive) and certain small-scale activities such as short-term earthworks/construction type consents, will be monitored, the results recorded/reported and subsequently invoiced to the consent holder on an actual and reasonable cost basis.

2.2.5.2 Invoices will be generated once the costs of any work have exceeded a prescribed sum. This will be determined by the scale of the activity. Costs will be invoiced in a timely manner during the progress of the work to ensure that large amounts of costs do not accrue, unless otherwise authorised by the consent holder.

2.2.5.3 In the case of significant water takes, charges will generally be invoiced annually in line with Section 3.5.3 and any further supervision charges will be invoiced on a regular basis as costs are incurred by council.

2.2.6 Timing

2.2.6.1 Invoicing of consent annual charges will be in the quarter following the adoption of the Long Term Plan or Annual Plan by the council or after monitoring of the consent has been undertaken (post billing).

2.2.6.2 In some cases, such as consents relating to short-term activities, invoicing of charges may be deferred until after the council has completed all, or a significant portion, of its planned monitoring of a consent.

2.2.6.3 Where any resource consent for a new activity is approved during the year and will be liable for future annual charges, the actual costs of monitoring activities will be charged to the consent holder subject to Section 2.2.7.4 below. Consents for activities in the Coastal Marine Area are also subject to the Navigation Water Transport and Maritime Safety Bylaw Charges.

2.2.6.4 In any case, where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not ongoing, then the associated annual charge will be based on the actual and reasonable costs of monitoring activities to the date of expiry or surrender, and also the administrative/monitoring costs incurred as a result of the expiry/surrender of the consent.

2.2.6.5 Where a resource consent expires during the course of the year but the activity or use continues and requires a replacement consent, then the annual charges will continue to be applied.

2.2.7 Setting of annual resource consent (monitoring) charges

2.2.7.1 Basis of charges

1. The charges reflect the nature and scale of consented activities. In general, those activities having greater actual or potential effects on the environment require greater supervision and monitoring from the council. In setting these charges, the council has duly considered that their purpose is to recover the reasonable costs in relation to the council's administration, monitoring and supervision of resource consents and for undertaking its functions under Section 35 of the Resource Management Act. The estimated full costs of the council's supervision role and planned monitoring of consents will be recovered.

2. In respect of the council's administration role, a standard minimum annual charge will apply to cover some of the costs of operating and maintaining its consents-related information systems.
 3. Where appropriate, a proportion of the costs of monitoring the state of the environment (Section 35(2)(a)) is incorporated in the charge to the consent holder. In such cases, the council has had particular regard to Section 36AAA(3)(c), that is, the extent that the monitoring relates to the likely effects of the consent holder's activities or the extent that the likely benefit to consent holders exceeds the likely benefit of the monitoring to the community. The costs to the council associated with this activity may be shared between consent holders and the community. This recognises that there is value and benefit to the community of work the council undertakes with respect to monitoring the state of the environment. In the council's judgement this is a fair and equitable division.
- To date, a state of the environment charge has been incorporated into the annual charges applying to consents for water takes, known as the (water take) resource user charge (refer to Section 2.2.8.5).
4. In relation to swing/pile moorings within the Marine 4 Management (MM4) Areas which meet the permitted activity criteria, the costs of providing council services will be recovered as outlined in Sections 2.4.2 and 3.5.6.
 5. In relation to swing/pile moorings outside the MM4 Areas without consent (non-consented), costs will be recovered through the Navigation and Safety Bylaw until consent is gained.
 6. The charges for consents for minor to moderate activities are often based on scales (refer to Section 2.2.8.4). The general method for charging for large-scale activities is to apply the formulae in Section 2.2.8.6.

2.2.7.2 (Water take) resource user charge

1. Some of Northland's water resources are highly allocated and are under pressure. It is difficult to assess the natural flows/levels of water bodies as there is limited data available on water use and flows/levels in some areas. The National Policy Statement for Freshwater Management 2014 requires the council to set water quantity limits for all of Northland's water bodies.
2. In order to address this, the council developed a Sustainable Water Allocation Plan. This project requires ongoing resourcing by council to implement. The work provides benefit to both water users and the wider community. Much of the information provided by council's current hydrometric network is the basis for this work and as such, a part of the cost of running this network shall be recovered from water users through the (water take) resource user charge.
3. The details of this charge are outlined in Section 3.5.3
4. The resource user charge for water take consents for hydroelectric generation will be considered on a case by case basis because they can be substantial and complex in nature.

2.2.7.3 Other State of the Environment charges

1. Where appropriate, the addition of a specified amount which contributes towards the recovery of costs incurred by council as part of its state of the environment monitoring and/or the hydrometric network.
2. The estimated monitoring costs are then rounded to an appropriate sum which becomes the expected annual charge. These formulae and the historical cost data of monitoring like consents provides a reasonable estimate of the actual costs of monitoring consents each year and will be used to provide the expected costs of monitoring in the forthcoming years.

2.2.7.4 Scale charges

Scaled charges are attributed to consents for minor to moderate activities and the charge reflects the costs of administering and monitoring that class of consent and/or the actual and/or potential effects of the activity. The latter will reflect the resource affected by the consented activity. Scale charges relate to the following types of consents:

Type of consent	Charges
Water takes fee scale	Refer to Section 3.5.3

Type of consent	Charges
Minor to moderate discharges to air and water and small to moderate-scale discharges to land, and land use activities including quarries	Refer to Section 3.5.5
Farm dairy effluent discharges(Refer to Section 3.6.2 for non-consented discharges)	Refer to Section 3.6.3
Coastal structures (post construction or installation)	Refer to Section 3.5.6
Coastal structures (construction or installation phase)	Refer to Section 3.6.4
Land use consents for boating-related structures in waters upstream of the coastal marine area (post construction)	Refer to Section 3.5.7

2.2.7.5 Large-scale activities

1. Consents that do not fall into the classes listed in Section 2.2.7.4 will be for larger scale activities or activities with high potential adverse effects (estimated compliance monitoring costs of \$1000 and over per year inclusive of GST). In most cases these consents will generally be subject to comprehensive monitoring programmes, regular inspections and involve routine sampling and testing or audit monitoring functions and/or contribute towards the costs of the council's State of the Environment monitoring as is the case for water take consents. Large-scale activities may require more monitoring inspections. As the sampling and testing requirements for these consents will vary, so too will the costs incurred by the council to carry out those monitoring programmes.
2. Annual charges for the monitoring of these consents is calculated using the following formulae and/or the actual and reasonable historical costs:

Labour (refer to Section 3.2)
+ Sampling and testing
+ Monitoring equipment
+ Administration
+ State of the Environment monitoring charge/resource user charge (refer to section)
= ANNUAL CHARGE

3. Holders of consents for large-scale activities will generally be invoiced the actual and reasonable costs of monitoring during the progress of the work.

2.2.8 Additional monitoring/supervision charges

2.2.8.1 Where non-compliance with resource consent conditions is encountered, or not programmed, additional monitoring is necessary the costs will be recovered in addition to the set annual charge.

2.2.8.2 The purpose of additional supervision charges is to recover costs of additional supervisory work that is required to be undertaken by council when people, including consent holders, do not act in accordance with consents or council's rules relating to resource use.

2.2.8.3 Additional supervision charges relate to those situations where consent conditions are not being met or adverse effects are resulting from the exercise of a consent; or unauthorised activities are being carried out.

2.2.8.4 When consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to infringement notices, enforcement orders or prosecutions.

2.2.8.5 Charges for additional supervision will be calculated on an actual and reasonable basis.

2.2.8.6 The costs that make up the charge will include:

1. Labour costs; officers' actual recorded time spent, including travel time, in following up the non-compliance matter or unauthorised activity (charged at the appropriate hourly rate listed in Section 3.2); plus
2. Any sampling and testing costs incurred; plus any equipment costs (excluding vehicle running costs) associated with the monitoring of the non-compliance; plus
3. Any external costs incurred (e.g. external consultants, hire of clean-up equipment).
4. For consent holders only, no additional supervision charge will be applied where the annual charges for their consents are sufficient to cover the costs incurred in following up their consent non-compliance.
5. In the case of water takes, annual charges are estimated on the basis of normal summer flows and consequently during drier than normal years further monitoring may be required in the form of flow, water level and/or water abstraction measurements. The costs of this further work will be charged to the consent holder in the form of additional supervision charges as outlined above.

2.2.9 Charges for emergency works

Under Section 331 of the Resource Management Act, the council may charge for the costs associated with any emergency works required for the:

1. Prevention or mitigation of adverse environmental effects;
2. Remediation of adverse effects on the environment; or
3. Prevention of loss of life, injury, or serious damage to property.

The costs charged will be the actual and reasonable costs incurred by council to do the works.

Charges for labour, supply of information and the council plant and equipment are detailed in Sections 3.2 and 3.10.

2.2.10 Changes in resource consent status

1. Where any resource consent is approved during the year, and will be liable for annual charges, the actual costs of monitoring activities will be charged to the applicant. The annual minimum fee will continue to apply per the council's policy in Section 2.2.7.
2. For large-scale activities where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not on-going, then the associated annual charge will be based on actual and reasonable costs incurred to the date of expiry or surrender, including costs incurred as a result of monitoring and administration activities associated with the expiry or surrender of the consent. The annual minimum fee will continue to apply.
3. Where a resource consent expires during the course of the year but the activity or use continues and is subject to a replacement process, then the annual charges will continue to apply.

2.2.11 Charges set by regional rules

2.2.11.1 When developing a regional plan, the council may create regional rules to prohibit, regulate or allow activities. These rules may specify permitted activities, controlled activities, discretionary activities, non-complying activities, prohibited activities and restricted coastal activities.

2.2.11.2 Permitted activities are allowed by a regional plan without a resource consent, if the activity complies with any conditions, which may have been specified in the plan. Conditions on a resource consent may be set in relation to any matters outlined in Section 108 of the Resource Management Act. They may include a specific condition relating to a financial contribution (cash, land, works and services) for any purpose specified in a plan.

2.2.11.3 The council therefore reserves the right to set other charges pursuant to regional rules in regional plans. These charges will include staff costs for giving evidence in a New Zealand court; matters pertaining actions required under the Maritime Transport Act 1994 or Biosecurity Act and any other regulated activities. Any new charges would be notified through the public process required for a regional plan prior to its approval.

2.2.11.4 Actual and reasonable costs will be charged for fees set by regional rules. These costs will include:

1. Staff costs – officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs. (See Staff Charge Rates in Section 3.2)
2. Hearings – the costs of pre-hearing meetings and hearings will be charged to the applicant. Council members' hearing costs will be recovered as determined by the Remuneration Authority. Staff costs and committee members' fees or the actual costs of independent commissioners at formal hearings will be charged.
3. For applications relating to restricted coastal activities, the applicant will also be charged the council's costs of the Minister of Conservation's representative. Charges related to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.
4. External costs, disbursements, are additional to the above charges, for example advertising, consulting and legal advice, laboratory testing, hearing venues and incidental costs.

2.2.12 Preparing or changing a policy statement or plan

2.2.12.1 Any person may apply to the council for the preparation of or change to a regional plan. Any Minister of the Crown or any territorial authority of the region may request a change to a policy statement.

2.2.12.2 When considering whether costs should be borne by the applicant, shared with the council, or borne fully by the council, the following will be taken into account:

1. the underlying reason for the change; and
2. the extent to which the applicant will benefit; and
3. the extent to which the general community will benefit.

2.2.12.3 For the receipt and assessment of any application to prepare or change a policy statement or plan, actual and reasonable costs will be recovered. The charging policies are outlined below:

1. All applicants will be required to pay a minimum estimated initial fee set out in Section 3.3 based on the expected costs of receiving and assessing the application, up to but not including the costs of public notification. Actual and reasonable costs based on an hourly rate set out in Section 3.2, mileage and disbursements will be included in the minimum estimated initial fee. Any additional costs incurred in processing the application will be invoiced to the applicant.
2. For any action required to implement a decision to proceed with the preparation or change to a policy statement or plan, a minimum estimated initial fee as set out in Section 3.3 shall be made for the costs of public notification. This will be followed by a case-by-case assessment of where the costs should fall. Any costs charged will be invoiced monthly from the date of public notification.

Prior to public notification, an estimate of total costs will be given to the applicant. The applicant will have the option of withdrawing the request on receipt of notice of the estimated costs.

Withdrawn requests are subject to payment of the actual and reasonable costs of relevant work completed to the date of withdrawal.

2.2.13 Charges for monitoring regulations

Under regulation 106 of the National Environmental Standards for plantation forestry, the council may charge for monitoring of the permitted activities specified by regulations 24, 37, 51 and 63(2) of the standards.

2.3 Local Government Act 2002 (land and resources)

The charges for the following council activities/services have been set according to Section 150 of the Local Government Act:

2.3.1 Monitoring/inspections of permitted activities

Charges are payable to recover the costs of inspections of permitted activities to determine compliance with the permitted activity rules in the regional plans. The inspections are conducted in order that adequately carries out its functions and responsibilities under Sections 30, 35 and 36 of the Resource Management Act.

2.3.1.1 Farm dairy effluent discharges

1. Administration costs incurred will be charged in addition to the costs of the site visit/inspections, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required (see Section 3.6.1).
2. Where there is a need for two officers to attend, the costs of both officers will be recovered.
3. The charges are listed in Section 3.6.
4. For charges for consented farm dairy effluent discharge consents, refer to Section 3.6.3.

2.3.1.2 Other permitted activities

1. The costs of the site visit/inspections, plus the reasonable cost of any specific water quality testing and/or enforcement action required will be charged.
2. The costs of monitoring of those regulations will be charged as set out in Sections 3.2 and 3.10.

2.3.2 Environmental incidents

Where a person (or persons) carries out an activity in a manner that does not comply with Sections 9, 12, 13, 14, 15, 315, 323, 328 or 329 of the RMA, the council will charge that person (or persons) for the actual and reasonable cost of any inspection/investigation it undertakes in relation to the activity. This cost may include:

1. Time spent by the council staff identifying and confirming the activity is taking or has taken place.
2. Time spent by council staff identifying and confirming the person(s) responsible for causing or allowing the activity to take place or to have taken place.
3. Time spent by council staff alerting and informing the person(s) of their responsibilities in relation to the activity, including any guidance or advice as to how any adverse effects of the activity might be managed.
4. Staff travel time and vehicle mileage.
5. Costs of any specific testing of samples taken.
6. Costs of professional services contracted to assist in the inspection/investigation of the activity.
7. Clean up costs and materials.

The council will only charge for time spent that exceeds 30 minutes. Travel time will be included in the calculation of that time.

Where an incident occurs on a site that 'holds' a resource consent and a breach of consent conditions is confirmed, then this section does not apply. Any actual and reasonable costs incurred in the investigation of the incident will be recovered as additional consent monitoring charges.

2.3.3 Investigation of land for the purposes of identifying and monitoring contaminated land

The council is responsible for identifying and monitoring contaminated land under Section 30(1)(ca) of the RMA. Council will recover the costs of inspections plus the actual and reasonable cost of site investigations including any specific testing of samples taken. Staff charge rates, sampling and equipment costs are outlined in Sections 3.2 and 3.10.

2.4 Maritime activities

These charges – which the council is enabled to set under a number of legislative instruments – are presented together for the purposes of clarity.

2.4.1 Charges for maritime-related incidents (Local Government Act 2002)

These charges are made to recover the costs incurred by the council as a result of staff responding to any incident that causes or may have the potential to cause, adverse environmental effects or effects on navigation and safety. The response action taken by council staff may include, but will not be limited to, monitoring, inspection, investigation, clean-up, removal, mitigation and remediation works. Actual costs for consumables, plant and equipment used/hired during a response will also be charged in addition to staff hours (as set out in Section 3.2) as appropriate.

For incidents occurring outside normal business hours, a minimum call out fee of three hours at staff charge rates shall apply (includes oil spill response, training exercises, and emergency response).

2.4.2 Northland Regional Council Navigation Safety Bylaw Charges

1. The Navigation Safety Bylaw regulates navigation, water transport and maritime safety in Northland.
2. The charges are set out in section 3.5.6 and are collected for functions, duties, powers or services carried out by the council and must be paid on demand by the consent holder or owner, to the council.
3. The current Navigation Safety bylaw is available on the council's website or from council offices.
4. The fees and charges collected contribute to the upkeep of the region's maritime services, for example, the harbourmaster, buoys and beacons, etc.

2.4.3 Standard charges for Marine Tier 1 Oil Transfer Sites (Maritime Transport Act 1994)

2.4.3.1 Maritime Rule Part 130B requires that the operator of an oil transfer site obtain the approval for a site marine oil spill contingency plan from the Director of Maritime New Zealand. The power to approve these plans has been delegated by the director to the Chief Executive Officer (sub-delegated to council employees) of the Northland Regional Council in an Instrument of Delegation pursuant to Section 444(2) of the Maritime Transport Act 1994.

2.4.3.2 Section 444(12) of the Maritime Transport Act 1994 allows the council to charge a person a reasonable fee for:

1. Approving Tier 1 site marine oil spill contingency plans and any subsequent amendments.
2. Inspecting Tier 1 sites and any subsequent action taken thereafter in respect of preparation of inspection reports or reporting on non-conformance issues.

2.4.3.3 **Basic fee** – the council will charge a minimum fee and any additional staff costs, as set out in Section 3.7.9.

2.4.3.4 **Additional staff costs** – in addition to the basic fee set out above, additional charges may be applied for staff costs. The costs are based on officers' actual recorded time charged at an hourly rate set out in Section 3.2 of this document, comprising actual employment costs plus a factor to cover administration and general operating costs. Should travel be required, additional costs for mileage will be charged at the standard rate as approved by the Inland Revenue Department.

2.5 Building Act 2004

2.5.1

Section 243 of the Act specifically allows for the council to impose a fee or charges for:

1. Issuing a project information memorandum.
2. The performance of any other function or service under this Act.
3. Recovering its costs from the owner if it carries out building work under Section 156 of this Act.
4. Where a fee or charge is payable for the performance of a function or service, then the council may decline to perform the function or service, unless the fee or charge is paid.

2.5.2

Costs incurred beyond the fee are to be recovered on the basis of actual and reasonable costs incurred by the council.

2.5.3

The minimum fees for the different consent activities are set out in Section 3.4.

2.5.4

Charges fixed under the Building Act 2004 are resolved by the council and fixed pursuant to the Local Government Act 2002 process until subsequently amended.

2.5.5

Policies set out in Section 3.4 also apply to Building Act applications.

2.5.6

All applications for a project information memorandum and a building consent, as well as the issuing of notices to rectify will be subject to a minimum estimated charge as set out in Section 3.4.

2.5.7

Charges for Building Act functions other than the issuing of project information memoranda and building consents will be charged a set fee per individual element, or on the basis of actual and reasonable cost, as set out in Section 3.4.

2.5.8

These functions include the issue of compliance schedules, requests for information on building consent applications, extension of valid term, actions re dangerous buildings, inspections and technical processing.

2.5.9

The "Minimum Estimated fee" is payable upon application for a PIM/LIM. Final actual and reasonable costs are payable upon uplifting the PIM/LIM based on staff charge rates in Section 3.2.

2.5.10 Building consents and certificates of approval

Incorporating receipt of a building consent application, the issue of a building consent, including project information memorandum, payment of a building research levy and/or Department of Building and Housing levy (where applicable) and the issue of a code of compliance certificate (where applicable).

2.5.11 Dams

Under section 244 of the Building Act 2004, council has decided to transfer the Building Act functions for consenting dams to the Waikato Regional Council. Fees will be charged in accordance with the Fees and Charges policy set by Waikato Regional Council. All fees and charges for consent processing will be invoiced directly to the applicant by Waikato Regional Council.

2.5.12 Requests for information on building consents

Charges will be the actual and reasonable costs based on staff charge rates shown in Section 3.2.

2.5.13 Technical processing and the exercising of other functions, powers and duties under the Building Act 2004

For technical processing and other functions under the Building Act, full costs over and above the minimum estimated initial fee will be recovered in accordance with the additional hourly charges.

2.5.14

All charges are payable upon invoice, provision of service or upon the exercise of the function, power or duty. Progressive charging may be used where costs are greater than \$500 (excluding GST).

2.5.15

When building consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to infringement offence notices, enforcement orders or prosecutions.

2.5.16

An enforcement officer who observes a person committing an infringement offence or has reasonable cause to believe that an infringement offence is being or has been committed is authorised and warranted under Section 229 of the Building Act 2004 to issue an infringement notice.

2.6 Biosecurity Act 1993

2.6.1 Regional Pest Management Strategies or Plan, or Pathway Management Plan Cost Recovery Policy

Section 135 of the Biosecurity Act provides regional councils with options to recover the costs of administering the Act and performing the functions, powers and duties under a pest management strategy or plan, or a pathway management plan. This recovery must be in accordance with the principles of equity and efficiency. Section 135 of the Biosecurity Act authorises the recovery of costs by such methods that they believe to be the most suitable and equitable in the circumstances, including fixed charges, estimated charges, actual and reasonable charges, refundable or non-refundable deposits paid before the provision of the service, charges imposed on users of services or third parties, and cost recovery in the event of non-compliance with a legal direction.

2.6.2 Request for work

An authorised person may request any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with the Northland Regional Pest Management Strategies.

2.6.3 Legal directions

An authorised person may issue a legal direction to any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with a Northland Regional Pest Management Strategies. The legal direction shall be issued under Section 122 of the Biosecurity Act and specify the following matters:

1. The place in respect of which works or measures are required to be undertaken;
2. The pest for which the works or measures are required;
3. Works or measures to be undertaken to meet the occupier's obligations;
4. The time within which the works or measures are to be undertaken;
5. Action that may be undertaken by the management agency (generally the council) if the occupier or occupiers fail to comply with any part of the direction;
6. The name, address, telephone number and email address of the management agency and the name of the authorised person issuing the legal direction.

2.6.4 Failure to comply with a legal direction

Where a legal direction has been given to an occupier under the Northland Regional Pest Management Strategies or Pest Management Plan or Marine Pathways Management Plan, and the occupier has not complied with the requirements of the legal direction within the time specified, then the council may enter onto the place specified in the legal direction and carry out, or cause to be carried out, the works or measures specified in the legal direction, or such other works or measures as are reasonably necessary or appropriate for the purpose of giving effect to the requirements of the legal direction.

2.6.5 Recovery of costs incurred by management agency

Where the council undertakes works or measures for the purposes of giving effect to the requirements of a request for work or a legal direction it shall recover the costs incurred from the occupier pursuant to Sections 128 and 129 of the Biosecurity Act and may register the debt as a charge against the certificate of title for the land.

2.6.6 Recovery of Costs for Marine Biosecurity Activities

Council has an ongoing programme of marine biosecurity inspection, monitoring and response work, that is undertaken for the purposes of implementing its pest management strategies and plans. (Some) cost recovery is sought for these marine biosecurity activities as provided for by Section 135 of the Biosecurity Act 1993. Cost

recovery is set as an annual charge, specified as a 'Marine Biosecurity Fee' and is applied to all moorings, marina berths, boat sheds, and ports as set out in Section 3.5.6 of this user fees and charges schedule. The charge applies whether inspection, monitoring and/or response is carried out on that individual structure or not.

2.6.7 Failure to pay

Section 136 of the Biosecurity Act provides for regional councils to apply a penalty to charges under the Biosecurity Act that remain unpaid for more than 20 working days since the charge was demanded in writing. Council will apply a penalty of 10% of unpaid charges to the debt incurred, after a period of 20 working days from the due date stated on the original invoice. In addition to this, 10% will be applied for every completed period of six calendar months that the debt remains unpaid (six month period will be calculated from the 21st day of the charge remaining unpaid).

2.6.8 Equity and Efficiency of Marine Biosecurity Activities

Section 135 (2) of the Biosecurity Act requires that, in determining appropriate mechanisms for the recovery of costs of a particular function or service, a recovering authority shall ensure that it is not recovering more than the actual costs of the function. This is based on the actual costs for that year, taking into account any shortfall in recovery of costs in the preceding year, and any over-recovery of costs in the preceding year.

There was no over-recovery of costs in the 2018/19 year. The proposal to recover only the actual costs of the function for the current (2019/20) year is considered to be an equitable and efficient means of recovering cost of the marine biosecurity function.

2.7 Property Law Act 2007

Under the Property Law Act 2007, the council can require a charge to cover reasonable legal or other expense of the lesser in giving consent. The charges are set out in Section 3.9.

Schedules of fees and charges



3.1 Local government official information

In some cases, the council is permitted to charge for the provision of official information. Requesters will be advised in advance if the council decides to apply a charge.

Black and white photocopying or printing on standard A4 or foolscap paper where the total number of pages is in excess of 20 pages will be charged out at 10 cents for each page after the first 20 pages. All other photocopying and printing charges will recover the actual and reasonable costs involved.

For staff time	\$ including GST
First hour	No charge
Additional hours	Ministry of Justice, Charging Guidelines
First half hour (after the initial free hour)	39.00
Per hour	78.00

See also Section 3.2.2 for charges relating to the supply of information provided under the Resource Management Act 1991.

3.2 Staff charge rates

Charges are applicable for a range of services performed by council staff:

- Processing of consents under the Resource Management Act 1991.
- Environmental and consent monitoring of:
 - Large-scale activities;
 - Permitted activities; and
 - Contaminated land.
- Exercises and training For oil spill exercises and training, standard staff charge out rates apply.
- Technical assessment and administration of functions under the Building Act 2004.
- Maritime-related incidents.
- Mooring inspections/assessments.
- Preparing or changing a policy statement or plan.

Description	Hourly rate \$ excluding GST
Monitoring Technician/Administrator	76.00
Secretarial/Administrator	
Technician/Administrator	
Biosecurity Technician/Administrator	
Monitoring Officer Scale 1	90.00
Consents Officer Scale 1	
Policy Analyst	
Officer Scale 1	
Biosecurity Officer Scale 1	
Monitoring Officer Scale 2	101.50
Consents Officer Scale 2	
Policy Specialist	
Officer Scale 2	
Biosecurity Officer Scale 2	
Maritime Officer	
Monitoring Officer Scale 3	113.00
Consents Officer Scale 3	

Description	Hourly rate \$ excluding GST
Officer Scale 3 Biosecurity Officer Scale 3 Senior Maritime Officer Scale 3	
Senior Monitoring Officer Scale 1 Programme Manager Scale 1 Senior Officer Scale 1 Biosecurity Specialist Maritime Programme Manager	120.00
Senior Monitoring Officer Scale 2 Senior Programme Manager Programme Manager Scale 2 Senior Officer Scale 2 Deputy Harbourmaster	132.50
Manager Harbourmaster	172.00
Consultants	Actual costs

Notes:

Where there is a need for two or more officers to attend, the costs of all officers will be recovered.

For oil spill responses (excluding planned exercises) an additional charge of \$13.00 per hour (excluding GST) per staff member will apply.

Labour costs for the council's staff not specified in this schedule will be charged at an hourly rate determined from actual employment costs, including overtime rates if applicable, plus a multiplier to cover overheads and any internal costs incurred.

3.2.1 Resource consent applications - minimum estimated initial fee

Schedule of minimum estimated initial fees

Description	Minimum estimated initial fees \$ excluding GST	\$ including GST
Notified and limited notified applications		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits	2,987.83	3,436.00
• Moorings	1,494.35	1,718.50
New non-notified applications		
• Coastal Permits (excluding moorings), Land Use Consents (excluding Bore Drilling Permits), Water Permits, and Discharge Permits (including Farm Dairy Effluent and Domestic On-site Wastewater)	796.52	916.00
• Moorings	547.39	629.50
• Bore Drilling Permits	327.39	376.50
• Plus per additional bore	34.35	39.50
• Fixed Fee for Discharge Permit for burning of specified materials, including vegetation, by way of open burning or incineration device (e.g. backyard burning) (see Note 7)	60.00	69.00
Replacement non-notified applications		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits (excluding Domestic On-site Wastewater)	697.83	802.50
• Moorings	448.70	516.00
• Domestic On-site Wastewater Discharge Permits	498.70	573.50
Certificate of compliance	448.70	516.00
Existing use certificate	448.70	516.00
Deemed permitted activity	347.83	400.00
Transfer of consents from the consent holder to another person (payable by the person requesting the transfer)	76.96	88.50

Description	Minimum estimated initial fees \$ excluding GST	\$ including GST
Transfer existing water permit between sites within catchment		
• Notified (including limited notification)	697.83	802.50
• Non-notified	437.39	503.00
S127 Change or cancellation of consent conditions		
• Notified (including limited notification)	1,045.22	1,202.00
• Non-notified	448.26	515.50
Request to review deemed coastal permit to reflect actual space (off-site review) under s53 of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004		
• Notified (including limited notification)	2,987.83	3,436.00
• Non-notified	796.52	916.00
S128 Review of consent conditions, and review of deemed coastal permits under S10(4), 20(3) and 21(3) of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 (see Note 7)		
• Notified (including limited notification)	1,045.22	1,202.00
• Non-notified	448.26	515.50
Extension of period until a consent lapses	276.96	318.50
Hearing costs (per hearing day per committee member) at hourly rates set by the Remuneration Authority* or the actual costs of Independent Commissioners.	(Per RA)	
* Determination dated 1 July 2006 of consent hearing fees payable and defining the duties covered by the fee or excluded, currently \$80 per hour (Committee Member) and \$100 per hour (Chairman).		
Mooring licence amendment fee	183.04	210.50
Requests by applicants and/or submitters for independent commissioner(s) to hear and decide resource consent applications as provided for by S100A(2) of the RMA:		
<ul style="list-style-type: none"> • In cases where only the applicant requests independent commissioner(s), all the costs for the application to be heard and decided will be charged to the applicant. • In cases where one or more submitters requests independent commissioner(s), the council will charge as follows: 		

Description	Minimum estimated initial fees \$ excluding GST	\$ including GST
<ul style="list-style-type: none"> The applicant will be charged for the amount that the council estimates it would cost for the application to be heard and decided if the request for independent commissioner(s) had not been made; and <ul style="list-style-type: none"> a. The requesting submitters will be charged equal shares of any amount by which the cost of the application being heard and decided in accordance with the request exceeds the amount payable by the applicant outlined in a) above. Notwithstanding the above, in cases where the applicant and any submitter(s) request independent commissioner(s) all the costs for the application to be heard and decided will be charged to the applicant. 		

Note: Approved resource consents attract annual charges. For Building Consent Application Fees – Refer Section 3.4.2.

3.2.2 Photocopying costs for information provided under the RMA – consents, hearings etc.

Please see Section 3.10.10 for photocopying charges. See also Section 3.1 for charges relating to the supply of information provided under the Local Government Official Information and Meetings Act 1987.

3.3 Application to prepare or change a policy statement or plan

Description	Minimum estimated initial fee \$ excluding GST	\$ including GST
Minimum estimated initial fee required for receipt and assessment of any application to prepare or change a policy statement or plan	6254.78	7,193.00
Minimum estimated initial fee of required to implement a decision to proceed with the preparation or change to a policy statement or plan for the costs of public notification	3,127.39	3,596.50

3.4 Building Act 2004

Charges fixed under the Building Act 2004 are resolved by the council and fixed pursuant to the Local Government Act 2002 process until subsequently amended.

3.4.1 Project and Land Information Memoranda (PIM/LIM)

Estimated value of work	Minimum estimated initial fee (MEC) \$ excluding GST	(MEC) \$ including GST
All applications	1,196.96	1,376.50

Notes:

1. MEC is payable upon application for a PIM/LIM.
2. Final actual and reasonable costs are payable upon uplifting the PIM/LIM based on standard labour charges in Section 3.2.

3.4.2 Building consents and certificates of approval

Incorporating receipt of a building consent application, the issue of a building consent, including project information memorandum, payment of a Building Research Levy and/or Department of Building and Housing Levy (where applicable) and the issue of a code compliance certificate (where applicable).

Under section 244 of the Building Act 2004, council has decided to transfer the Building Act functions for consenting dams to the Waikato Regional Council. Fees will be charged in accordance with the fees and charges policy set by Waikato Regional Council. All fees and charges for consent processing will be invoiced directly to the applicant by Waikato Regional Council.

3.4.3 Requests for information on building consents

Charges will be the actual and reasonable costs based on standard labour charge rates shown in Section 3.2.

3.4.4 Technical processing and the exercising of other functions, powers and duties under the Building Act 2004

For technical processing and other functions under the Building Act full costs over and above the minimum estimated initial fee will be recovered in accordance with the additional hourly charges.

Function	Minimum estimated initial fee \$ including GST	Hourly charge for exercise of functions or to recover additional costs
Action to be taken in respect of buildings deemed to be dangerous or insanitary		Standard labour charge rates shown below.
Issue of a Notice to Fix		Minimum charge of \$101.00 and further charges for inspections and other action to confirm compliance based on standard labour charge rates shown over page.

Function	Minimum estimated initial fee \$ including GST	Hourly charge for exercise of functions or to recover additional costs
Lodge Building Warrant of Fitness	119.00	Standard labour charge rates shown over page.
Amendment to compliance schedule	1,196.50	Standard labour charge rates shown over page. Actual and reasonable for expert advice.
Building Warrant of Fitness audit		Standard labour charge rates shown over page.
Certificate of Acceptance	Large dam ⁽¹⁾ - 4,784.00. Medium dam ⁽²⁾ - 2,391.50.00. Small Dam ⁽³⁾ - 596.50.	Standard labour charge rates shown below. Actual and reasonable for expert advice.
Lodge dam potential impact category	119.00	Standard labour charge rates shown below.
Lodge dam safety assurance programme	119.00	Standard labour charge rates shown below.
Lodge annual dam safety compliance certificate	119.00	Standard labour charge rates shown below.
Other functions		Standard labour charge rates shown below.

1. Above \$100,000 value
2. \$20,000 - \$100,000 value
3. \$0 to \$20,000 value

3.5 Annual charges

3.5.1 Minimum annual charge

\$108.00 including GST

3.5.2 Compliance monitoring/ supervision

Staff time will be charged as the actual and reasonable costs based on standard labour charge rates as shown in Section 3.2 and will be invoiced as and when monitoring occurs.

3.5.3 Water takes charge scales

For more information on administration charges, please refer to Section 2.2.7.1(2).

Scale of annual charges for water takes

Charge code	Fee scale based on abstraction amount	Administration charge \$ including GST	Resource user charge \$ including GST	Total annual charge \$ including GST
ADM001	0 – 9 m ³ per day	110.50	0.00	110.50
ADM001 RUC001	10 – 29 m ³ per day	110.50	29.50	140.00
ADM001 RUC002	30 – 69 m ³ per day	110.50	70.50	181.00
ADM001 RUC003	70 – 199 m ³ per day	110.50	203.50	314.00
ADM001 RUC004	200 – 499 m ³ per day	110.50	510.00	620.50
ADM001 RUC005	500 – 999 m ³ per day	110.50	1,021.00	1,131.50
ADM001 RUC006	≥ 1000 m ³ per day	110.50	2,043.00	2,153.50

For the basis of charging, refer to Section 2.2.7 Setting of annual resource consent (monitoring) charges.

3.5.4 Water Use Returns

Annual charges for Water Use returns

Charge code	Annual return method	Total annual charge \$ including GST
WUR001	Paper	76.50
WUR002	Electronic (e.g. Excel)	51.00
WUR003	Telemetered	20.50

Note: Monthly Water Use Returns received via any method will be charged double the amount shown in the table above.

In addition to the above, the following charge will apply for any late returns

	Any Water Use Return received seven or more days late	76.50 (inc. GST)
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3.5.5 Minor to moderate discharges to air, water and land, and land use activities including quarries

Scale of annual charges for consents for minor to moderate discharges to air, water, and land (no or minor sampling and/or testing planned) and consents for land use activities including quarries.

The fee levels provided below allow for the appropriate recovery of costs by the council based on the degree of work required by the council in monitoring each consent.

Minimum loaded with additional fees post monitoring

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST
MON001	96.09	110.50

Annual monitoring charge

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST
MON002	96.09	110.50
MON003	103.04	118.50
MON004	116.52	134.00
MON005	136.96	157.50
MON006	150.43	173.00

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST
MON007	170.87	196.50
MON008	206.09	237.00
MON009	220.00	253.00
MON010	239.13	275.00
MON011	259.13	298.00
MON012	274.35	315.50
MON013	287.39	330.50
MON014	307.83	354.00
MON015	342.17	393.50
MON016	356.09	409.50
MON017	377.39	434.00
MON018	401.30	461.50
MON019	434.78	500.00
MON020	479.13	551.00
MON021	513.48	590.50
MON022	547.39	629.50
MON023	582.61	670.00
MON024	616.96	709.50
MON025	649.57	747.00
MON026	684.78	787.50
MON027	720.00	828.00
MON028	753.04	866.00

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST
MON029	787.39	905.50
MON030	820.87	944.00
MON031	855.22	983.50
MON032	890.87	1,024.50
MON033	923.91	1,062.50
MON034	957.83	1,101.50
MON035	992.61	1,141.50
MON036	1,026.52	1,180.50
MON037	1,062.17	1,221.50
MON038	1,095.65	1,260.00
MON039	1,129.57	1,299.00
MON040	1,163.48	1,338.00
MON041	1,198.26	1,378.00
MON042	1,232.61	1,417.50
MON043	1,266.52	1,456.50
MON044	1,300.87	1,496.00
MON045	1,334.35	1,534.50

3.5.6 Moorings and Coastal structures (post construction or installation)

Annual charges for moorings and coastal structures are set pursuant the Resource Management Act 1991, the Biosecurity Act 1993, and the Maritime Transport Act 1994.

The Navigation Safety Bylaw fee is set pursuant to the Maritime Transport Act 1994, in conjunction with the Navigation Safety Bylaw for Northland. The Owner⁽¹⁾ of every Maritime Facility⁽²⁾ or Mooring⁽³⁾ in the region shall pay to the council this annual navigation fee. The navigation safety bylaw fee shall be payable on the number of berths available at the maritime facility, whether or not all berths are used. The council's Harbourmaster shall determine the number of berths available at any maritime facility.

These bylaw charges were publicly notified pursuant to the Local Government Act 2002 and were set at a meeting of council on [Date to be advised following consultation] June 2019. On [Date to be advised following consultation] June 2018, the Council also resolved that activity income sources would be inflation adjusted each year. The bylaw charges came into force on 1 July 2018. In accordance with the decision made on [Date to be advised following consultation] June 2018 as part of the Long Term Plan 2018-2028, these charges have been inflation adjusted for the 2018/19 year.

- 1 "Owner" includes: a) in relation to a vessel, the agent of the owner and also a charterer; or b) in relation to any dock, wharf, quay, slipway or other maritime facility, means the owner, manager, occupier or lessee of the dock, wharf, quay, slipway or other maritime facility.
- 2 "Maritime facility" means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marine berth, pontoon or, whether private, commercial or a recreational public facility, that is located within the coastal marine area of Northland
- 3 "Mooring" means any swing or pile mooring whether private, commercial or recreational mooring that is located within the coastal marine area of Northland.

3.5.6.1 Scale of annual charges for Moorings and Marina Berths

Fee level	Description/Criteria	RMA administration fee or mooring licence fee \$ including GST	Navigation safety bylaw fee \$ including GST	Marine Biosecurity Charge per mooring or berth \$ including GST ⁽¹⁾	Total fee \$ including GST
MOR001 MOR002 BIO001	Individual swing, pile and jetty moorings with or without resource consents.	110.50	79.00	83.00	272.50
MOR004 MOR002 BIO001	Swing and pile moorings owned by one person or organisation, comprising 10 to 24 moorings (per mooring and berths). Note: No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	94.00	79.00	83.00	256.00
MOR005 MOR006 BIO001	Pile moorings and jetty berths owned by one organisation, comprising 25 berths or more, but no more than 75 berths (per berth). Note: No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	60.50	73.50	83.00	217.00
	Marinas comprising more than 75 berths.	-	66.50	83.00	149.50
MOR003	Dinghy pulls	147.00	-	-	147.00

1. Unpaid marine biosecurity charges will incur a 10% penalty 20 working days after the due date stated on the invoice. Please see section 2.6.7 for more

Mooring license amendment fee

Any changes to the mooring license conditions, such as position, size or design of a mooring, or the maximum length of vessel allowed to use the mooring must be approved by the harbourmaster as required by the Navigation Safety Bylaws. The fee relates to the actual work involved in processing the application, including checking the effect on adjacent mooring holders.	210.50 (inc. GST)
The recording of any new mooring in a Mooring Zone	117.50 (inc. GST)
A reinstatement fee following suspension or cancellation of a mooring, to be applied at the harbourmaster's discretion	210.50 (inc. GST)
On-site assessment of moorings Mooring holders who require an on-site assessment or inspection of their mooring, or proposed mooring, by the maritime staff for their own benefit will receive a fee based on the actual officer's time charged, at an hourly rate comprising actual employment costs plus a factor to cover administration costs (as per the staff charge rate see section 3.2).	

Pursuant to the provisions of Navigation Safety Bylaw clause 3(1)(6), should any mooring licence fees or other charges due to the council under the provision of this bylaw remain unpaid for a period of 60 days, then the harbourmaster may remove, or cause to be removed, the mooring and detain the vessel using the mooring, until such fees and charges, including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the council has the right to sell the mooring and/or vessel to recover the debt.

3.5.6.2 Scale of annual charges for coastal structures

Fee level	Description/Criteria	RMA administration fee or mooring licence fee \$ including GST	Navigation safety bylaw fee \$ including GST	Marine Biosecurity Charge, per mooring or berth \$ including GST ⁽¹⁾	Total fee \$ including GST
CST001	Cables and pipes	140.00	-	-	140.00
CST002	Buildings in the coastal marine area	147.00	-	-	147.00
CST003	Seawalls and reclamations up to 100 m	147.00	-	-	147.00
CST004	Seawalls and reclamations over 100 m	157.00	-	-	157.00
CST005 NAV001	Community and boating club structures and jetties, and non-commercial public structures	147.00	79.00	-	226.00
CST006 NAV001 BIO001	Boatsheds	147.00	79.00	83.00	309.00
CST007 NAV002 BIO001	Boatsheds with additional berth	154.00	158.50	83.00	395.50
CST008 NAV001	Boat ramps up to 15m	147.00	79.00	-	226.00
CST009 NAV002	Boat ramps/slipways over 15m and grids	154.00	158.50	-	312.50
CST010	Low use structures not more than 10m ²	140.00	⁽²⁾	-	140.00
CST011 NAV001	Low use structures more than 10m ² and up to 300m ²	147.00	79.00 ⁽³⁾	-	226.00

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Fee level	Description/Criteria	RMA administration fee or mooring licence fee \$ including GST	Navigation safety bylaw fee \$ including GST	Marine Biosecurity Charge, per mooring or berth \$ including GST ⁽¹⁾	Total fee \$ including GST
CST012 NAV002	Low use structure over 300m ²	154.00	158.50 ⁽⁴⁾	-	312.50
CST013	High use structures not marine related	147.00	-	-	147.00
CST014 NAV003	High use structures not more than 300m ² and slipway not more than 50 tonnes	147.00	442.00	-	589.00
CST015 NAV004	High use structures more than 300m ² but not more than 1,000m ²	154.00	1,920.00	-	2,074.00
CST016 NAV005	High use structures more than 1,000m ² and slipways with a maximum capacity of more than 50 tonnes	157.00	3,396.50	-	3,553.50
CST018 CST017 NAV001	Marine farm	*281.50 + admin fee (\$110.50)	79.00	-	471.00 (minimum)

1. Unpaid marine biosecurity charges will incur a 10% penalty 20 working days after the due date stated on the invoice. Please see section 2.6.7 for more
2. A navigation safety fee will be applied if the structure is primarily used for the berthing of vessels, at \$79.00 per berthed vessel.
3. A navigation safety fee of \$79.00 will be applied to all structures (for one vessel). Additional berthed vessels will incur a fee of \$79.00 per vessel.
4. A navigation safety fee of \$158.50 will be applied to all structures (for one vessel). Additional berthed vessels will incur a fee of \$79.00 per vessel.

* Per farm for amalgamated consents.

Note: All structures may be subject to additional charges that recover the costs incurred by the council for extra monitoring, such as sampling a discharge.

Low use structures are typically for private use and high use structures are typically for commercial use.

Consent holders of multiple activities authorised under a single resource consent, will be charged one annual fee for the most significant authorised by that consent.

Description/Criteria	Marine Biosecurity Charge \$ excluding GST ⁽¹⁾	Total fee \$ including GST
Northport Limited	3,388.26	3,896.50
Golden Bay Cement	3,388.26	3,896.50
Port Nikau Limited	3,388.26	3,896.50
New Zealand Refining Company Ltd	3,388.26	3,896.50

1. Unpaid marine biosecurity charges will incur a 10% penalty 20 working days after the due date stated on the invoice. Please see section 2.6.7 for more

3.5.7 Land use consents for boating-related structures in waters upstream of the coastal marine area (post construction)

Scale of annual charges for land use consents for boating-related structures in waters upstream of the Coastal Marine Area (CMA) with minor environmental effects.

Fee level	Description/criteria	RMA \$ excluding GST	Total fee \$ including GST
MON046	Minor structures and jetties: not more than 10m ² in plan area.	121.74	140.00
MON047	Jetties and other structures: more than 10m ² in plan area.	127.83	147.00

Note:

1. Consents for new boat-related structures or to alter boat-related structures in water-bodies will be subject to an inspection during their construction phase based on staff time and rates set out in section 3.2.
2. Refer to Section 2.2.8 setting of annual resource consent (monitoring) charges of the user fees and charges schedule for bases of charges.

3.6 Inspection and monitoring charges

3.6.1 Permitted activity monitoring/inspections – fees

The fees will be charged on a cost recoverable basis (officer time, sampling and equipment costs). Refer to section 3.2 staff charge rates and section 3.10 miscellaneous management charges.

3.6.2 Permitted activity dairy discharges – fees

The charges are as follows:

		\$ excluding GST
	(i) Inspection and monitoring fee:	
FDE020	Grades full compliance and minor non-compliance	186.50
FDE021	Grades significant non-compliance	279.50
	(ii) Second and subsequent visits and inspections (including travel time) for significant non-complying farms	90.00 per hour

Where there is a need for two officers to attend, the costs of both officers will be recovered.

Administration costs incurred will be charged in addition to the costs of the site visit/inspections, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required (see section 3.10).

Note: For charges for consented farm dairy effluent discharge consents, refer to section 3.6.3.

3.6.3 Farm dairy effluent inspection charges

Scale of charges for consents for farm dairy effluent discharges (full and minor non-compliance and significant non-compliance).

3.6.3.1 Full and minor non-compliance

Sampling and testing required where indicated.

	Description/criteria	Charge \$ excluding GST	Charge \$ including GST
FDE000	Per inspection – (no sampling or testing)	281.74	324.00
FDE001	Per inspection – (single sample only)	334.78	385.00
FDE002	Per inspection – (two samples)	387.83	446.00
FDE003	Per inspection – (three samples)	440.87	507.00

	Description/criteria	Charge \$ excluding GST	Charge \$ including GST
FDE004	Per inspection – (four samples)	493.91	568.00
FDE005	Per inspection – (five samples)	546.96	629.00
FDE006	Per inspection – (six samples)	600.00	690.00

3.6.3.2 Significant non-compliance

Sampling and testing required where indicated.

	Description/criteria	Charge \$ excluding GST	Charge \$ including GST
FDE010	Per inspection – (no sampling or testing)	377.39	434.00
FDE011	Per inspection – (single sample only)	430.43	495.00
FDE012	Per inspection – (two samples)	483.48	556.00
FDE013	Per inspection – (three samples)	536.52	617.00
FDE014	Per inspection – (four samples)	589.57	678.00
FDE015	Per inspection – (five samples)	642.61	739.00
FDE016	Per inspection – (six samples)	695.65	800.00

Second and subsequent visit, including follow-up inspections, for significant non-complying systems will be at \$88.00 per hour plus GST, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required.

Where there is a need for two officers to attend, the cost of both officers will be recovered.

Note: For fees charged under the Local Government Act for the inspection of non-consented dairy effluent discharge systems, refer to Section 2.3.1 of the user fees and charges schedule.

3.6.4 Coastal structures (construction or installation phase) – monitoring inspection charges

The fees will be charged on a cost recoverable basis (officer time, sampling and equipment costs). Refer to section 3.2 staff charge rates and section 3.10 miscellaneous management charges.

Note: Refer to Section 2.2.8 setting of annual resources consent (monitoring) of the user fees and charges schedule for the bases of charges.

3.7 Maritime activities

3.7.1 Fees for maritime-related incidents

Staff time will be charged at the minimum charge out rate applicable to the staff members involved.

3.7.2 Hot Work Permits

	\$ GST exclusive
For vessels alongside wharves or at anchor, per permit.	82.65

3.7.3 Jet Ski Registration Fees

As resolved and prescribed by the Auckland Council which undertakes this function on behalf of the Northland Regional Council under delegated authority.

3.7.4 Pilotage and Shipping Navigation and Safety Services Fees

a.	Pilotage	
	Charges for Bay of Islands apply for vessels entering inside the pilotage limits as marked on chart NZ 5125	
	(i) Inwards/outwards to wharf, Ōpua – per visit	
	Where GT is greater than 500 but less than 3000	1,720.55
	Where GT is greater than 3000 but less than 18,000	3,326.58
	(ii) Ships to anchor in Bay of Islands – per visit	
	Where GT is greater than 500 but less than 3000	1,720.55
	Where GT is greater than 3000 but less than 18,000	3,326.58
	Where GT is greater than 18,000 but less than 40,000	3,969.95
	Where GT is greater than 40,000 but less than 100,000	4,437.97
	Where GT is greater than 100,000	4,904.60
	(iii) Cruise ships to anchor in the Bay of Islands – pilotage cancellation and late booking fee ⁽¹⁾	
	Less than 6 months prior to the date of booked pilotage	10% of pilotage charge

	Less than 1 month of the date of booked pilotage	20% of pilotage charge
	With less than 48 hours notice of the: booked time of pilotage, or notice of booking	40% of pilotage charge
	(iv) Cruise ships to anchor in the Bay of Islands - change to date of booking for pilotage	
	Change of date of booking to a date that is within one month of original booking, and given at less than one months notice	10% of pilotage charge
	(v) Cruise ships to anchor in the Bay of Islands - Christmas Day surcharge	
	Pilotage and shipping navigation is required on Christmas Day	1,772.15 surcharge
b.	Shipping	
	(i) Navigation and Safety Services Fee per ship visiting the Bay of Islands regardless of which pilotage organisation or company actually services the vessel	
	Where GT is greater than 500 but less than 3000	\$1.14/GT
	Where GT is greater than 3000 but less than 18,000	3,326.58
	Where GT is greater than 18,000 but less than 40,000	3,737.12
	Where GT is greater than 40,000 but less than 100,000	4,086.85
	Where GT is greater than 100,000	4,670.80
	Where GT is greater than 150,000	5,601.03
c.	Shipping	
	(i) Navigation and Safety Services Fee per ship visiting the Bay of Islands when the master is exempt from compulsory pilotage	
	Up to 3000 GT	\$1.14/GT
	(ii) Navigation and Safety Services Fee per ship visiting the Poor Knights Area to be avoided under Maritime NZ approval for exemption from applicable Marine Protection Rules.	
	Over 45 metres length overall	\$1.14/GT

(iii) Navigation and Safety Services Fee per ship greater than 500 GT visiting the Whangaroa Harbour, except when the ship has paid the above fee to visit the Bay of Islands during the same voyage	\$1.14/GT (up to a maximum fee of \$1,147.04)
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1. *Pilotage cancellation fees apply when cancellation notice is given, and pilot and crew are not mobilised. In the event that a pilot attends a vessel arrival but the vessel does not remain or anchor, then the services provided will be charged at the full rate (discounted at harbourmasters discretion), and a cancellation fee will not apply*

Where the harbourmaster cancels pilotage in the Bay of Islands, no charge will apply.

3.7.5 Harbourmaster's Navigation Safety Services Fee

	\$ GST exclusive
a. North Port Limited	129,212.00
b. For water transport operators not serviced by a port company, at actual time and cost.	
c. Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the council will recover any balance on an actual cost basis.	

3.7.6 Applications for Reserved Area for Special Event (clause 3.13 of the Navigation Safety Bylaw 2012)

	\$ GST exclusive
Special Event Processing Fee	166.09
The council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee. Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the council will recover any balance on an actual cost basis.	

3.7.7 Pilot Exemption Exam Fee

	\$ GST exclusive
Pilot Exemption Exam Fee	427.83

3.7.8 All navigation and other fees specified herein are exclusive of Goods and Services Tax

The fees shall apply for the period 1 July 2018 to 30 June 2019 and will continue to apply until superseded by a subsequent bylaw change fixed by resolution and publicly notified or by the review required by section 158 of the Local Government Act 2002.

3.7.9 Standard charges under the Maritime Transport Act 1994 – Marine Tier 1 Oil Transfer Sites

		\$ GST exclusive
<p>Maritime Rule Part 130B requires that the operator of an oil transfer site obtain the approval for a site marine oil spill contingency plan from the director of Maritime New Zealand. The power to approve these plans has been delegated by the director to the Chief Executive Officer(sub-delegated to council employees)of the Northland Regional Council in an Instrument of Delegation pursuant to Section 444(2) of the Maritime Transport Act 1994.</p> <p>A Minimum fee will apply.</p> <p>Section 444(12) of the Maritime Transport Act 1994 allows the council to charge a person a reasonable fee for:</p>		
a.	Approving Tier 1 site marine oil spill contingency plans and any subsequent amendments.	285.22
b.	Renewal of Tier 1 site marine oil spill contingency plan, where staff time is less than one hour.	No charge
c.	Inspecting Tier 1 sites and any subsequent action taken thereafter in respect of preparation of inspection reports or reporting on non-conformance issues.	Charged at hourly rate of attending staff member
<p>A minimum fee is charged and further charges may apply based on officer's actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs. Should travel be required, additional costs for mileage will be charged the standard rate as approved by the Inland Revenue Department.</p>		

3.8 Biosecurity

3.8.1 Pest control products

All pest control products, including traps, pesticides, pre-feed, bait (including pindone), bait stations, and associated equipment will be sold to Northland landowners at the price they are purchased from the manufacturer by council.

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3.9 Property Law Act 2007

		Sexcluding GST
a.	Transfer or assign the lease	175.65
b.	Enter into a sublease	175.65

3.10 Miscellaneous management charges – plant and equipment charges

The council's Resolution of 8 December 2004, "that pursuant to Section 150(6) of the Local Government Act 2002, council managers be authorised to set or vary labour, plant and equipment hire fees and fees for miscellaneous services provided by the council as necessary from time to time." The council's labour, plant and equipment charges to external parties are as follows:

3.10.1 Field Test Charges

Job Ref. No.	Description/criteria	Per sample \$ excluding GST	Per sample \$ including GST
7369	Conductivity	5.22	6.00
7368	Dissolved oxygen	5.22	6.00
7370	pH	5.22	6.00
7371	Salinity	5.22	6.00
7372	Temperature	1.30	1.50

Any further tests required, please contact laboratory staff for prices.

3.10.2 Labour – General

Labour costs for the council's staff not previously specified in this schedule will be charged at an hourly rate determined from actual employment costs, including overtime rates if applicable, plus a multiplier to cover overheads and any internal costs incurred. When tradesmen are called out, and their service is cancelled, all costs incurred by the council are payable by the hirer, at the above charge-out rates.

3.10.3 Plant

Where any of the council's plant is hired, extra costs including additional labour cost in overtime hours, travelling allowance, transport charges, etc., shall be recovered from the hirer of the plant. Where plant is ordered and its services cancelled, all costs incurred by the council are payable by the hirer.

3.10.4 Water quality monitoring devices

	\$ excluding GST	\$ including GST
YSI Sondes per day	69.57	80.00
ISCO Automated Sampler per day	58.70	67.50

All labour incurred in the hire of water quality monitoring devices, is additional and charged in accordance with the charge out rates specified in Section 3.2.

3.10.5 Vehicles/quads

Inland Revenue approved mileage rates for annual work-related kilometres travelled	External rate per km \$ excluding GST	Internal rate per km \$ excluding GST
Motor vehicles		
1 – 3,000km (total kilometres for a job)	0.76	0.28
3,001 kilometres and over (for each km over 3,000)	0.19	0.28
Motor vehicles – flat rate	0.28	0.26
Motor cycles/quad bikes		
1 – 3,000 km	0.31	0.14
3,001 kilometres and over (for each km over 3,000)	0.10	0.14
Other		
Transit van or similar (public service rate)	1.00	0.41
Light truck (public service rate)	1.20	0.55
8 Tonne truck	1.20	0.55

Flat rates may be used where a great deal of travel related to one job is done regardless of the distance travelled in a year.

3.10.6 Floating plant – standard rates

(a) Workboat hire (per hour)	\$ excluding GST	\$ including GST
Workboat – "Waikare"	765.22	880.00
Standby – "Waikare"	289.57	333.00

For significant commercial projects, the council will negotiate hire, standby and total costs with contractors and other parties.

(b) Small launch hire (per hour)	\$ excluding GST	\$ including GST
BOI Patrol Boat - "Karetu"	273.04	314.00
Standby - "Karetu"	109.13	125.50
5 metre - "Mangapai"	163.91	188.50
Standby - "Mangapai"	109.13	125.50
Whāngārei Work Boat - "Ruawai"	273.04	314.00
Standby - "Ruawai"	141.74	163.00
All labour and transport costs incurred in the hire of vessels, are additional and charged at the appropriate staff charge-out rate, with a minimum of two crew members		

Floating plant rates do not include crew labour charges or any relocation charges.

NB: (Additional rates may apply in overtime hours)

3.10.7 - Lease of council owned moorings

Mooring lease	Per day	Per day \$ including GST	Per week	Per week \$ including GST	Per month	Per month \$ including GST
2 Tonne mooring	7.83	9.00	54.78	64.50	173.91	204.50
4 Tonne mooring	10.43	12.50	73.04	86.00	228.70	269.00

Note: vessels temporarily moored on a council owned mooring as a result of council action (eg, seized, abandoned/adrift vessels) will incur the daily mooring lease charge.

Other plant not specified above

Each request to hire other council plant or equipment is to be referred to the appropriate manager for approval, who shall apply a realistic charge-out rate and notify the finance manager so that an invoice can be raised.

3.10.8 Hire charge – council, committee, training/meeting rooms

Catering is the responsibility of the hirer. Any refreshments provided by the council will be on-charged at cost.

Per day	\$ excluding GST	\$ including GST
Council Room	167.39	192.50
Committee Room	56.09	64.50

Per day	\$ excluding GST	\$ including GST
Council and Committee Rooms	201.74	232.00
Kaipara Training Room	167.39	192.50
Whangaroa Meeting Room	56.09	64.50
Kaipara and Whangaroa Rooms	201.74	232.00
Other meeting rooms	56.09	64.50

3.10.9 Hire charge – council video conference facilities

Hire charge includes a meeting room	\$ excluding GST	\$ including GST
Price per hour	167.83	193.00

Bookings will be subject to the availability of a meeting room and the video conferencing unit. Priority will be given to council business. Video conferencing units are Polycom with 55 inch screens. Connection is IP/Skype for Business only and is not configured for ISDN.

3.10.10 Photocopying

Per page	\$ excluding GST			
	Colour A4	Colour A3	Black A4	Black A3
Applicants/Staff	0.10	0.10	0.10	0.10
Other parties	0.10	0.10	0.10	0.10

Note: Double-sided is equivalent to two pages.

Labour costs also to be recovered.

3.10.11 Publication charges for RMA and miscellaneous documents

Plan	\$ including GST
Regional Policy Statement	18.00
Regional Policy Statement Maps	114.50
Regional Coastal Plan	110.50

Plan	\$ including GST
Regional Coastal Plan Maps	100.00
Regional Air Quality Plan	46.00
Regional Water and Soil Plan	112.50
Proposed Regional Plan	20.50
Proposed Regional Plan on memory stick	no charge
Proposed Regional Plan Section 32 Report	82.00
Statutory Acknowledgements	no charge
Regional Land Transport Plan	52.00
Regional Passenger Transport Plan	52.00
On-site Wastewater Disposal from Households and Institutions	23.00
Plans ⁽¹⁾ on memory stick	no charge

1. Excluding proposed regional plan

Any council publications not made freely available to ratepayers may be purchased at cost from the council.
Contact the council for further details.

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Northland
REGIONAL COUNCIL 
Te Kaunihera ā rohe o Te Taitokerau

TITLE: Adoption of the Annual Plan 2019/20 Supporting Information

ID: A1159110

From: Kyla Carlier, Corporate Planning Manager

Executive summary/Whakarāpopototanga

This report seeks council approval and adoption of the supporting information to the Annual Plan 2019/20, and for this to be released for consultation purposes.

The supporting information underpins the Consultation Document for the development of the Annual Plan 2019/20.

Recommendations

1. That the report 'Adoption of the Annual Plan 2019/20 Supporting Information' by Kyla Carlier, Corporate Planning Manager and dated 1 February 2019, be received.
2. That council adopts the supporting information for the Annual Plan 2019/20 (**Attachment 1** pertaining to Item 6.3 of the 19 February 2019 council agenda) for the purposes of consultation, pursuant to sections 95 and 95A of the LGA.
3. That council delegates to the Group Manager – Strategy, Governance and Engagement the authority to make any necessary minor formatting, typographical and administrative changes to the supporting information prior to formal public consultation.

Background/Tuhinga

The Local Government Act 2002 (the LGA) requires the council to develop an Annual Plan for years two and three of the Long Term Plan.

The LGA directs that a clear and simple consultation document must be produced, in conjunction with supporting information, for the purposes of consultation. The adoption of the consultation document is covered in a separate agenda item. The consultation document is not permitted to contain or have attached to it a draft of the Annual Plan, a full draft of any policy, or detailed information that is not necessary to explain the differences from the Long Term Plan 2018–2028.

All supporting information that the consultation document relies upon must be adopted in advance of the Consultation Document (section 95A(4) of the Local Government Act). The Annual Plan 2019/20 Supporting Information document contains the information that is relied on by the content of the consultation document. This agenda relates to the adoption of the supporting information only.

Supporting information

Information must be provided in addition to that in the consultation document, to provide the level of detail and reference information that is sufficient for the community to be informed on the changes proposed.

The supporting information for the Annual Plan 2019/20 is divided into two sections as follows:

- (1) Moving forward:
 - A welcome message

- A re-cap of the direction set out in the Long Term Plan 2018–2028
- A summary of the initiatives proposed that differ from what was proposed in the Long Term Plan.

(2) Finances:

- Funding Impact statement
- Rates (including rating examples and a summary of rates)
- Financial statements.

Considerations

1. Options

Consultation on an annual plan is required under section 95 of the Local Government Act (LGA) if the proposed annual plan contains significant or material differences from the content of the Long Term Plan, for the financial year to which the plan relates.

Consultation requires the production of a consultation document, which must not contain any detailed information not necessary to identify differences from the Long Term Plan, or any full draft of any policy. Section 95A of the LGA requires that the information that is relied on by the content of the consultation document is adopted by council before the consultation document is adopted.

Two options are set out below. Staff recommend option 1, to adopt the Annual Plan 2019/20 Supporting Information document for consultation.

No.	Option	Advantages	Disadvantages
1	Adopt the Annual Plan 2019/20 Supporting Information for consultation.	Council will achieve compliance with the LGA 2002, and the community will be able to review the information that is relied on by the content of the consultation document in a convenient location.	None
2	Do not adopt the Annual Plan 2019/20 Supporting Information for consultation.	None.	Consultation will not occur in accordance with the requirements of the LGA, and council may not be able to implement the proposed changes for the 2019/20 financial year.

2. Significance and engagement

Section 76AA of the LGA directs that council must adopt a policy setting out how significance will be determined, and the level of engagement that will be triggered. This policy assists council in determining how to achieve compliance with LGA requirements in relation to decisions.

This decision itself is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is for the purpose of achieving compliance with sections 82A and 95 of the LGA and does not, in itself, impact the community other than to provide them with information.

3. Policy, risk management and legislative compliance

The decision to adopt the Annual Plan 2019/20 Supporting Information will achieve compliance with section 95A of the Local Government Act 2002. This decision will also achieve compliance with council's Significance and Engagement Policy, in particular 'We will consult when we are required to by law, when a proposal is considered significant, and when we need more information on options for responding to an issue'.

Further considerations

The decisions contained within this report will enable consultation, which will provide council with feedback on community views and potential impacts on Māori. Any financial impacts or implementation issues are addressed in the attached documentation.

Further consideration of community views, impacts on Māori, financial impacts and implementation issues will be addressed through the deliberations process and subsequent council decision to adopt the final Annual Plan 2019/20.

Attachments/Ngā tapirihanga

Attachment 1: Annual Plan 2019/20 - Supporting Information [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 07 February 2019

Annual Plan Consultation

Supporting Information

2019/20



Tautoko i Ngā Kōrero 2019/20

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Moving forward Katete



Welcome Nau mai



If the land is well

Toitū te whenua

If the sea is well

Toitū te moana

The people will thrive

Toitū te tangata

Nau mai, haere mai! Welcome to our annual plan process.

This supporting information document is part of the process for developing our Annual Plan 2019/20. In here you'll find more detail about what we're planning to do a bit differently from our Long Term Plan 2018-2028.

We adopted our Long Term Plan 2018-2028 in June 2018, and it was the boldest and most visionary long term plan that council had ever created, setting in motion work that seeks to achieve aspirational 30 year goals. The plan set out the outcomes we are working toward with our communities and what we are going to deliver in order to make a real difference over the next ten years, with a focus on water, pests, and floods. It was shaped with the Northland community via a series of events around the region where we listened to people's ideas about priorities for Northland, and with the help of more than 2200 formal submissions.

The long term direction set out in the plan is summarised in our strategic direction document 'Our Vision 2018-2028', which you can find on our website: www.nrc.govt.nz/ourvision

This will be our first annual plan following adoption of the Long Term Plan 2018-2028. Annual plans offer an opportunity to account for real-time challenges that pop up as we progress our work, and year-to-year fluctuations that are a natural part of financial planning. There isn't much that is changing, but we think it's important to talk to you when we are making changes that will impact on our communities and, importantly, your rates bill.

This supporting information document is presented in two main sections:

- **'Moving forward ||Katete'** - This tells you a bit about what we said we would do in our Long Term Plan 2018-2028, and what we're looking at changing as part of this annual plan process.
- **'Finances ||Mahere a Pūtea'** - This has all of the financial information that you need, such as our funding impact statements and rating examples, so that you can understand what rate changes mean for the region, and for you.

Along with this supporting information document, we have also put together a much shorter consultation document, which is a simple guide to the main changes that are planned for the 2019/20 financial year. You can find this, and other related information, on our website: www.nrc.govt.nz/annualplan2019

In some cases, our Long Term Plan 2018-2028 will be the best place to find out what's planned for the 2019/20 year. You can also find this, and a helpful summary document, on our website: www.nrc.govt.nz/ltp2018

Have your say!

We rely on our communities to get involved with the decisions we need to make. While this annual plan represents only a few changes from our Long Term Plan, we want to hear what you think. You can do this online www.nrc.govt.nz/annualplan2019, or by grabbing a hard copy form from one of our service centres and dropping it back to us.

The feedback period closes on Friday 5 April 2018, so make sure you have everything to us by then!

If you want to talk to a councillor about what we are planning to do, please give us a call to arrange a time on 0800 002 004 by Friday 29 March.

Thank you for getting involved in the future of our incredible region!

Hei kona mai



Our Long Term Plan 2018-2028

Wild Kiwi Gliris' Nina (left) and Jessica Quinlan (right), with biosecurity officer Mike Knight, leaders of a neighbourhood pest control project supported via a \$3000 council Environment Fund grant.



We had some big decisions to make on the work included in our Long Term Plan 2018-2028, and with the help of our communities we set out some exciting long-term goals. We thought hard about what a thriving Northland might look like, which brought in to focus three main elements - a healthy environment, a strong economy and resilient communities, supporting our vision: **Our Northland - together we thrive.**

Our vision and mission are underpinned in our Long Term Plan 2018-2028 by eight key areas of focus across our activities, as set out in the diagram below.

In developing our Long Term Plan, we sought to make sure that our mission and areas of focus were supported by adequate funding and a rating structure that would deliver the most equitable delivery of services. We boosted funding in three key areas: caring for our water, managing pests, and protecting communities from flood risks. The step-change in work that this funding has enabled sets the trajectory for an exciting future for Northland.

For water, this meant new spending on freshwater improvement and management of lakes and wetlands, new spending on hill country erosion programmes, afforestation and poplar nursery funding to keep soil out of our waterways, and additional resources for monitoring and hydrology work.

For pests, this meant allocating more resources to tackle plant, animal, and marine pests including extra funding for Kauri dieback, new spending for work in Western Northland, and four new high-value pest control areas in the Mid North/Bay of Islands, Tutukaka, Kai Iwi Lakes, and Mangawhai/Waipu, which build on the highly successful programme at Whangārei Heads.

For floods, this meant new flood works to help protect urban Kaitiāia, Kerikeri-Waipapa, Kaeo-Whangaroa, the Whangārei CBD, and Panguru. These works are underpinned by a new way to share the cost of new flood schemes, which sees 70% of new capital works (above \$500,000) funded by a new region-wide rate.

We also allocated funding to support our other activities including:

- Continuing to build our relationship with Māori
- Improving the way that we connect and communicate with our communities
- Carrying out our essential maritime and land transport work
- Supporting council's economic development activities
- Ongoing improvement and development of our customer services, governance and elections processes, regional planning and other in-house activities

Our Long Term Plan 2018-2028 identified new work to be carried out, and also set out how we will measure our performance in each of our activities. We report on our performance every year in our Annual Report, adopted by council each October.

More on our vision for Northland, encompassing our three, ten, and 30 year goals, is set out in 'Our Vision 2018-2028 | Te Pae Tawhiti', which you can find on our website: www.nrc.govt.nz/ourvision



What's changed?

Overview of proposed changes

Our Annual Plan 2019/20 will be the next piece of our corporate planning puzzle, following on from our Long Term Plan 2018-2028. It's our chance to seek your support for any changes we are proposing to make to our activities and budget. As set out in the previous section, our Long Term Plan set the direction and funding for a lot of new work, particularly for looking after our water resources, helping our native life flourish, and protecting our communities from floods. We are still going ahead with all of this vital new work.

To help us with this step-change, we've been successful in securing millions in funding from central government to expand our environmental work even further over the coming years. These grants cover the operational cost of carrying out this essential work, and we have worked hard to cover associated overheads and support costs by making efficiencies and finding savings within our budgets. Now it has become clear that we need to adjust the funding of some of our activities to ensure that they are adequately supported to deliver optimum results.

We are looking to spend more to ensure that our information technology systems are able to cope with the additional workload, to purchase a small amount of equipment needed to carry out our hydrology work, to keep the Northern Transportation Alliance ticking along, and to bring forward replacement of engines on the Waikare, council's primary maritime vessel.

These changes affect our **Hydrology, Harbour safety and navigation, Transport, and Corporate services** areas. These fall in to three of council's major groups of activities:

- **Governance and engagement** - this includes governance, Māori relationships, community and engagement, and economic development activities.
- **Regulatory services** - this includes planning and policy, consents, and monitoring activities.
- **Environmental services** - this includes natural hazard management, **hydrology**, biosecurity, biodiversity, and land and water activities.
- **River management** - this is our river management activity.
- **Customer services and community resilience** - this includes customer services, civil defence emergency management, oil pollution response,

harbour safety and navigation, and **transport** activities.

- **Corporate excellence** - this is our **corporate services** activity.

You can find out more about our activities, including budgets and how we measure our performance, in our [Long Term Plan 2018-2028](#).

Details of proposed changes

We are proposing two new areas of operational spend and three new areas of capital spend.

Information technology upgrade | \$290,000 of operational expenditure

Council's activities and decisions are supported by comprehensive and up-to-date data. This data comprises one of council's valued assets which is carefully managed to ensure timely provision to communities. The capture and maintenance of this data is dependent on robust information technology systems. While we carefully budget to ensure that we can make required upgrades to our systems year-on-year, our current system is in need of extra work. We are looking to identify and address any areas of risk and scope the best suite of tools that provide the most value for money in the years to come.

\$100,000 of the proposed improvements will predominantly be funded from the Council Services Rate.

\$190,000 of the required spend is ongoing operational expenditure which is able to be covered by regional growth in rating units (SUIPs).



Funding for the Northland Transportation Alliance | \$65,000 of operational expenditure

The council is responsible for managing public passenger transport across the region, promoting safety on Northland's roads, and planning for future transport needs at a regional level. This activity is carried out via the Northland Transportation Alliance, a joint-agency alliance with the Far North, Whangarei and Kaipara district councils and the New Zealand Transport Agency, with the aim of achieving a more integrated approach to transport in Northland. Activity in this area continues to ramp up, and an extra \$65,000 is required as our contribution to keep the alliance operating efficiently.

The \$65,000 of ongoing operational expenditure required will predominantly be funded from the Council Services Rate.

Audio visual system | \$70,000 of capital expenditure and \$17,500 of operational expenditure

Technology is increasingly being used as a way to effectively communicate and reduce the need to travel to meetings. It is critical that the audio-visual equipment in our council chambers is robust and fit-for-purpose, particularly as this is frequently used to enable submitters on our various plans to provide feedback to council remotely. It has been identified that the current system is not keeping pace, and a solution to improve the audio visual capabilities has been identified, at a cost of \$70,000.

The \$70,000 of capital expenditure required will be funded from council's retained earnings, with future depreciation of \$17,500 funded from the Council Services Rate.

New engines for the Waikare | \$100,000 of capital expenditure and \$10,000 of operational expenditure

The Waikare is council's primary maritime vessel and a key regional council asset, providing a wide range of services including responses to oil spills and coastal incidents, and pilot transport for visiting cruise ships. Maintenance of the vessel is critical and is carefully planned and budgeted for, with replacement of the vessels engines originally scheduled and budgeted for in 2020. However, a recent service highlighted serious maintenance that needs to be brought forward, with replacement engines required a year earlier. The team have kept costs as low as possible by sourcing second-hand engines, with the total replacement cost coming in at \$100,000.

The \$100,000 of capital expenditure required will be funded from council's retained earnings, with future depreciation of \$10,000 funded from the Council Services Rate.



Hydrology equipment | \$37,800 of capital expenditure

This spend comprises two capital purchases associated with the hydrology activity.

Council maintains an extensive hydrometric network, and has steadily been upgrading aged equipment over the past few years, to ensure accurate flood level monitoring is available to support flood warnings. There are four compressors remaining for replacement at hydrometric stations, at a cost of \$22,800.

Much of the monitoring that council carries out requires staff on the ground. Keeping our people safe is crucial, and health and safety requirements are closely observed. Purchase of new flow-gauging equipment will mean that new health and safety requirements for working around rivers can be observed while requiring fewer staff, which means savings all round. The cost of the new equipment is \$15,000.

The total \$37,800 of capital expenditure required for these two projects will be funded from council's retained earnings. Depreciation is covered by savings generated, and will therefore have no impact on rates.

What does this mean for my rates?

Council's revenue comes from a number of sources including rates, grants and subsidies, user fees and charges, and investment income. While we subsidise the cost of our activities with investment income, and also fund capital expenditure from cash reserves, some of these new proposals impact rates.

In order to keep up the momentum of the 2018/19 year and fund critical pieces of work in the long-term, our Long Term Plan budgeted a rate increase of 7.9% for the 2019/20 year - approximately \$26.50 per property on average. We are now proposing to up this to 8.6%, a difference of an additional \$2.60 a year per property on average. This rate increase will cover the cost of the proposed new operational expenditure outlined above, and also factors in the cost of depreciation on the proposed capital spend (where this is applicable), while the majority of the capital spend is funded from council's retained earnings and does not impact rates.

Finances Mahere a Pūtea



Funding impact statement

Rating funding impact statement

This statement is GST exclusive. It shows total gross expenditure and lists (by rate and income type) the funding derived from each source, for easy reference.

LTP Year 1		Draft Annual	LTP Year 2	Variance
2018/19		Plan 2019/20	2019/20	
\$'(000)		\$'(000)	\$'(000)	\$'(000)
42,647	Operational Expenditure	46,689	44,900	(1,788)
5,190	Capital Expenditure	18,453	3,604	(14,849)
47,837	Total Gross Expenditure	65,142	48,504	(16,637)
Funded By:				
6,860	Council Services Rate	8,015	7,632	384
2,059	Land Management Rate	2,408	2,408	(0)
4,336	Freshwater Management Rate	4,883	4,883	0
4,185	Pest Management Rate	4,527	4,527	(0)
2,028	Flood Infrastructure Rate	2,154	2,154	(0)
1,445	Civil Defence and Hazard Rate	1,604	1,604	0
611	Targeted Regional Infrastructure Rate	611	611	-
1,391	Targeted Regional Recreational Facilities Rate	1,385	1,385	-
4,255	Other Targeted Rates	4,251	4,251	-
3,046	Grants and Subsidies	4,255	2,869	1,386
4,310	User Charges	4,388	4,398	(10)
2,575	Rental Income	2,996	2,575	421
4,423	Interest Income	3,395	4,740	(1,345)
3,598	Dividend Income	3,708	3,708	-
-	Forestry Income	-	1,410	(1,410)
-	Sundry Income	-	-	-
2,716	Cash Reserves from/(to)	16,560	651	17,211
47,837	Total Funding	65,142	48,504	16,637

Prospective funding impact statement

The prospective funding impact statement is GST exclusive and is required under the Local Government Act 2002 (Schedule 10, Clause 20) and conforms to Form 1 of the Local Government (Financial Reporting and Prudence) Regulations 2014. Generally Accepted Accounting Practice (GAAP) does not apply to the preparation of the Funding Impact Statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from GAAP are the non-inclusion of depreciation, the inclusion of internal charges, and combination of capital and operational items within the one financial statement.

LTP Year 1		Draft Annual	LTP Year 2	Variance
2018/19		Plan 2019/20	2019/20	
\$(000)		\$(000)	\$(000)	\$(000)
Sources of Operating Funding				
-	General Rates, uniform annual general charges, rates penalties	-	-	-
27,169	Targeted rates	29,838	29,455	(384)
3,046	Grants and subsidies for operating purposes	4,255	2,869	(1,386)
4,310	Fees Charges	4,388	4,398	10
8,021	Interest and dividends from investments	7,104	8,449	1,345
2,575	Local authorities fuel tax, fines, infringement fees and other receipts	2,996	3,985	989
45,121	Total Sources of Operating Funding	48,581	49,155	574
Applications of Operating Funding				
41,711	Payments to staff and suppliers	45,349	43,699	(1,649)
936	Finance costs	1,340	1,201	(139)
-	Other operating funding applications	-	-	0
42,647	Total Applications of Operating Funding	46,689	44,900	(1,788)
2,474	SURPLUS/(DEFICIT) FROM OPERATING FUNDING	1,893	4,255	2,363
Sources of Capital Funding				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
2,667	Increase/(Decrease) in debt	6,135	1,445	(4,690)
-	Gross proceed from sale of assets	-	14,194	14,194
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
2,667	Total Sources of Capital Funding	6,135	15,639	9,504
Applications of Capital Funding				
Capital expenditure				
-	- To meet additional demands	-	-	-

Finances **Mahere a Pūtea**

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3,666	- To improve levels of service	17,273	2,407	(14,866)
1,525	- To replace existing assets	1,276	15,391	14,115
(83)	Increase/(Decrease) in reserves	(940)	1,516	2,456
33	Increase/(Decrease) in investments	(9,582)	580	10,162
5,141	Total Applications of Capital Funding	8,028	19,894	11,867
(2,474)	SURPLUS/(DEFICIT) FROM CAPITAL FUNDING	(1,893)	(4,255)	(2,363)
0	FUNDING BALANCE	(0)	0	0

LTP Year 1		Draft Annual	LTP Year 2	Variance
2018/19		Plan 2019/20	2019/20	
\$'(000)		\$'(000)	\$'(000)	\$'(000)
5,190	Capital expenditure included above not in Comprehensive Revenue and Expense	18,549	17,798	(751)
33	Investment movements included above not in Comprehensive Revenue and Expense	(9,582)	580	10,162
-	Other Gains included in Comprehensive Income not above	-	-	-
-	Gross Proceeds included above not in Comprehensive Income	-	(14,194)	(14,194)
-	Financial Asset fair value adjustments included in comprehensive income but not above	-	-	-
-	Property revaluation adjustments included in comprehensive income but not above	-	-	-
(2,667)	Proceeds from Borrowings included above not in comprehensive revenue	(6,135)	(1,445)	0
(83)	Transfers to/(from) special reserves included above not in comprehensive Income	(940)	1,516	2,456
-	Infrastructure asset revaluation adjustments included in comprehensive income but not above	-	-	-
(1,626)	Depreciation Expense included in Comprehensive Income not above	(1,810)	(1,738)	72
848	Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense	83	2,517	(2,255)

Rates

The amounts of the rates stated include the council's GST obligations.

The council does not accept lump sum contributions in respect of any targeted rate.

Uniform annual general charge

The council does not set a uniform annual general charge.

Targeted region-wide rates

The council sets six rates, which are applied as targeted region-wide rates – the council services rate, land management rate, fresh water management rate, pest management rate, flood infrastructure rate and the civil defence and hazard management rate. Targeted region-wide rates are assessed on all rateable properties in the Northland region.

Council services rate

What it funds

The council uses the council services rate to fund some activities that are carried out under the Resource Management Act 1991, the Local Government Act 2002, the Maritime Transport Act 1994, maritime bylaws and any other activities that are not covered by any other funding source. 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 council services rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. 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. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district. An additional \$1.73 per separately used or inhabited part (SUIP) of a rating unit is to be assessed across the Whangārei constituency to provide \$74,955 to fund the ongoing maintenance of the Hātea River channel.

How much is the rate?

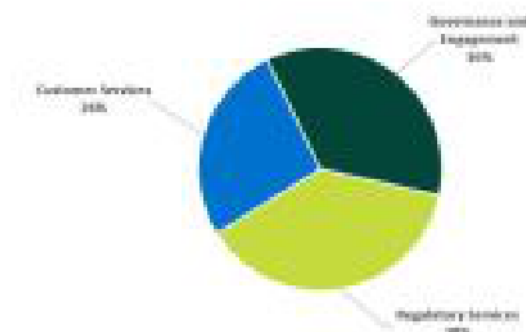
The estimated total council services rate amounts to **\$9,217,748** for the 2019/20 financial year.

The council services rate payable in respect of each rating unit in the Kaipara district, and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts of the Northland region, will be set as shown in the following table.

The funding impact statement recognises that a differentiated, fixed amount on each rating unit (property) or SUIP of a rating unit links better to resource management 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.

Council services rate

District	Rate	Rateable unit
Far North	\$82.89	per SUIP
Kaipara	\$113.22	per rating unit
Whangārei	\$106.63	per SUIP



Land management rate

What it funds

This land value based rate is used to fund activities that are carried out under the Soil Conservation and Rivers Control Act 1941 and the Resource Management Act 1991. The land management rate will specifically fund land management activities that have a direct relationship to land. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. The land management rate is assessed across all sectors of the Northland community and recognises that the benefit derived from the funded activities is strongly linked to land values.

How it is set

The land management rate is a targeted rate authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of the land value. The rate per dollar of land value is different for each constituent district because the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act 2002. The council does not apply a differential on this rate.

How much is the rate?

The estimated total land management rate is **\$2,769,407** for the 2019/20 financial year. The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

Land management rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	7,760,393	9,364,892	\$11.68
Kaipara	4,995,834	5,462,467	\$10.63
Whangārei	14,123,014	14,123,014	\$9.91

Freshwater management rate

What it funds

This land value based rate is used to fund activities that are carried out under the Soil Conservation and Rivers Control Act 1941 and the Resource Management Act 1991, and the National Policy Statement for Freshwater Management, including its amendments.

This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. The freshwater management rate will specifically fund planning and works to improve freshwater quality. The freshwater management rate is assessed across all sectors of the Northland community and recognises that the benefit derived from the funded activities is strongly linked to land values.

How it is set

The freshwater management rate is a targeted rate authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of the land value. The rate per dollar of land value is different for each constituent district because the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act 2002. The council does not apply a differential on this rate.

How much is the rate?

The estimated total freshwater management rate is **\$5,616,003** for the 2019/20 financial year. The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

Freshwater management rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	7,760,393	9,364,892	\$23.69
Kaipara	4,995,834	5,462,467	\$21.57
Whangārei	14,123,014	14,123,014	\$20.14

Pest management rate

What it funds

The council uses the pest management rate to fund activities that are carried out under the Biosecurity Act 1993. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. For activities funded by this rate that relate to the implementation of the Northland Regional Pest Management Plan under the Biosecurity Act 1993, consideration is given to the requirements of Section 100T of the Biosecurity Act. An analysis of Section 100T requirements was carried out and considered by council as part of the process of consulting on and adopting the Long Term Plan 2018-2028, and can be found in the rates section of that document.

The pest management rate will specifically fund pest plant and pest animal management activities.

How it is set

The pest management rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. 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. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district.

How much is the rate?

The estimated total pest management rate amounts to \$5,205,789 for the 2019/20 financial year.

The pest management rate is payable in respect of each rating unit in the Kaipara district, and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts of the Northland region, and will be set as shown in the following table. This funding impact statement recognises that a differentiated, fixed amount on each rating unit (property), or SUIP of a rating unit, links better to pest management activities, where the link to land value is very weak.

Pest management rate

District	Rate	Rateable unit
Far North	\$47.20	per SUIP

District	Rate	Rateable unit
Kaipara	\$64.47	per rating unit
Whangārei	\$59.73	per SUIP

Flood infrastructure rate

What it funds

This rate will partially or fully fund the development of flood protection infrastructure in communities across Northland that meet specified criteria as approved by the council (as set out in the Infrastructure Strategy included in the Long Term Plan 2018-2028). Targeted rates will be used to fund the portion of flood protection infrastructure that is not met by the flood infrastructure rate, and operational river schemes works.

How it is set

The flood infrastructure rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. This rate is assessed as a fixed amount on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit in the Kaipara district.

How much is the rate?

The estimated total Northland flood infrastructure rate amounts to \$2,476,855 for the 2019/20 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$26.43.

Civil defence and hazard management rate

What it funds

The council uses the civil defence and hazard management rate to fund activities that are carried out under the the Civil Defence Emergency Management Act 2002, Resource Management Act 1991 and Soil Conservation and Rivers Control Act 1941. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available), have been taken into account.

How it is set

The civil defence and hazard management rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. 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. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and on each rating unit in the Kaipara district.

How much is the rate?

The estimated total civil defence and hazard management rate amounts to **\$1,844,528** for the 2019/20 financial year.

The civil defence and hazard management rate payable in respect of each rating unit in the Kaipara district, and each separately used or inhabited

part (SUIP) of a rating unit in the Far North and Whangārei districts of the Northland region, will be set as shown in the following table.

This funding impact statement recognises that a differentiated, fixed amount on each rating unit or SUIP of a rating unit links better to civil defence and hazard management activities where the link to land value is weak.

Civil defence emergency management rate

District	Rate	Rateable unit
Far North	\$16.72	per SUIP
Kaipara	\$22.84	per rating unit
Whangārei	\$21.16	per SUIP

Specific targeted rates

The following specific targeted rates are for 2019/20.

Emergency services rate

What it funds

The council will collect the emergency services rate to provide a funding pool for selected organisations whose primary purpose is to save lives that are in immediate or critical danger, or to respond to serious injury. The funds must be applied to the provision of services in Northland. The fund recipients will be granted funding for a three-year period.

How it is set

The emergency services rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. This rate is assessed as a fixed amount on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and each rateable rating unit in the Kaipara district.

How much is the rate?

The estimated total emergency services rate is **\$1,112,595** for the 2019/20 financial year.

The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$11.87.

How is the rate applied?

The emergency services rate will be applied to approved recipients.

Regional sporting facilities rate

What it funds

The council will collect the regional sporting facilities rate to contribute funds towards the development of sporting facilities across Northland that are of regional benefit. Potential recipient projects will be determined through ongoing work on the Northland Sports Facilities Plan.

How it is set

The regional sporting facilities rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. This rate is assessed as a fixed amount on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit in the Kaipara district.

How much is the rate?

The estimated total Northland regional sporting facilities rate amounts to **\$1,593,107** for the 2019/20 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$17.00.

How is the rate applied?

This rate is applied to the development of sporting facilities that are of regional benefit.

Regional infrastructure rate

What it funds

The regional infrastructure rate will fund activities relating to the development and/or completion of regional infrastructure projects.

How it is set

The regional infrastructure rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act. The council does not apply a differential on this rate.

How much is the rate?

The estimated total regional infrastructure rate is **\$702,449** for the 2019/20 financial year.

The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district, based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

Regional infrastructure rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North	7,760,393	9,364,892	\$2.97
Kaipara	4,995,834	5,462,467	\$2.70
Whangārei	14,123,014	14,123,014	\$2.53

How is the rate applied?

This rate is applied to the infrastructure facilities reserve.

Whangārei transport rate

What it funds

This rate forms the local contribution required to fund the Whangārei bus passenger transport, the Whangārei Total Mobility service, and provision of other public transport services in the Whangārei District.

How it is set

The Whangārei transport rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

How much is the rate?

The estimated total Whangārei transport rate is **\$1,015,194** for the 2019/20 financial year. The rate will be set at \$23.36 for each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

How is the rate applied?

The Whangārei transport rate will be applied to the passenger transport administration activity to subsidise bus passenger transport, provision of the Total Mobility service, and provision of other public transport services in the Whangārei district.

Far North transport rate

What it funds

This rate funds the Far North bus passenger transport service, and the investigation and provision of other public transport services in the Far North district.

How it is set

The Far North transport rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North district.

How much is the rate?

The estimated total Far North district transport rate is **\$319,470** for the 2019/20 financial year. The rate will be set at \$8.76 for each rateable separately used or inhabited part (SUIP) in the Far North district.

How is the rate applied?

The Far North district transport rate will be applied to the passenger transport administration activity to subsidise provision of bus passenger transport, and the investigation and provision of other public transport services in the Far North district.

Awanui River management rate

What it funds

This rate funds capital and operational works on the Awanui River flood management scheme.

How it is set

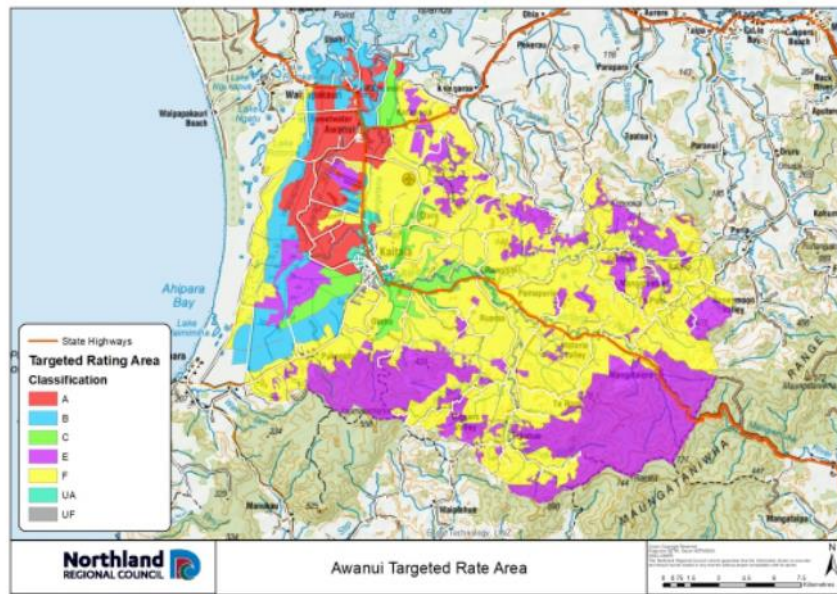
The Awanui River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by the following table and maps. The rate is set differentially as follows:

Awanui river management rate

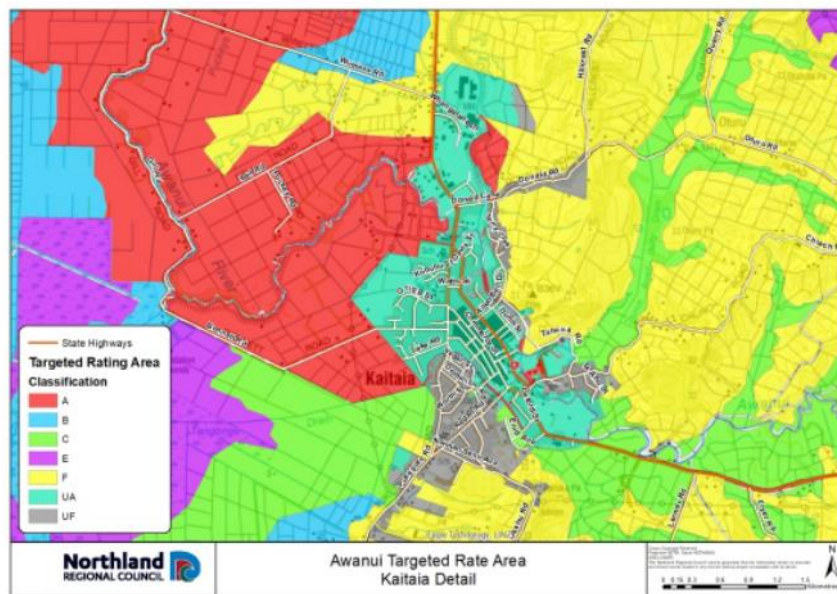
Category	Description	Rate	Rateable unit
1	Urban rate class UA (floodplain location) \$299.17 direct benefit plus \$30.01 indirect benefit per separately used or inhabited part of a rating unit.	\$329.18	Per SUIP
2	Urban rate classes UF (higher ground) \$30.00 direct benefit plus \$30.01 indirect benefit per separately used or inhabited part of a rating unit.	\$60.01	Per SUIP
3	Commercial differential factor applicable to urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F.	3.0 times the appropriate rate	Urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F
4	Rural rate differentiated by class, \$13.41 per separately used or inhabited part of a rating unit of indirect benefit, plus a rate per hectare for each of the following classes of land in the defined Kaitāia flood rating district as illustrated in the following maps and table.	\$13.41	Per SUIP

The rating classifications and the rate charged are illustrated in the following maps and table.

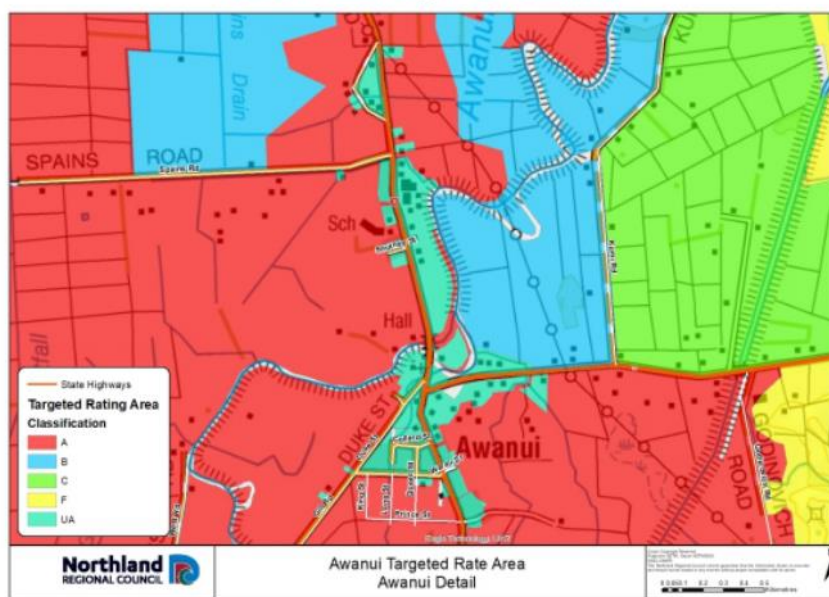
Awanui River scheme targeted rate



Awanui scheme targeted rate - Kaitia detail



Awanui River scheme targeted rate – Awanui detail



Awanui river management rate

Class	Description	Rate per hectare
A & B	High benefit; rural land which receives high benefit from the Awanui Scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or reduced coastal flooding.	\$24.46
C	Moderate benefit; land floods less frequently and water clears quickly.	\$11.07
E	Land in flood-ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	-
F	Contributes run-off waters, and increases the need for flood protection.	\$1.10

For more detailed information on rating class boundaries, please refer to the [Awanui Scheme Asset Management Plan](#), which is available on our website.

How much is the rate?

The estimated total Awanui River management rate is \$1,090,352 for the 2019/20 financial year. The revenue sought from each category of rateable land will be as follows:

Awanui river management rate		
Class	Rural or urban	Total revenue
A & B	Rural	\$139,082
C	Rural	\$17,898
F	Rural	\$27,756
Indirect benefit	Rural	\$21,467
Urban A	Urban	\$475,001
Urban F	Urban	\$39,697
Commercial differential	Majority urban	\$369,451
Total		\$1,090,352

How is the rate applied?

The rate is applied 100% to Awanui River flood management scheme works, which form part of the river management activity.

Kaihū River management rate

What it funds

This rate funds channel maintenance works on the Kaihū River flood management scheme.

How it is set

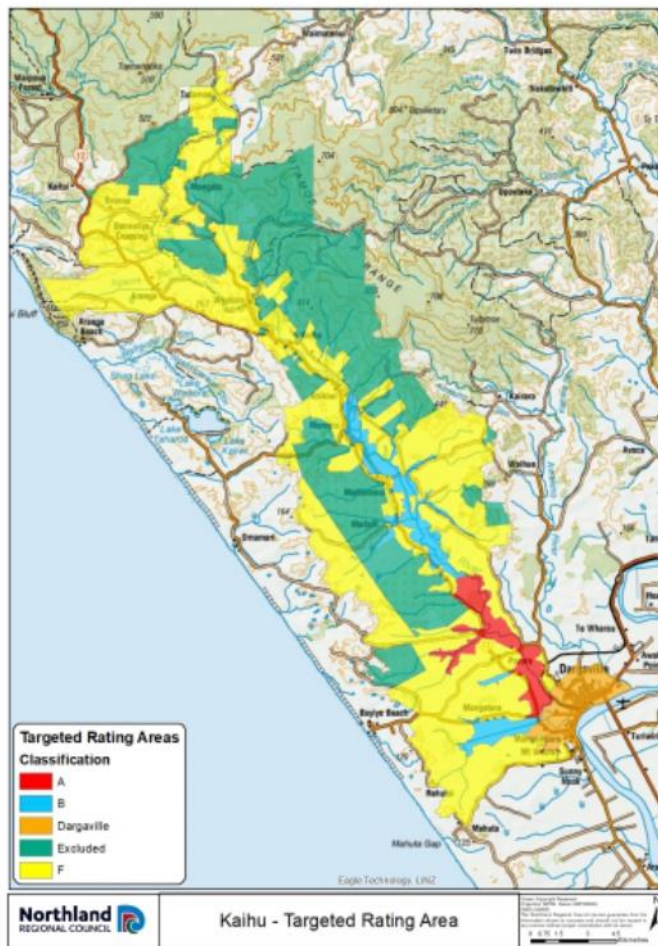
The Kaihū River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by this map and the following table.

The council will set the rate differentially as follows:

- Class A – land on the floodplain and side valleys downstream of the Rotu Bottleneck; rate is applied per hectare of land.
- Class B – land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12; rate is applied per hectare of land.
- Class F (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.
- 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 targeted rate area



Kaihū river management rate		
Class	Description	Rate per hectare
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$23.72
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.68
F	Balance of rateable land within the Kaihū River rating area.	\$1.64

Class	Description	Rate per hectare
	Urban contribution	Per annum
	A contribution from Kaipara District Council instead of a separate rate per property.	\$5015

How much is the rate?

The estimated total Kaihū River management rate is **\$79,869** in the 2019/20 financial year. The revenue sought from each category of rateable land will be as follows:

Kaihū river management rate

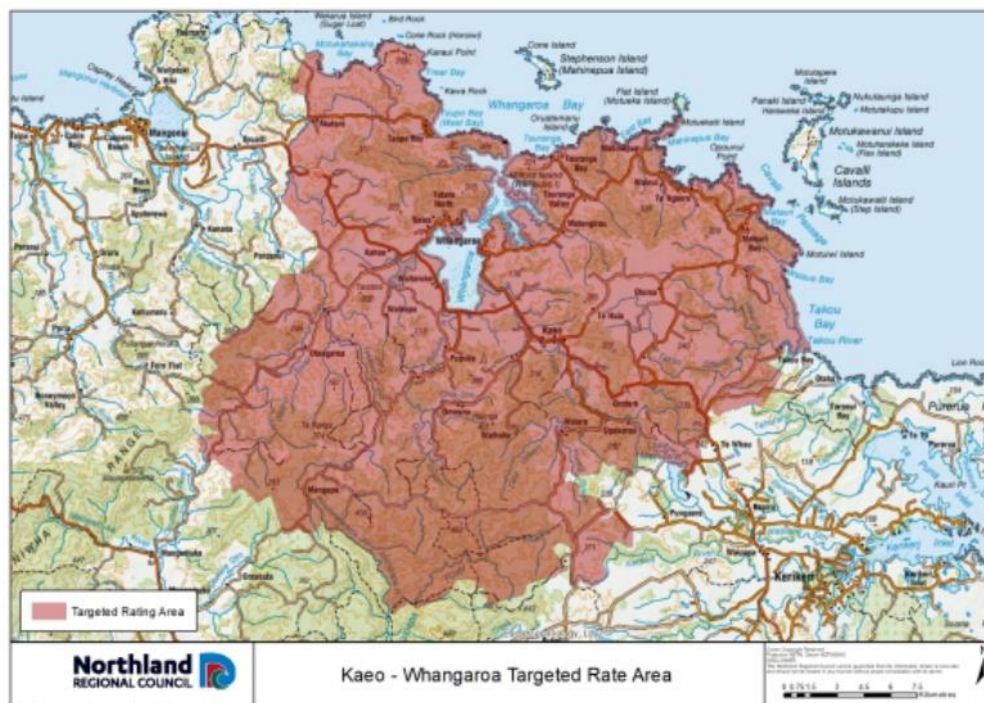
Class	Total revenue
A	\$28,510
B	\$14,480
F	\$31,863
Urban contribution	\$5015
Total	\$79,869

How is the rate applied?

The rate is applied 100% to Kaihū River flood management scheme works, which form part of the river management activity.

Kāeo-Whangaroa rivers management rate

Kāeo-Whangaroa River targeted rate area



What it funds

This rate funds operational and capital flood scheme works in Kāeo and Tauranga Bay, and minor river maintenance works to clear flood debris and gravel from streams from Taupō Bay to Te Ngairu.

How it is set

The Kāeo-Whangaroa rivers management rate is a targeted rate set under the Local Government (Rating) Act 2002, set on a uniform basis in respect of each rateable separately used or inhabited part (SUIP) of a rating unit falling within the former Whangaroa ward rating rolls of 100-199, as illustrated in this map.

How much is the rate?

The estimated total Kāeo-Whangaroa rivers management rate is \$116,645 in the 2019/20 financial year. The rate is set at \$51.90 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit falling between rating rolls 100-199 of the former Whangaroa ward as illustrated in this map.

How is the rate applied?

The rate is applied 100% to Kāeo-Whangaroa rivers flood management scheme works which form part of the river management activity.

Whangārei urban rivers management rate

What it funds

This rate funds the operational costs and capital costs of flood scheme works for urban Whangārei.

How it is set

The Whangārei urban rivers management rate is a targeted rate set under the Local Government (Rating) Act 2002, and assessed on all rateable properties defined by reference to the differential categories, and differentiated by location (see map on following page), and, for some categories, land use. It is set as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit, as follows:

Whangārei urban rivers management rate

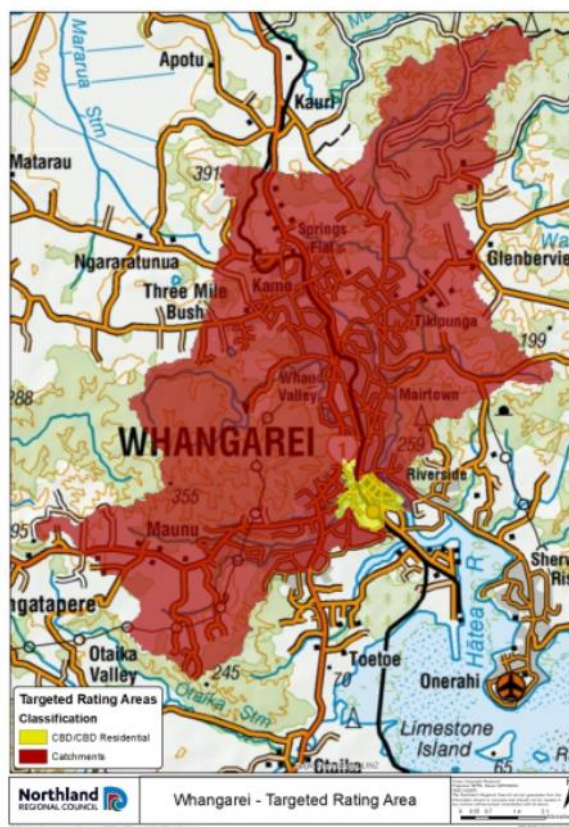
Category	Description	Rate	Rateable unit
1	Commercial properties in the Whangārei CBD flood area.	\$352.67	Per SUIP
2	Residential properties in the Whangārei CBD flood area.	\$119.17	Per SUIP
3	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$43.32	Per SUIP

The differential recognises the different categories of beneficiaries to the scheme and the properties that contribute to flooding in the Whangārei CBD. Properties in the contributing water catchment area contribute run-off from rainfall to the CBD which exacerbates and contributes to flooding, and these properties also receive a wider benefit from reduced flooding of the Whangārei CBD. The commercial and residential properties in the Whangārei CBD flood area are the primary beneficiaries due to reduced flood risk. Commercial properties benefit more significantly than residential properties due to improved business continuity from reduced flooding.

Residential properties in the Whangārei central business district (CBD) flood area are defined as all rating units which are used principally for residential or lifestyle residential purposes, including retirement villages, flats etc. Residential properties also include multi-unit properties, these being all separate rating units used principally for residential purposes, and on which is situated multi-unit type residential accommodation that is used principally for temporary or permanent residential accommodation and for financial reward, including, but not limited to, hotels, boarding houses, motels, tourist accommodation, residential clubs and hostels, but excluding any properties that are licensed under the Sale and Supply of Alcohol Act 2012.

Commercial properties in the Whangārei CBD flood area are all separate rating units used principally for commercial, industrial or related purposes or zoned for commercial, industrial or related purposes in accordance with the Whangārei district plan. For the avoidance of doubt, this category includes properties licensed under the Sale and Supply of Alcohol 2012; and private hospitals and private medical centres.

Whangārei urban rivers management rate area map



How much is the rate?

The estimated total Whangārei urban rivers management rate is \$1,154,250 in the 2019/20 financial year. The revenue sought from each category is as follows:

Whangārei urban rivers management rate

Category	Description	Total revenue
1	All commercial properties in the Whangārei CBD flood area.	\$358,663
2	All residential properties in the Whangārei CBD flood area.	\$22,641
3	All properties in the contributing water catchment area (including properties falling in the Waiahoia, Raumanga, Kirikiri and Hātea River catchments).	\$772,946
Total		\$1,154,250

How is the rate applied?

The rate is applied 100% to Whangārei urban rivers flood scheme works, which form part of the river management activity.

Other rating information

Each of Northland's three district councils is appointed as a collector for the Northland Regional Council in terms of section 53 of the Local Government (Rating) Act 2002. This means that the district councils issue rates assessments and invoices for the Northland Regional Council's rates. They also collect the rates.

Northland Regional Council has adopted policies regarding remission of rates and penalties, postponement of rates, and early repayment of rates. The council remits rates and penalties, postpones payment of rates, applied charges for postponement of rates, and applies discounts for early payment of rates in accordance with these policies. It also resolves that penalties will be added to unpaid rates. The district councils record these transactions on the rating information database and rates records which they maintain on behalf of the Northland Regional Council.

Separately used or inhabited part of a rating unit definitions

Northland Regional Council has adopted the same definitions as the Far North and Whangarei district councils to determine a separately used or inhabited part of a rating unit (SUIP) as follows:

Far North district SUIP definition

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- 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;
- Any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- Individual flats or apartments;
- Separately leased commercial areas which are leased on a rating unit basis;
- Vacant rating units;
- Single rating units which contain multiple uses such as a shop with a dwelling; and
- A residential building or part of a residential building that is used, or can be used, as an independent residence. An independent residence is defined as having a separate entrance, separate cooking facilities, for example, cooking stove, range, kitchen sink etc. together with living and toilet/bathroom facilities.

The following are not considered to be separately used or inhabited parts of a rating unit:

- A residential sleep-out or granny flat that does not meet the definition of an independent residence;
- A hotel room with or without kitchen facilities;
- A motel room with or without kitchen facilities; and
- Individual offices or premises of business partners.

Whangarei district SUIP definition

A separately used or inhabited part is defined;

- Any part of a property (rating unit) that is **used or intended to be 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.
- Any part or parts of a rating unit that is used, or occupied by the ratepayer for more than one single use.

Examples include –

- Each separate shop or business activity on a rating unit;
- Each occupied or intended to be occupied dwelling, flat, or additional rentable unit (attached or not attached) on a rating unit;
- Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land on a rating unit;
- Each block of land for which a separate title has been issued, even if that land is vacant.

Inspection and objection to council's rating information database

The rating information database for each district is available at the relevant district council and the Northland Regional Council. The rating information database for each district can also be found on each district council website. The website addresses are:

www.fndc.govt.nz

www.wdc.govt.nz

www.kaipara.govt.nz

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

Rating examples

How much will my rates be?

Presented on the next pages are some example rates for properties in each of Northland's three districts. The tables show the total rates that would apply to different groups of ratepayers under this annual plan.

Note that the rates detailed in this plan are worked out using estimated land or capital values (where applicable) – actual rates will be set using district valuation rolls as at 30 June 2019, so they may differ slightly.

Ratepayers in the Whangārei district

Whangārei district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculation on the total projected capital value determined by the certificate of projected valuation of the district at 30 June, with an additional charge of \$1.73 per separately used or inhabited part of a rating unit to fund the maintenance of the Hātea Channel;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate, assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed Whangārei transport rate assessed on each separately used or inhabited part of a rating unit;
- 10A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit, and
- 11A targeted, Whangārei urban rivers management rate differentiated by location and category and set as a fixed amount per each separately used or inhabited part of a rating unit.

Whangārei Urban/Rural/Other		(including GST)	
Land Management Rate = LV rate in the \$ = 0.0000991	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002014	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.0000253	(\$)	(\$)	(\$)
Residential Property (non CBD)			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	225,000	22.30	26.93
Targeted Freshwater Management Rate		45.32	56.72
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19

Finances **Mahere a Pūtea**

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Targeted Regional Recreational Facilities Rate		-	-
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		5.69	7.99
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
Total Regional Rates		339.50	336.49
Residential Property (in CBD area)			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	225,000	22.30	26.93
Targeted Freshwater Management Rate		45.32	56.72
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		5.69	7.99
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
Whangārei River Management Rate - CBD Residential		119.17	136.40
Total Regional Rates		458.67	472.89
Residential Property (in stormwater catchment area)			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	225,000	22.30	26.93
Targeted Freshwater Management Rate		45.32	56.72
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		5.69	7.99
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
Whangārei River Management Rate - General Catchment		43.32	44.29
Total Regional Rates		382.82	380.78
Farm Property			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	2,750,000	272.59	329.18
Targeted Freshwater Management Rate		553.85	693.28
Targeted Pest Management Rate		59.73	55.57

Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		69.60	97.62
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
Total Regional Rates		1,162.24	1,364.92
Commercial Property (non CBD)			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	2,000,000	198.25	239.40
Targeted Freshwater Management Rate		402.80	504.20
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		50.62	71.00
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
Total Regional Rates		917.86	1,059.45
Commercial Property (in CBD area)			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	2,000,000	198.25	239.40
Targeted Freshwater Management Rate		402.80	504.20
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		50.62	71.00
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
Whangārei River Management Rate - CBD Commercial		352.67	350.61
Total Regional Rates		1,270.53	1,410.06

Ratepayers in the Kaipara district

Kaipara district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each rating unit; and
- 10A targeted Kaihū River management rate, based on land area, and differentiated by location and area of benefit as defined in the Kaihū River management scheme.

Kaipara Urban/Rural	Land Value	(including GST)	
		2019/20	2018/19
Land Management Rate = LV rate in the \$ = 0.0001063	(LV)	Rates	Rates
Freshwater Management Rate = LV rate in the \$ = 0.0002157	(S)	(S)	(S)
Regional Infrastructure Rate = LV rate in the \$ = 0.00002704			
Residential Property			
Targeted Council Services Rate		113.22	94.86
Targeted Land Management Rate	225,000	23.92	20.97
Targeted Freshwater Management Rate		48.53	44.19
Targeted Pest Management Rate		64.47	58.42
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		22.84	20.18
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		6.08	6.23
Targeted Emergency Services Rate		11.87	12.06
Total Regional Rates		334.36	299.32
Farm Property			
Targeted Council Services Rate		113.22	94.86
Targeted Land Management Rate	2,750,000	292.32	256.30
Targeted Freshwater Management Rate		593.18	540.10
Targeted Pest Management Rate		64.47	58.42
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		22.84	20.18

Targeted Regional Sporting Facilities Rate	17.00	17.25
Targeted Regional Infrastructure Rate	74.36	76.18
Targeted Emergency Services Rate	11.87	12.06
Total Regional Rates	1,215.69	1,100.50

Additional for Properties in the Kaihu River Catchment	Land Value	2019/20	2018/19
	(\$)	(\$)	(\$)
10 hectares	Class A	237.20	212.20
	Class B	116.80	116.80
	Class F	16.40	16.50
100 hectares	Class A	2,372.00	2,122.00
	Class B	1,168.00	1,168.00
	Class F	164.00	165.00

Ratepayers in the Far North District

Far North district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit.

Far North		(including GST)	
Land Management Rate = LV rate in the \$ = 0.0001168	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002369	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002968	(\$)	(\$)	(\$)
Residential/Commercial/Other			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	225,000	26.27	24.01
Targeted Freshwater Management Rate		53.30	50.56
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		6.88	7.13
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
Total Regional Rates		297.14	278.88
Farm Property			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	2,750,000	321.14	293.42
Targeted Freshwater Management Rate		651.50	617.92

Targeted Pest Management Rate	47.20	45.08
Targeted Flood Infrastructure Rate	26.43	25.16
Targeted Civil Defence and Hazard Management Rate	16.72	15.57
Targeted Regional Sporting Facilities Rate	17.00	17.25
Targeted Regional Infrastructure Rate	81.62	87.18
Targeted Emergency Services Rate	11.87	12.06
Targeted Far North Transport Rate	8.76	8.86
Total Regional Rates	1,265.13	1,195.70

Far North district ratepayers in the Awanui River management rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit;
- 11A targeted Awanui River management rate, classes UA/UF, A, B, C, E and F differentiated by location and area of benefit as defined in the Awanui river flood management scheme.

Far North District – Awanui Catchment		(including GST)	
Land Management Rate 2018/19 = LV rate in the \$ = 0.0001168	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002369	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002968	(\$)	(\$)	(\$)
Residential & Commercial Urban			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	225,000	26.27	24.01
Targeted Freshwater Management Rate		53.30	50.56
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		6.68	7.13
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
<i>Plus Awanui river management rates applicable to:</i>			
- Urban rate class UA (floodplain location)		329.18	328.28
- Urban rate classes UF (higher ground)		60.01	60.34
- Commercial Urban UA		987.54	984.84

Lifestyle Property - 10 hectares			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	450,000	52.55	48.02
Targeted Freshwater Management Rate		106.61	101.12
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		13.36	14.26
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
<i>Plus Awanui River Management Rates applicable to:</i>			
- Rural Commercial A & B		747.34	746.52
- Rural Class A & B		258.06	257.84
- Rural Class C		124.12	124.21
- Rural Class E		13.41	13.50
- Rural Class F		24.36	25.69
Farm Property - 100 hectares			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	2,750,000	321.14	293.42
Targeted Freshwater Management Rate		651.50	617.92
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		81.62	87.18
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
<i>Plus Awanui River Management Rates applicable to:</i>			
- Rural Commercial A & B		¹ Refer Below	¹ Refer Below
- Rural Class A & B		2,459.85	2,456.90
- Rural Class C		1,120.51	1,120.59
- Rural Class E		13.41	13.50
- Rural Class F		122.93	135.40

1. Commercial properties for the Awanui River management rate are subject to the 3:1 commercial differential: On \$329.18 for urban commercial class UA; \$988.40 for urban commercial class UF; \$73.29 per hectare for rural commercial A/B; \$33.21 per hectare for rural commercial C; and \$3.29 per hectare for rural commercial

F. The rural rate also includes a single rate of \$13.41 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).

Far North district ratepayers in the Kaeo-Whangaroa rivers management rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit;
- 11A targeted Kaeo-Whangaroa rivers management rate set on a uniform basis in respect of each separately used or inhabited part of a rating unit for properties falling within the former Whangaroa ward (rating rolls 100-199).

Far North - Kaeo-Whangaroa		(including GST)	
Land Management Rate 2018/19 = LV rate in the \$ = 0.0001168	Land Value	2019-2020	2018-2019
Freshwater Management Rate = LV rate in the \$ = 0.0002369	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002968	(\$)	(\$)	(\$)
Residential/Commercial/Other			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	225,000	26.27	24.01
Targeted Freshwater Management Rate		53.30	50.56
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		6.68	7.13
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
Targeted Kaeo-Whangaroa Rivers Management Rate		51.90	53.86
Total Regional Rates		349.04	332.74
Farm Property			
Targeted Council Services Rate		82.89	73.20

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Targeted Land Management Rate	2,750,000	321.14	293.42
Targeted Freshwater Management Rate		651.50	617.92
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		81.62	87.18
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
Targeted Kaeo-Whangaroa Rivers Management Rate		51.90	53.86
Total Regional Rates		1,317.03	1,249.56

Summary of rates

The following table illustrates the distribution of the regional rate on forecast basis for the 2019/20 financial year, with the actual 2018/19 regional rate for comparison. The actual and projected apportionment of rates among Northland's districts is as follows, based on the Valuation Roll at 30 June in each year:

District Valuation Roll

Estimate – 30 June 2019

	Gross Number	Net Number	Capital Value	Land Value	Equalised	Equalised	Equalised	Equalised
	of RU (Kaipara)	of RU (Kaipara)	(CV)	(LV)	CV	LV	CV	LV
	or SUIP (others)	or SUIP (others)	\$'000	\$'000	\$'000	\$'000	(%)	(%)
Far North District	37,752	36,475	15,268,782	7,760,393	18,395,349	9,364,891	33.07%	32.35%
Kaipara District	14,484	13,789	8,698,428	4,995,834	9,498,838	5,462,467	17.08%	18.87%
Whangarei District	44,650	43,452	27,733,861	14,123,014	27,733,861	14,123,014	49.86%	48.78%
Total Valuation - Northland	96,886	93,716	51,701,070	26,879,241	55,628,048	28,950,372	100.00%	100.00%

Budgeted Rates 2019/20 (including GST)						Actual Rates 2018/19 (including GST)				
	Far North	Kaipara	Whangārei	Total (gross)	Total (net)	Far North	Kaipara	Whangārei	Total (gross)	Total (net)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Targeted Council Services Rate										
Rate per SUIP	82.89			3,129,232	3,023,383	73.20			2,755,322	2,638,424
Rate per RU		113.22		1,639,877	1,561,189		94.86		1,448,127	1,304,604
Rate per SUIP			106.63	4,760,916	4,633,176			91.96	4,046,936	3,945,505
				9,530,025	9,217,748				8,250,385	7,888,533
Targeted Land Management Rate										
Rate per \$ of Actual LV	0.0018			906,239	895,850	0.0017			817,910	798,392
Rate per \$ of Actual LV		0.0016		531,050	522,542		0.0016		463,291	454,803
Rate per \$ of Actual LV			0.0019	1,399,948	1,351,015			0.0017	1,148,917	1,114,323
				2,837,238	2,769,407				2,430,119	2,367,517
Targeted Freshwater Management Rate										
Rate per \$ of Actual LV	0.0029			1,838,548	1,816,670	0.0027			1,722,441	1,681,336
Rate per \$ of Actual LV		0.0027		1,077,578	1,059,649		0.0026		976,291	958,404
Rate per \$ of Actual LV			0.0024	2,844,318	2,739,685			0.0025	2,419,733	2,346,875
				5,760,443	5,616,003				5,118,466	4,986,615
Targeted Pest Management Rate										

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Rate per SUIP	47.20	1,781,745	1,721,475	45.08	1,696,824	1,624,833
Rate per RU	64.47	933,725	888,921	58.42	891,807	803,421
Rate per SUIP	59.73	2,666,949	2,595,393	55.57	2,445,494	2,384,201
		<u>5,382,419</u>	<u>5,205,789</u>		<u>5,034,125</u>	<u>4,812,456</u>
Targeted Flood Infrastructure Rate						
Rate per SUIP	26.43	997,762	964,011	25.16	946,903	906,729
Rate per RU	26.43	382,803	364,435	25.16	384,029	345,968
Rate per SUIP	26.43	1,180,071	1,148,409	25.16	1,107,057	1,079,310
		<u>2,560,636</u>	<u>2,476,855</u>		<u>2,437,988</u>	<u>2,332,007</u>
Targeted Civil Defence & Hazard Management Rate						
Rate per SUIP	16.72	631,312	609,957	15.57	586,076	561,211
Rate per RU	22.84	330,840	314,965	20.18	308,027	277,498
Rate per SUIP	21.16	944,960	919,606	19.19	844,664	823,494
		<u>1,907,111</u>	<u>1,844,528</u>		<u>1,738,767</u>	<u>1,662,203</u>
Targeted Regional Sporting Facilities Rate						
Rate per SUIP	17.00	641,758	620,050	17.25	649,316	621,768
Rate per RU	17.00	246,218	234,403	17.25	263,339	237,239
Rate per SUIP	17.00	759,019	738,654	17.25	759,138	740,111
		<u>1,646,994</u>	<u>1,593,106</u>		<u>1,671,792</u>	<u>1,599,118</u>
Targeted Regional Infrastructure Rate						
Rate per \$ of Actual LV	0.0029	230,315	227,229	0.0027	242,997	237,198
Rate per \$ of Actual LV	0.0020	135,069	132,541	0.0027	137,695	135,172
Rate per \$ of Actual LV	0.0025	357,413	342,679	0.0025	340,740	330,479
		<u>722,798</u>	<u>702,449</u>		<u>721,432</u>	<u>702,850</u>
Targeted Emergency Services Rate						
Rate per SUIP	11.87	448,191	433,031	12.06	453,956	434,697
Rate per RU	11.87	171,954	163,703	12.06	184,108	165,861
Rate per SUIP	11.87	530,084	515,862	12.06	530,736	517,434
		<u>1,150,229</u>	<u>1,112,595</u>		<u>1,168,801</u>	<u>1,117,992</u>
Targeted Whangārei Transport Rate						
Rate per SUIP	23.36	1,043,183	1,015,194	23.66	1,041,229	1,015,132
		<u>1,043,183</u>	<u>1,015,194</u>		<u>1,041,229</u>	<u>1,015,132</u>
Targeted Far North Transport Rate						
Far North District	8.76	330,655	319,470	8.86	333,503	319,354
		<u>330,655</u>	<u>319,470</u>		<u>333,503</u>	<u>319,354</u>
Targeted Awanui River Management Rate						

Far North District – Rural		210,171	207,969			210,494	207,964
Far North District – Urban		892,948	882,383			891,020	882,383
		<u>1,103,119</u>	<u>1,090,352</u>			<u>1,101,515</u>	<u>1,090,348</u>
Targeted Kaihū River Management Rate							
Kaipara District (Kaihu river area only)		<u>79,869</u>	<u>79,869</u>			<u>79,869</u>	<u>79,869</u>
Targeted Kaeo-Whangaroa Rivers Management Rate							
Far North (Kaeo only)	51.90	<u>123,911</u>	<u>116,644</u>	53.86		<u>127,944</u>	<u>116,644</u>
Targeted Whangārei Urban Rivers Management Rate							
Rates per SUIP		<u>1,155,930</u>	<u>1,154,250</u>			<u>- 1,159,654</u>	<u>1,154,266</u>
Total Rates							
		\$ (gross)	\$ (nett)			\$ (gross)	\$ (nett)
Far North District		12,162,786	11,838,121			11,434,710	11,030,933
Kaipara District		5,528,983	5,322,217			5,136,582	4,762,839
Whangārei District		<u>17,642,792</u>	<u>17,153,921</u>			<u>15,844,299</u>	<u>15,451,132</u>
Total Rates		<u>35,334,562*</u>	<u>34,314,259*</u>			<u>32,415,591</u>	<u>31,244,904</u>

Financials

Financial Statements

The following financial statements show our draft financial plan for the 2019/20 year.

Please note that the following documents support the financial information contained in these financial statements, and can be found on our website www.nrc.govt.nz/annualplanpolicies:

- Significant forecasting assumptions
- Significant financial forecasting assumptions
- Accounting policies

Prospective statement of comprehensive revenue and expense

LTP Year 1		Draft Annual	LTP Year 2
2018/19		Plan 2019/20	2019/20
\$(000)		\$(000)	\$(000)
Revenue			
27,169	Rates	29,838	29,455
4,310	Fees and Charges	4,388	4,398
3,046	Subsidies and Grants	4,255	2,869
1,195	Interest Revenue	918	1,413
6,173	Other Revenue	6,704	7,693
3,228	Other Gains	2,477	3,327
45,121	Total Revenue	48,581	49,155
Expenses			
15,612	Personnel Costs	17,482	16,899
1,626	Depreciation and Amortisation Expense	1,810	1,738
936	Finance Costs	1,340	1,201
-	Other Losses	-	-
26,099	Other Expenditure on Activities	27,867	26,800
44,273	Total Operating Expenditure	48,499	46,638
848	SURPLUS/(DEFICIT) BEFORE TAX	83	2,517
-	INCOME TAX CREDIT/(EXPENSE)	-	-
848	SURPLUS/(DEFICIT) AFTER TAX	83	2,517
SURPLUS/(DEFICIT) ATTRIBUTABLE TO:			
848	Northland Regional Council	83	2,517
	Non-Controlling Interest		
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
<i>Items that will be reclassified to surplus/(deficit)</i>			
-	Financial Assets at fair value through other comprehensive revenue and expense	-	-
<i>Items that will not be reclassified to surplus/(deficit)</i>			
-	Gains/(Losses) on Property Revaluations	-	-
-	Gains/(Losses) on Infrastructure Asset revaluations	-	-
-	TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	-	-

848	TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	83	2,517
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Prospective statement of financial position

LTP Year 1		Annual Report	Draft Annual	LTP Year 2
2018/19		2017/18	Plan 2019/20	2019/20
\$(000)		\$(000)	\$(000)	\$(000)
ASSETS				
Current Assets				
86	Cash and cash equivalents	998	45	81
4,136	Other financial assets	4,039	3,930	4,553
5,453	Receivables	5,862	5,358	5,702
3,205	Inventory	3,102	3,175	3,205
14,194	Assets held for sale	11,248	-	-
27,074	Total Current Assets	25,249	12,507	13,541
Non Current Assets				
6,346	Receivables	5,744	5,900	6,446
58,837	Other financial assets	56,048	42,048	65,475
38,707	Infrastructure, property, plant and equipment	34,836	42,651	40,520
33,473	Investment property	41,100	70,449	47,667
283	Intangible assets	600	525	337
2,713	Forestry assets	3,235	2,862	2,713
7,828	Investment in subsidiaries (excl council controlled organisations) and joint venture company	7,828	7,828	7,828
863	Investment in council controlled organisations	863	863	863
149,050	Total Non Current Assets	150,254	173,125	171,848
176,123	TOTAL ASSETS	175,503	185,632	185,390
LIABILITIES				
Current Liabilities				
5,427	Payables	4,453	4,595	5,559
1,661	Employee entitlements	1,751	1,792	1,711
7,088	Total Current Liabilities	6,204	6,387	7,269
Non Current Liabilities				
916	Payables and deferred revenue	653	806	938
19,977	Borrowings and other financial liabilities	18,542	27,077	26,522
18	Employee entitlements	15	19	19
20,911	Total Non Current Liabilities	19,210	27,901	27,479
28,000	TOTAL LIABILITIES	25,414	34,289	34,749

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148,124	NET ASSETS	150,089	151,343	150,641
EQUITY				
126,042	Accumulated funds	123,540	139,237	127,663
2,807	Revaluation reserves	3,963	3,963	2,807
19,274	Other reserves	22,586	8,143	20,170
148,124	Total Equity	150,089	151,343	150,641
-	Non-controlling interests in subsidiary companies	-	-	-
148,124	TOTAL EQUITY	150,089	151,343	150,641

Prospective statement of changes in equity

LTP Year 1		Annual Report	Draft Annual	LTP Year 2
2018/19		2017/18	Plan 2019/20	2019/20
\$(000)		\$(000)	\$(000)	\$(000)
147,276	Balance at 1 July	146,088	151,261	148,124
848	Total comprehensive revenue and expense	4,001	83	2,517
148,124	Balance at 30 June	150,089	151,343	150,641
Total comprehensive revenue and expense attributable to:				
848	Northland Regional Council	4,001	83	2,517
-	Non-controlling interests	-	-	-
148,124	Balance at 30 June	150,089	151,343	150,641

Prospective statement of cashflows

LTP Year 1		Draft Annual	LTP Year 2	Variance
2018/19		Plan 2019/20	2019/20	to LTP
\$(000)		\$(000)	\$(000)	\$(000)
Cash flows from operating activities				
26,659	Receipts from rates revenue	29,136	28,907	(228)
9,275	Receipts from customers	11,107	10,795	(312)
2,144	Subsidies and grants received	2,278	2,144	(134)
2,997	GST received	4,011	3,603	(408)
3,616	Interest received	3,602	3,602	-
3,598	Other revenue received	3,708	3,708	-
(45,274)	Staff and suppliers	(49,657)	(47,941)	1,716
(259)	Other payments - operating	(274)	(265)	9
(936)	Interest paid	(1,340)	(1,201)	139

1,820	Net cash provided (used) in operating activities	2,572	3,355	783
Cash flows from investing activities				
-	Sale of infrastructure, property, plant and equipment	-	14,194	-
410	Other receipts - investing	9,012	(6,300)	(15,312)
(5,190)	Purchase of infrastructure, property, plant and equipment	(18,019)	(17,798)	220
(4,780)	Net cash provided (used) in investing activities	(9,006)	(9,904)	(898)
Cash flows from financing activities				
2,667	Other receipts - financing	6,435	6,545	110
-	Other payments - financing	-	-	-
2,667	Net cash provided (used) in financing activities	6,435	6,545	110
(293)	Net increase/(decrease) in cash and cash equivalents	1	(5)	(5)
379	Cash and cash equivalents at beginning of period	44	86	42
86	Cash and cash equivalents at end of period	45	81	36

Schedule of reserves

LTP Year 1		Draft Annual	LTP Year 2
2018/19		Plan 2019/20	2019/20
\$		\$	\$
Land Management Reserve			
233,580	Opening Balance as at 1 July	136,000	(176)
(233,756)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(136,000)	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(176)	Closing Balance as at 30 June	-	(176)
Awanui River Reserve			
(773,404)	Opening Balance as at 1 July	(761,368)	(598,881)
174,523	Increase /(Decrease) in Reserve throughout the year (operational transfer)	161,016	163,175
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(95,964)	-
(598,881)	Closing Balance as at 30 June	(696,316)	(435,706)
Kaihu River Reserve			
69,450	Opening Balance as at 1 July	60,865	59,276
(10,174)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(10,698)	(10,698)

-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
59,276	Closing Balance as at 30 June	50,167	48,578
Whangaroa Kaeo Rivers Reserve			
42,787	Opening Balance as at 1 July	124,817	30,106
(12,681)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(14,256)	(14,256)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
30,106	Closing Balance as at 30 June	110,561	15,850
Whangarei Urban River Reserve			
(9,571,405)	Opening Balance as at 1 July	(9,077,076)	(9,164,350)
407,055	Increase /(Decrease) in Reserve throughout the year (operational transfer)	455,922	455,922
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(9,164,350)	Closing Balance as at 30 June	(8,621,154)	(8,708,428)
Kerikeri Waipapa Rivers Reserve			
443,592	Opening Balance as at 1 July	425,000	415,985
(12,607)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(29,474)	(29,474)
(15,000)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(15,330)	(15,330)
415,985	Closing Balance as at 30 June	380,196	371,181
Flood Infrastructure Reserve			
-	Opening Balance as at 1 July	(1,320,000)	(1,319,551)
559,419	Increase /(Decrease) in Reserve throughout the year (operational transfer)	445,029	445,029
(1,878,970)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(1,131,500)	(1,131,500)
(1,319,551)	Closing Balance as at 30 June	(2,006,471)	(2,006,022)
Whangarei Flood Infrastructure Reserve			
-	Opening Balance as at 1 July	(180,000)	(179,596)
60,404	Increase /(Decrease) in Reserve throughout the year (operational transfer)	36,974	36,974
(240,000)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(45,000)	(45,000)
(179,596)	Closing Balance as at 30 June	(188,026)	(187,622)
Awanui Flood Infrastructure Reserve			
-	Opening Balance as at 1 July	(194,000)	(193,898)
354,232	Increase /(Decrease) in Reserve throughout the year (operational transfer)	300,926	300,926

(548,130)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(256,500)	(256,500)
(193,898)	Closing Balance as at 30 June	(149,574)	(149,472)
Kaeo Flood Infrastructure Reserve			
-	Opening Balance as at 1 July	21,000	21,430
21,430	Increase /(Decrease) in Reserve throughout the year (operational transfer)	21,030	21,030
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(12,000)	(12,000)
21,430	Closing Balance as at 30 June	30,030	30,460
Infrastructure Facilities Reserve			
(3,346,214)	Opening Balance as at 1 July	(2,639,000)	(3,171,014)
175,200	Increase /(Decrease) in Reserve throughout the year (operational transfer)	175,200	175,200
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(3,171,014)	Closing Balance as at 30 June	(2,463,800)	(2,995,814)
Property Reinvestment Fund Reserve			
22,773,304	Opening Balance as at 1 July	15,748,443	23,046,276
272,972	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(1,375,206)	276,248
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(14,112,418)	-
23,046,276	Closing Balance as at 30 June	260,819	23,322,524
Infrastructure Investment Fund Reserve			
8,858,736	Opening Balance as at 1 July	19,602,631	8,968,818
110,082	Increase /(Decrease) in Reserve throughout the year (operational transfer)	111,403	111,403
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
8,968,818	Closing Balance as at 30 June	19,714,034	9,080,221
Equalisation Fund Reserve			
845,516	Opening Balance as at 1 July	1,407,000	765,479
(80,037)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(415,171)	235,214
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
765,479	Closing Balance as at 30 June	991,829	1,000,693
Hatea River Reserve			
169,119	Opening Balance as at 1 July	124,000	116,771
(52,348)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(51,332)	(52,418)

Finances **Mahere a Pūtea**

55

-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
116,771	Closing Balance as at 30 June	72,668	64,353
Investment and Growth Reserve			
2,160,270	Opening Balance as at 1 July	238,010	328,114
(1,850,777)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(633,778)	(633,778)
18,621	Increase /(Decrease) in Reserve throughout the year (capital transfer)	839,900	839,900
328,114	Closing Balance as at 30 June	444,132	534,236
Whangarei Transport Reserve			
(47,539)	Opening Balance as at 1 July	(95,000)	(47,539)
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(24,550)	(7,534)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(47,539)	Closing Balance as at 30 June	(119,550)	(55,073)
Far North Transport Reserve			
162,754	Opening Balance as at 1 July	40,000	162,754
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
162,754	Closing Balance as at 30 June	40,000	162,754
Capital Subsidy Reserve - Public Transport			
-	Opening Balance as at 1 July	67,000	-
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
-	Closing Balance as at 30 June	67,000	-
Emergency Services Reserve			
-	Opening Balance as at 1 July	183,000	34,453
34,453	Increase /(Decrease) in Reserve throughout the year (operational transfer)	43,453	43,453
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
34,453	Closing Balance as at 30 June	226,453	77,906
19,274,457	Total Special Reserves Closing Balance as at 30 June	8,142,998	20,170,443

Equity represents the total value of the council and its assets and is measured by the difference between total assets and liabilities. Public equity is disaggregated and classed into a number of reserves to enable clearer identification of the specified uses of accumulated surpluses.

The components of equity are:

- Retained earnings
- Council created reserves
- And asset revaluation reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves can be used to account for revenue and expenditure collected or incurred in relation to specific work programmes. Where council sets and collects a targeted rate for a specific purpose, the funds can only be applied to that purpose, keeping track of surpluses and deficits of those work programmes in a reserves ensures council is accountable and transparent.

Where reserves carry a deficit balance, they are deemed to have undertaken internal borrowing from councils consolidated funds. Conversely, where the reserves carry a surplus, they are deemed to have loaned money to councils' consolidated funds.

Purpose of each reserve fund:

Land Management reserve

This reserve was created to set aside Land Management rates collected but not fully used in any given year. While the Land management reserve maintains a positive balance, it can be used to fund land management activities and emergency events such as remedial storm expenditure on a case-by-case basis.

River reserves

The Awanui, Kaihu, Kaero -Whangaroa, Kerikeri-Waipapa and Whangarei urban river reserves were all created to hold targeted rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of their respective river flood management schemes. This keeps the surpluses/deficits in the appropriate activity separate from other activities. Any deficit balance in these reserves will be repaid from future targeted river management rates collected from the rate payers within the area of benefit identified in the respective flood management plans.

Infrastructure Facilities reserve

The Infrastructure facilities reserve was created to set aside any targeted Infrastructure rates collected and not fully used in any given year for the purpose of funding the holding costs associated with the Marsden Point Rail link project, the capital costs of securing the rail corridor designation, and other activities relating to the development and/or completion of future regional infrastructure projects. The deficit balance of this reserve will be repaid from future targeted Regional Infrastructure rates collected from ratepayers in all three Northland districts.

Property Reinvestment Fund reserve

This reserve was established to represent the proceeds of commercial property sales and acquisitions and includes the proceeds of a special dividend (capital) payment made by the Marsden Maritime Holdings Limited. The funds are general funds and are set aside to be reinvested in income producing assets. The fund invests monies in separate managed funds which have been earmarked to hold the funds pending the identification of approved property investments.

Equalisation Fund reserve

This reserve was created to set aside 50% of council's forestry net income arising in any year. This reserve is intended to provide future funding of councils general operating activities by allowing council to use these funds for any council activity to smooth future rating increases. It is further intended that this reserve be used to fund the cost of forestry operations in non-harvesting years.

Hātea River Maintenance reserve

This reserve was created to set aside a component of the council services rate specifically levied across the Whangārei constituency to ensure funding is immediately available in the event dredging of the Hātea river is required. The funds may be applied to the following:

1. Ongoing maintenance and dredging;
 2. Disposal of dredged spoil material;
 3. The provision of an annual hydrographic survey of the river.
- The reserve is to be maintained at a targeted fund of up to \$400,000.

Investment and Growth reserve

This reserve was created to set aside the investment income redirected to be made available for activities and projects that contribute towards economic well-being. The council will allocate monies from the reserve to projects in accordance with set criteria.

Far North Transport reserve

This reserve is to be created to hold any targeted Far North transport rates collected and unspent in any given year to cover any future funding shortfalls of Far North transport service. This keeps surpluses/ deficits in this activity separate from other activities.

Infrastructure Investment Fund reserve

This reserve was established to stabilise the impact of irregular large infrastructure projects on council's income and capital requirements. It will help spread the costs of such projects. The fund is also intended to provide more flexibility around when such large capital intensive projects can commence. The fund invests monies which has been earmarked for the approved infrastructure and economic development investments in externally managed funds.

Whangārei Transport reserve

This reserve was established to hold any targeted Whangārei transport rates collected and unspent in any given year to cover any future funding shortfalls of Whangārei transport service. The deficit balance of this reserve will be repaid from future targeted Whangārei transport rates collected from ratepayers in the Whangārei district.

Emergency Services reserve

This reserve was established to hold any targeted Emergency Services rates collected and unspent in any given year to contribute to any future funding shortfalls of Emergency Services funding.

Capital Subsidy reserve : Public Transport

This reserve currently holds capital subsidies received from the NZ transport agency that will be used to offset the future costs associated with the Regional Integrated Ticketing Information System (RITIS).

All reserves displaying a deficit balance at 1 July 2019 have an associated targeted rate that will generate income over a certain time period in order to return the reserve to a credit balance.

Financial Prudence

There is an expectation that Northland Regional Council (NRC) will act with financial prudence. To measure the level of prudence a number of measures have been developed for the sector.

Northland Regional Council measures financial prudence using the following measures:

		Target	Draft Annual Plan 2019/20
Affordability			
<i>Benchmark</i>			
Rates Benchmark*	i) Total Rates as % of Total Revenue	< 65%	61%
	ii) Total Average Rates Increase as %	< 10%	8.6%
Debt Benchmark	Net Debt as % of Total Revenue	< 175%	-37%
<i>Indicator</i>			
Rates Indicator**			\$366.15
Sustainability			
<i>Benchmark</i>			
a) Balanced budget benchmark***		> 1	1.00
b) Essential services benchmark****		> 1	17.16
c) Net Interest as % of Revenue		< 10%	-4.2%
d) Liquidity		> 110%	199%
Predictability			
<i>Benchmark</i>			
Operations control benchmark***** (result to be published in the annual report)			N/A
* Rates income complies with the limits set in the council's financial strategy			
** Rates revenue per rating unit/SUIP			
*** Revenue, excluding income from development contributions and financial contributions, revaluations and vested assets, exceeds operating expenditure			
**** NRC has invested heavily in Flood Control Infrastructure over the last five years. It is expected that capital investment will be low over the next few years.			



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Te Kaunihera ā rohe o Te Taitokerau

TITLE: Adoption of the Annual Plan 2019/20 Consultation Document and Approval to Consult

ID: A1158997

From: Kyla Carlier, Corporate Planning Manager

Executive summary/Whakarāpopototanga

The purpose of this report is to present the consultation document for the Annual Plan 2019/20.

The report seeks the adoption of this document and approval to commence consultation, using the principles of consultation under section 82 of the Local Government Act 2002 (LGA).

Recommendations

1. That the report 'Adoption of the Annual Plan 2019/20 Consultation Document and Approval to Consult' by Kyla Carlier, Corporate Planning Manager and dated 31 January 2019, be received.
2. That council adopts and approves for release the Annual Plan 2019/20 Consultation Document (included as **Attachment 1** pertaining to Item 6.4 of the 19 February 2019 council agenda) for consultation pursuant to sections 82, 95 and 95A of the Local Government Act 2002.
3. That council delegates to the Group Manager – Strategy, Governance and Engagement the authority to make any necessary minor formatting, typographical, and administrative changes to the Consultation Document prior to formal public consultation.

Background/Tuhinga

The corporate planning and finance teams have been working with council to develop an Annual Plan for the 2019/20 financial year. The Local Government Act 2002 (LGA) requires a consultation document (CD) to be adopted by council and released for consultation, in conjunction with a supporting information document. The adoption of the supporting information is covered in agenda item 6.3.

The Annual Plan 2019/20 will set out budgets for work scheduled for year two of the Long Term Plan 2018–2028(LTP). The CD provides a re-cap of our LTP direction, a summary of the matters that are proposed to be included in the Annual Plan 2019/20 that differ from the direction set out in the LTP, and directs people to supporting documentation for more detail where appropriate.

The matters of difference outlined in the CD includes the following new spending:

- Helping our computer systems cope with the extra workload (\$377,500);
- Buy vital water monitoring gear (\$37,800);
- Keeping the Northern Transportation Alliance ticking along (\$65,000);
- Replacing the engines on the Waikare a year earlier than planned (\$110,000).

Please refer to Attachment 1 for a copy of the Consultation Document.

The CD will be the primary method for engaging with council's communities during a period of consultation that will run from 4 March – 5 April 2019. This consultation period coincides with consultation on council's user fees and charges, with the processes run in parallel.

Communication tools appropriate to the relatively minor consultation points (when compared to other years) will be used, and feedback will be invited via an online form, email, hardcopy, social media, and verbally.

It is not proposed that hearings be held as part of this process, but there will be an opportunity for members of the community to talk to councillors should they wish, by appointment. A day has been set aside for this in councillors' diaries on Wednesday 10 April 2019.

Council will be invited to discuss each of the proposals in the context of feedback received at a deliberations meeting, which is scheduled for 7 May 2019. It is proposed that final adoption of the Annual Plan 2019/20 takes place at an extraordinary council meeting scheduled for 4 June 2019.

Considerations

1. Options

Two options are set out below. Staff recommend option 1, to adopt the Annual Plan 2019/20 Consultation Document for consultation.

No.	Option	Advantages	Disadvantages
1	Adopt the Annual Plan 2019/20 Consultation Document for consultation.	Council will achieve compliance with the LGA 2002, will be informed of community views when making decisions on the Annual Plan 2019/20, and will be able to proceed with proposals for the 2019/20 financial year.	None
2	Do not adopt the Annual Plan 2019/20 Consultation Document.	None	Consultation will not occur in accordance with the requirements of the LGA, and council will not be able to implement the proposed changes for the 2019/20 financial year.

2. Significance and engagement

Section 76AA of the LGA directs that council must adopt a policy setting out how significance will be determined, and the level of engagement that will be triggered. This policy assists council in determining how to achieve compliance with LGA requirements in relation to decisions.

This decision itself is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is for the purpose of achieving compliance with sections 82A and 95 of the LGA and does not, in itself, impact the community other than to provide them with information.

The Annual Plan 2019/20 Consultation Document has been prepared because the proposals in the annual plan are considered to be significant or material. The decision to adopt the Consultation Document, while not significant in itself, will enable council in the future to make decisions on the Annual Plan itself while having full regard to community views in relation to the proposals set out in the document. This will assist council in achieving compliance with procedures in relation to decisions as set out in section 79 of the LGA.

3. Policy, risk management and legislative compliance

Consultation on an annual plan is required under section 95 of the Local Government Act 2002 (LGA) if the proposed annual plan contains significant or material differences from the content in the Long Term Plan 2018–2028 for the financial year to which the plan relates; preparation and adoption of an Annual Plan Consultation Document is required under section 82A of the LGA as part of consultation.

The decision to adopt the Annual Plan 2019/20 Consultation Document will achieve compliance with sections 82A and 95 of the Local Government Act 2002.

Further considerations

The decisions contained within this report will enable consultation, which will provide council with feedback on community views and potential impacts on Māori. Any financial impacts or implementation issues are addressed in the attached consultation document and the supporting information document.

Further consideration of community views, impacts on Māori, financial impacts and implementation issues will be addressed through the deliberations process and subsequent council decision to adopt the final Annual Plan 2019/20.

Attachments/Ngā tapirihanga

Attachment 1: Annual Plan 2019/20 Consultation Document [↓](#) |

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 07 February 2019

Keeping up the good work

E mau tonu ana a tātou mahi pai



Our plans for the coming year:
Annual Plan 2019/20 consultation

Northland
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Te Kaunihera ā rohe o Te Taitokerau

Working for a thriving Northland *E hanga ana Taitokerau he whenua momoho*

Last year we really stepped things up – now we need to keep up the great work!

Last year's Long Term Plan set the scene for us to invest more than ever in helping native life flourish, caring for our water, and protecting communities from flood risk.

It's hugely important work, and feedback from our Long Term Plan

process showed that most people agree. Check out the full Long Term Plan at nrc.govt.nz/ltp2018

We're now nearly one year into this ambitious plan and it's time to review the budget.

With heaps of amazing work underway across the region, there are just a few changes needed to keep the waka on course.

Plans, plans, plans *Tikanga whakahaere*

Yep, councils do lots of plans!

Partly because we have to, but also because we want to be open and honest about what we're doing with your rates.

Every three years we do a Long Term Plan. That's the bgggle which sets our ten-year direction, what we do and how we pay for it.

In between we do Annual Plans, that just focus on a year (from July, to June the following year) so we can adapt as new challenges and opportunities pop up.

**HE WAKA
EKE NOA**

**WE'RE ALL IN
THIS TOGETHER**

Our Direction *Te aronga o Taitokerau*

A healthy environment, a strong economy and resilient communities – they're our ultimate goals for Te Taitokerau as your regional council.

We do a whole range of work, alongside many others, to care for Northland's amazing environment and many unique communities.

Following last year's Long Term Plan process, we've ramped up our efforts in three areas in particular. We're doing more than ever to improve the state of our precious water; boosting our support for local communities to

manage pests and weeds and help Northland become pest-free; and providing better flood protection to at-risk communities.

Find out more about where we're headed over the next decade in our document [Our vision | Te pae tawhiti](https://nrc.govt.nz/ourvision) at nrc.govt.nz/ourvision



BY 2021, EACH
YEAR WE'LL
BE SPENDING
AN EXTRA

\$2.4M
ON WATER

\$2.3M
ON PEST
MANAGEMENT

It's just small tweaks *He takawiri iti noa*

**Even with the best laid plans, things
crop up along the way.**

A year into our ambitious Long Term Plan, we're tracking well. There are just a few changes needed to make sure we can keep up the good work.

We're proposing small tweaks to our 2019/20 budget to help our computer systems cope with the extra workload (\$377,500); buy a few extra pieces of vital water monitoring gear (\$37,800);

keep the Northern Transportation Alliance ticking along (\$65,000); and replace the engines on the Waikare, our main boat, a year earlier than we'd planned (\$110,000).

Together, this would add \$382,500 to our operational budget for the year, bringing it to \$48.5M in total. It'd also add \$207,800 to our year's capital budget, for a total of \$18M.

What it means for rates

Ngā pānga ki ngā rēti

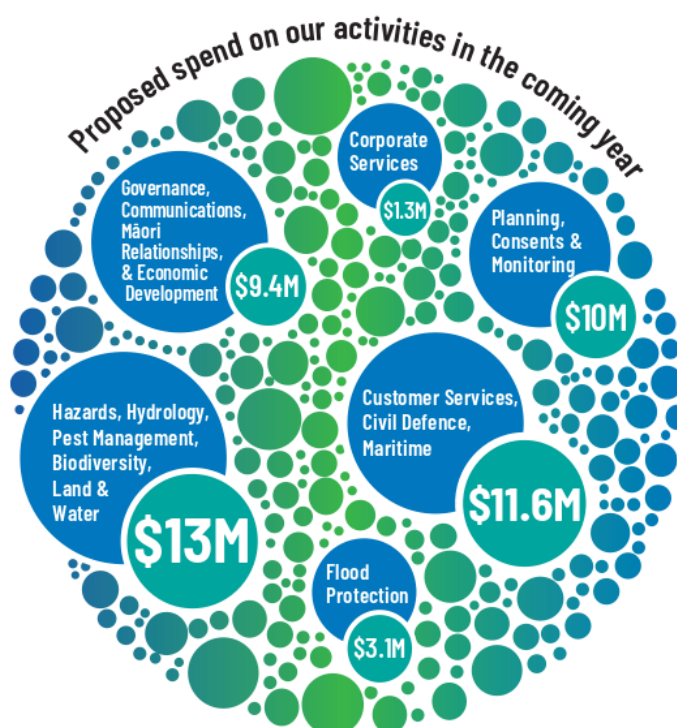
Our total rates were originally budgeted to go up 7.9% this year - an average of \$26.50 per household.

With the big step forward in last year's Long Term Plan, we spread the rate increases over three years to keep things affordable.

The majority of the tweaks outlined above can be funded from council reserves and increased rates income from regional growth, leaving just \$192,500 to be funded by rates. It means an extra 0.7% on rates, or about \$2.60 a year more for the average ratepayer, taking the overall increase to 8.6%.

It's only a small change, but we think it's important to talk to you before finalising anything.

For more detail on the proposed tweaks and how we plan to fund them, check out our supporting Information document at nrc.govt.nz/annualplan2019



Meet your locals - *Tūtakitakitia i te iwi kāinga*

Your local regional councillor is your community voice!

Your councillors are elected to represent you, the people of Northland, and make the big decisions about what council does.

One of their jobs is weighing-up community feedback on things like this Annual Plan, and deciding what the final outcome will be.



Constituency boundaries are current as of 1 March 2019



E auraki ana koe ki te kōrero?

*If you have any feedback we'd love to hear from you by 5 April 2019,
www.nrc.govt.nz/annualplan2019*

*Here you'll find more detail, like our Supporting Information Document for the Annual Plan,
and a document setting out our proposed user fees and charges for the coming year.*

Want to talk to a councillor about this plan?

Call us on 0800 002 004 by Friday 29 March, and we'll tee something up.

P 0800 002 004 **W** nrc.govt.nz/annualplan2019 **E** info@nrc.govt.nz

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Te Kaunihera ā rohe o Te Taitokerau

TITLE: Manea Footprints of Kupe - Request for a funding contribution from Council

ID: A1132029

From: Jon Trewin, Economic Policy Advisor and Darryl Jones, Economist

Executive summary

The Manea Footprints of Kupe proposal at Opononi ('Manea') involves the establishment of a cultural heritage tourism and education centre, including displays, guided tours and interactive performances, with a total development cost of \$8.2 million. The proponents are seeking project grant funding of \$500,000 from council towards this total cost. In September 2018, council sought a recommendation from the Northland Inc. Board on the viability of the project. The Northland Inc. Board has now formally recommended that council invest the requested sum in the Manea proposal (**Attachment 1**). Council staff also concur with this recommendation. However, there is presently not enough available funding in the IGR to meet this request in full. The purpose of this agenda item is therefore to recommend the transfer of \$500,000 from the Community Investment Fund (CIF) into the Investment and Growth Reserve (IGR) and to allocate \$500,000 from the Investment and Growth Reserve to the Manea proposal, subject to conditions being met.

Recommendation(s)

1. That the report 'Manea Footprints of Kupe - Request for a funding contribution from Council' by Jon Trewin, Economic Policy Advisor and Darryl Jones, Economist and dated 22 November 2018, be received.
2. That \$500,000 be transferred from the Community Investment Fund into the Investment and Growth Reserve once the conditions of funding set out in recommendation 3 have been met.
3. That \$500,000 (excluding GST) be allocated as Enabling Investment funding from the Investment and Growth Reserve to the Manea Footprints of Kupe project subject to the following conditions being met.
 - a. All resource and building consents are obtained for all elements of the project to proceed;
 - b. Fixed price construction tenders that permits all elements of the project to proceed is secured;
 - c. All funding has been secured to cover the development of the entire project;
 - d. A funding agreement is signed between Te Hua o Te Kawariki Trust, Manea Footprints of Kupe Ltd, Far North Holdings (FNHL), and council that includes:
 - i. a list of key performance indicators;
 - ii. a schedule of payment instalments that are linked to construction milestones with the first payment not occurring prior to 1 November 2019;
 - iii. an undertaking that any cost overruns for the construction of the buildings will be covered by supplementary funding and not by reducing the experience/fit-out development; and

- iv. an undertaking that Manea will be held in perpetuity for the benefit of the local community and that should it ever be sold into private ownership that council will be refunded its \$500,000 funding allocation.
 - e. Confirmation that an overdraft facility of \$200,000 has been secured.
-

Background

The Manea Footprints of Kupe project has been developed by the Te Hua o te Kawariki Trust (the Trust) to establish a cultural heritage tourism and education centre in Opononi that would celebrate the journeys of Kupe. Manea will tell the stories (footprints) of Kupe using a combination of guided tours, 4D interactive performances and technology stations. This will be complemented by taonga repatriated from various museums.

At its meeting on 21 November 2017, council allocated \$40,000 from the IGR as Feasibility Assessment and Business Case funding to assist with the validation of development plans, quantity surveying, technical review, architectural plans and producing high definition images to attract investment.

The project is being supported by the Shane Lloyd Family Trust (owners of the Copthorne Hotel and Resort Hokianga) and FNHL. The experience involves the construction of a building to be built by FNHL and leased to the Trust, making up the Manea – Footprints of Kupe Education and Heritage Centre (its full title).

FNHL has agreed to purchase the land from the Lloyd Family Trust once all the funding has been secured. FNHL will also project manage the build, and will incur 'in kind' costs in this regard. Once Manea has opened, FNHL will continue to own the building and land that it sits on, and lease the building to the Trust at a rate of \$120,000 per annum (an annual rate of return of 10% for FNHL on an initial investment of \$1.2M).

A charitable limited liability company, Manea Footprints of Kupe Ltd, has been established by the Trust to operate the business. The Board of Directors includes a number of experienced individuals in the tourism sector including Shane Lloyd, Anton Haigh, and Northland Inc. board members Nicole Anderson and Denis Callesen. Profits not required for operational or capital requirements of the business will be returned back to the Trust for community charitable purposes. As per the deed of Trust this includes any purpose which promotes the educational, spiritual, economic, social or cultural advancement of iwi and hapu in the Hokianga including the provision of facilities or is otherwise for the benefit of communities in the Hokianga.

It is understood that the Trust intends to purchase the land and buildings from FNHL as funding allows, with the intention of this being several years after opening. The Trust will be given first right of refusal to purchase in this regard. In addition, as part of the funding agreement with MBIE for Provincial Growth Fund (PGF) funding, FNHL cannot sell or dispose of the land and buildings without approval from MBIE and the Trust for a period of 20 years.

Manea business case

The attraction is likely to have positive economic benefits for the Hokianga area and complement existing attractions such as Footprints Waipoua. For example, the total economic impact from visitors is estimated to be approximately \$5.5M per annum, and the total economic impact from construction is estimated to be approximately \$12M.

The business case for the project has evolved over time. An update to the business case in January 2019 (**Attachment 2**) envisages 17 FTEs employed by the end of Year 3 and onwards. A 'conservative' estimate of 44,100 visitors in Year 1 rising to 59,000 in Year 3 has been adopted based on existing operator estimates and accepted by Deloitte as reasonable (p.32 of business case). By comparison other figures produced by Crowe Horwath, commissioned to provide a 'second opinion' to the operator figures, suggested visitor numbers could be 10-20% higher. As with other attractions, most of these visitors will arrive in the peak summer months of December to February dropping off considerably into the winter season.

A varied pricing structure will be used, with the majority of visitors paying \$45 (gross). The overall net revenue for the business will be less factoring in GST and commission to tour operators. Local visitors will pay a koha. Based on the above visitor numbers, the overall three-year profit and loss calculations in the business case estimate a company profit (after GST calculations) of \$207,537 in 2020/21 (Year 1), dropping to \$160,631 in 2021/22 (Year 2) and rising to \$591,655 in 2022/23 (Year 3) (page 44 of business case). Overall it is estimated that a cumulative profit of \$959,823 will be generated by 2022/23. However, the growth in company profit in Year 3 assumes the removal of the requirement to fund the lease, due to a desired purchase of the land and buildings from FNHL by the Trust in 2022/23. Clearly this intended purchase is dependent on the projected growth of visitor numbers and retail income in the business case.

Northland Inc. has carried out extensive testing of the financial model and its various assumptions. Their analysis suggests that an overdraft facility of up to \$200,000 (rather than \$100,000) should be obtained by Manea Footprints of Kupe Ltd to cover a possible lower number of visitors during the first year of operation than assumed in the business case.

The proponents were successful in receiving an allocation of \$4.6 million from the Provincial Growth Fund (PGF) in February 2018, one of the first PGF projects announced. However, changes to the project design have since occurred including relocating the ticket office, additional car park development, and the reposition and orientation of the building to face the harbour entrance. This has increased the project development cost and triggered the request for council investment.

The total indicative project cost, as of January 2019, is \$ 8.2 million and can be broadly broken down into three components (Table 1). It should be noted that this cost only includes gravel carparking and temporary pre-fabricated toilet and reception facilities. It is envisaged that the sealing of the carpark and a future reception building will be added as funding is applied for/becomes available, e.g. via the Tourism Infrastructure Fund.

Table 1. Breakdown for project costs by component

Cost element	Total	Share of total	Comments
Trust costs and company operation development	\$919,646	11%	
Experience development	\$3,395,746	41%	Includes design, fitout, content and equipment.
Construction	\$3,881,903	48%	Includes concept design, site works, building shell, ancillary buildings and contingency.
TOTAL	\$8,197,295	100%	

Funding sources and amount still required

FNHL is contributing \$1.2 million (\$0.4 million for the purchase of the land and \$0.8 million for construction). A contribution of \$1.1 million was sought from Foundation North in 2018. However due to oversubscription of the fund, only 56% of the sought-after funding was awarded. To make up the shortfall, funding from the Lotteries New Zealand Significant Project Fund is again being sought and the Trust are planning on making an application to this fund. The proponents have also indicated that the Ministry of Culture and Heritage's Regional Culture and Heritage Fund – a fund of last resort – could also be used to cover any funding gap but they need to demonstrate that regional funding sources have been exhausted.

Table 2. Breakdown for project costs by funding source

Funding agency	Total	Share of total	Comments
Provincial Growth Fund	\$4,600,000	55%	Awarded
Far North Holdings	\$800,000	10%	Awarded – does not include 'in-kind' support, advice and project management, and the cost of land purchase (\$400,000).
Foundation North	\$653,439	8%	Awarded, however, due to oversubscription of the fund only 56% of the sought after \$1.15M was awarded.
Lotteries NZ	\$1,643,856	22%	To be applied for. Funding from Lotteries Significant Projects Fund was sought in June 2018, however, the application was unsuccessful. Feedback from Lotteries NZ was that the proponents should first seek funding from a regional fund. Another application will be submitted prior to the close of the next funding round in March 2019.
Northland Regional Council	\$500,000	6%	Applied for (the subject of this agenda item)
Total	\$8,197,295	100%	

The proponents of the project are flexible on when council funding could be available – for example funding could be available to draw down towards the latter part of the build and fit-out (envisaged to be Q2 and Q3 of 2019/20).

In January 2019, the Northland Inc. Board formally recommended to council that the request for funding from the IGR be approved by council. The Board recommended two conditions:

1. That the full quantum of project funding (\$8.2M) be secured before any drawdown from IGR funds occurs. Any cost overrun for the building development be funded by supplemental funding and not from any funding to be used to develop the experience, fit-out or start-up operating costs.

2. Following stress testing on the financial model, an overdraft of \$200,000 is likely to be required (an extra \$100,000).

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Transfer \$500,000 from the CIF to the IGR and then allocate \$500,000 to Manea subject to conditions being met.	<p>A good proportion (73%) of funding has already been secured. Council funding would provide certainty and would allow the proponents of the project to show there is “skin in the game” from the region.</p> <p>Can “piggyback” on PGF funding and agreed requirements from MBIE.</p> <p>Would provide project funding to the west coast of Northland (Hokianga area) which has not historically received much investment from the IGR.</p>	<p>Would reduce the funds available in the CIF that could be invested in other projects or retained for growth (refer to Section 6 – Financial Implications below).</p>
2	Transfer a lesser amount from the CIF to the IGR and then allocate to Manea subject to conditions being met.	<p>The advantages are similar to Option 1 with the exception that a greater amount of funding would be retained in the CIF that could be invested in other projects or retained for growth.</p>	<p>Would reduce the funds available in the CIF that could be invested in other projects or retained for growth (refer to Section 6 – Financial Implications below).</p> <p>Would not fully meet the requested sum of \$500,000 and therefore the proponents would have to source this shortfall from elsewhere.</p>
3	Decline the request for funding	<p>Would maintain funding in the CIF for other projects or retained within the fund for growth.</p> <p>Would provide proponents with a clear decision and therefore</p>	<p>Uncertainty would remain around the funding shortfall of \$2,143,856.</p> <p>\$4.6M of central government funding awarded could be lost</p>

		allow them to modify their funding applications to the Lotteries Significant Project Fund and other funding streams such as the Minister of Culture and Heritage's Regional Culture and Heritage Fund (a fund of last resort).	from the PGF if the project does not proceed.
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The staff's recommended option is Option 1 as this option provides a regional contribution to a worthwhile project whilst safeguarding existing commitments budgeted in the IGR (refer to Section 6 – Financial Implications below).

The following conditions are recommended by staff to be set for Option 1 before funding is released:

- a. All resource and building consents are obtained for all elements of the project to proceed;
- b. Fixed price construction tenders that permits all elements of the project to proceed is secured;
- c. All funding has been secured to cover the development of the entire project;
- d. A funding agreement is signed between Te Hua o Te Kowariki Trust, Manea Footprints of Kupe Ltd, Far North Holdings (FNHL) and council that includes:
 - i. a list of key performance indicators;
 - ii. a schedule of payment instalments that are linked to construction milestones with the first payment not occurring prior to 1 November 2019;
 - iii. an undertaking that any cost overruns for the construction of the buildings will be covered by supplementary funding and not by reducing the experience development; and
 - iv. an undertaking that Manea will be held in perpetuity for the benefit of the local community and that should it ever be sold into private ownership that council will be refunded its \$500,000 funding allocation.
- e. Confirmation that an overdraft facility of \$200,000 has been secured.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy as the ability to transfer money between the CIF and IGR and allocate funding from the IGR has been specifically considered and provided for in council's Long Term Plan.

3. Policy, risk management and legislative compliance

The activities detailed in this report are in accordance with the IGR criteria, the Long Term Plan 2018–2028, and council's decision-making process as prescribed in the Local Government Act 2002.

Further considerations

4. Community views

The project is supported by local marae through the Te Hua o Te Kowariki Trust. Shane Lloyd Family Trust operates and manages several local businesses and has a mutual partnership with the Trust to contribute meaningfully to the local community through a Māori cultural tourism project. The project proponents have held several community meetings, leading to some of the changes in layout and design described above.

5. Māori impact statement

The project is being led by Te Hua o Te Kowariki Trust who represent four local maraes who are invested in the project. The project will showcase Māori culture and contribute to economic development in the Hokianga area. There is no known opposition to this project from Māori.

6. Financial implications

Staff have reviewed funding available in the IGR and conclude that there are insufficient funds available to cover the \$500,000 investment requested in the timeframe required without significantly impacting on existing commitments. Presently the IGR has a forecast closing balance of \$238,000 in 2018/19 taking into account current funding commitments and policy settings. The following table shows that there are insufficient funds available to allocate \$500,000 from the IGR for Manea, assuming all other commitments are maintained and providing for ongoing project development (\$300,000) and enabling investment funding.

Table 1. Investment and Growth Reserve cash flow balance
Cumulative value for the three years 2019/20-2021/22
based on current funding commitments and settings

Forecast opening balance as at 30 June 2019	\$238,010
<u>Funding</u>	
Redirection of investment income	\$5,099,999
Transfer from CIF for inflation-adjustment	\$334,263
Loan repayment	\$819,932
	<hr/>
	\$6,254,194
<u>Withdrawals</u>	
Northland Inc operations	-\$4,031,862
Project Development	-\$900,000
Project commitments	
Expanded regional promotions	-\$400,000
E350	-\$232,600
HAC	-\$500,000
	<hr/>
	-\$6,064,462
	<hr/>
Funding available to be spent on Enabling Investment over three years	<hr/> \$427,742 <hr/>

Note:

Analysis does not take into account other income, e.g. interest earned.

The Long Term Plan 2018-2028 allows council to make discretionary additional input from the Community Investment Fund (CIF) into the IGR as needed for economic development initiatives provided the CIF does not fall below \$12.5 million. The current CIF balance (as at 31

December 2018) is \$13,862,081. Deducting \$12.5 million from this, we can assume an available funding envelope of \$1,362,081 at present which could be transferred to the IGR (Table 2).

Table 2. Available funding from the Community Investment Fund

CIF Balance (as at 31 December 2018)	\$13,862,081
Minimum balance required by LTP	\$12,500,000
CIF funding able to transferred into IGR	\$1,362,081
less Manea	-\$500,000
less Transfer for inflation-adjustment	-\$334,263
Balance of CIF funding available to be transferred to IGR	\$527,818

Note:

Analysis does not consider any gains in the value of the CIF.

Over the last few months, council's managed funds (including CIF) have been hit by volatility in the global share market. This has had a negative effect on the performance of these funds, falling below the objective set. The performance of the CIF is however expected to improve in the year to 30 June 2019. However, this is contingent on global economic factors and the inherent risk of volatility in the stock market.

In terms of the effect of the withdrawal of funding on the CIF under Option 1, a \$500,000 withdrawal in 2019/20 (for example in Q2 November 2019) is projected to reduce gains in the fund by around \$20,000, i.e. from \$739,827 to \$726,337 in 2019/20, with a closing forecast 2019/20 balance of \$14,410,065.

7. Implementation issues

The project will be implemented by Far North Holdings Limited who have been involved in developing a number of infrastructure projects in the Far North so no implementation issues are envisaged.

Attachments

Attachment 1: Letter to NRC from NINC recommending Manea [↓](#)

Attachment 2: Manea Business and Development Plan - January 2019 [↓](#)

Authorised by Group Manager

Name: Jonathan Gibbard
Title: Group Manager - Strategy, Governance and Engagement
Date: 13 February 2019



21 January 2019

Cr Bill Shepherd
Chairman
Northland Regional Council
Private Bag 9021
Whangarei 0148

Dear Bill

Northland Inc. Board Recommendation to Fund: Manea Footprints of Kupe

Northland Inc has assessed the Manea Footprints of Kupe Project and whether it should be supported with funding from the Northland Regional Council Investment and Growth Reserve. There is no doubt that the project has the potential to provide a significant economic development benefit to the wider Hokianga community. The anticipated flow on effects will also be significant. This is an exciting project which Northland Inc believes will be a game changer.

The Directors have been concerned about the quality of the business case and financial model as originally submitted to Northland Inc, requiring considerable effort on the part of management and the board to review and correct deficiencies in the commercial assumptions and model and assist with sensitivity testing (ref attached business plan and financial model). These concerns notwithstanding, this project is seen as offering significant economic benefits to an under-performing area in Northland, with direct, positive impact to several targeted areas — e.g. the Maori economy, creating a cornerstone tourism asset in an under-served area, etc. Any residual risks to funders of the project including key commercial uncertainties are in NINC's view outweighed by the potential significant regional economic benefits. Those risks should be further mitigated by the recently proposed additions of experienced tourism operators on the Manea Footprints of Kupe Limited board.

Northland Inc recommends to the Northland Regional Council that the Manea Footprints of Kupe project be provided with an Enabling Investment Grant from the Investment and Growth Reserve of \$500,000 (excl GST). This recommendation is subject to the following conditions:

NorthlandInc

Growing Northland's Economy

Kia tupu ai te ōhanga o Te Tai Tokerau

1. The full project funding (circa \$8.2 million) must be 100% approved before any NRC funding drawdowns occur, and that the Trust will undertake that any cost overruns for the building assets will be covered by supplemental funding such that there is no ability to draw extra funds from the budget intended to fund the Trust's operating assets — e.g. the building fit out, the development of a quality "experience", and associated assets and start-up costs. (Note: This would in all likelihood require fixed price contracts for the building construction phase of the project).
2. The stress testing of the financial model has identified that an additional \$100,000 of overdraft facility (making the total overdraft facility of \$200,000) is required. Particularly if the project experienced a reduction in ticket pricing, retail sales and or visitors numbers in the first three years.

Please present this project to Council for its consideration as an application to the Investment and Growth Reserve.

Yours sincerely

Jim Makaweo
Deputy Chair



Te Hua O Kowariki Trust

Development & Business Plan Jan 2019



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CAVEAT

"The traditions presented in this document have been passed on to us by the elders of our ancestors and are foundational to our way of life. They are the local held oral traditions of places and sites of this area that we live with and care for.

We acknowledge and accept that there are other versions of these traditions. The issue for us will always remain the cultural duty to honour and uphold these oral traditions at all times."

John Klaricich
Te Hua o Te Kowariki Trust
15 September 15, 2014

Te Hua O Kāwariki Trust

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***I am Maori, My people are here
I can stand here because I am part of them.
My ancestors stood here before me.
My descendants can stand here after me.
In birth I was bound to this locality,
In death I contribute to its identity.
I belong here, I can stand here without challenge.
It is my birth right, the only spot on earth where I can
say this.***

Introduction – Te Hua o Te Kāwariki Trust

John Klaricich



We represent the people of four neighbouring local marae. By virtue of whakapapa we represent 1000 years, or 32 odd generations of relationship with this place, a place we consider extraordinarily unique. On that basis, we have made personal commitments to become involved in establishing a special cultural centre and visitor attraction locally.

Why? Because we are proud of the ancestral connections we have with this place, proud of our ancestors who bequeathed us such a rich heritage of traditions, places, art-work, songs and most importantly, examples of selfhood and identity for us to follow.

Why a cultural centre/ museum, when we have places immortalised by our ancestors, much as they were when they walked this land and travelled these waters? Simply, it is a Māori museum - we need to be able to tell the stories of our ancestors from the basis of the oral traditions and history, which have been

held in this particular local area, not from anyone else's versions. Plus, the desire to keep those ancestral places as they knew them. We see this as the ultimate fulfilment of the kaitiaki role we have.

We do not want our traditions and history lost, forgotten, misplaced or what is happening now, distorted by other people's renditions. There are no better placed people than we, to tell the story. We are uniquely placed, being face to face every day with the ancestral places located on both sides of the harbour. Equally there are no better placed people than we, to actively care for and with others, protect these irreplaceable sites from unwanted development and uses. We believe that with technology and examples of our ancestors' craftsmanship, we can bring 32 odd generations of relationship alive for successive future generations.

We are so proud to be part of this place, proud also of our traditions that makes us part of this nation of ours, a nation which began only 164 years ago, a young nation in world terms. Traditions and history inform us our ancestor leaders were courageous and confident men who were unafraid of the unknown, the latter-day leaders in particular had to respond to changes, new systems beyond their horizons and understanding and they did so with integrity, dignity, and consistent leadership.

The contributions our ancestors bequeathed to us, provides us an opportunity to assist future generations of people, we welcome the opportunity.

John Klaricich CNZM, QSO, JP

23 March 2004

Te Hua O Kōwhiri Trust

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EXECUTIVE SUMMARY

The Manea Footprints of Kupe Project will establish an interactive Cultural Heritage Tourism and Education Centre in Opononi, Hokianga – in the Far North, the cradle of Māori nationhood.

It will preserve, communicate and celebrate Kupe's voyage to Hokianga, his journeys across Aotearoa, his departure, the stories of repopulation and progression of his descendants, the local culture and the places of historical significance. Manea is the first footprint of Kupe, based on 1,000 years of Māori history and is the story of the human habitation on Aotearoa.

The project involves the construction of Manea – Footprints of Kupe Heritage and Education Centre (the Heritage Centre). Inside the Heritage Centre the stories (footprints) will be told using a combination of guided tours, 4D interactive performances and technology stations. This will be complemented by taonga repatriated from private collections and over time, from various museums.

This development is nationally, regionally and locally significant. Culturally the story of Kupe is significant to the history of Aotearoa and there are few, if any, significant icons honouring his deeds. To retain our identity, we need to celebrate our past, our 'sense of place' Te Ao Māori (Māori world view). The experience to be shared will create /experiences that relate to iconic sites and areas of wahi tapu that tell the stories of our tipuna (our ancestors), our people so they become alive in the minds of our manuhiri (visitors).

The government has placed a priority on regional economic development, particularly in regions where there has been long term under-investment and intergenerational poverty. Te Tai Tokerau/ Northland is one of the Government's priority regions. As one of the most deprived districts in Tai Tokerau, providing

enduring employment opportunities in the Hokianga is a priority. Investment in the visitor industry, particularly with locally significant cultural offerings is a very realistic development opportunity for this community and will add richness to the national cultural offerings particularly for short stay visitors who come to NZ via Auckland International Airport.

Nationally there is a growth in visitor numbers and there is an increasing interest in Māori cultural experiences. Visitor numbers and tourism spend in the Northland region have increased well ahead of the national average¹, but the Far North has not seen its share of the increase in visitor numbers because it lacks enough quality visitor experiences to attract the growing visitor numbers to the west coast.

This development would provide an all-weather attraction that adds to a developing network of cultural attractions across the region, including the Waitangi Museum, Hundertwasser Art Centre, Wairau Māori Art Gallery and the Hihiaua Cultural Centre in Whangarei and the proposed Tehononga Visitors /Hundertwasser Centre in Kawakawa.

Locally it is very significant from a social, cultural and economic perspective. It will:

Increase direct employment opportunities: An estimated 17 FTE's will be employed by year four as a direct consequence and 15 student trainees will be introduced in 2019/20. This will be Hokianga's third biggest employer after the Rawene Hospital and the Lloyd Group Copthorne Hokianga. A number of volunteers will also be employed which will provide stronger community connections.

Complement existing local visitor activities: It will complement visitor activities in the area namely; Footprints Waipoua – Tane Mahuta, Waipoua National

¹ There was a 10.5 per cent increase in bed nights in Feb 2017 compared with average growth in most other regions of 4 per cent.

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Reserve – Waipoua Forest, Hokianga Express Charters – Sandboarding and the Kauri Museum and will benefit from the proposed redevelopment of the Ngawha Springs Spa at Kaikohe which draws people to the west.

Improve viability of existing businesses and create new businesses: It will have a big impact on the viability of existing small business and downstream new business creation, not only from increased visitor traffic on the area. The exhibition at the Heritage Centre will identify geographic areas of significance to Kupe's landing and departure that visitors could then go and physically visit creating the opportunity for other boutique visitor experiences to be established in the area.

Improve employment outcomes for rangatahi: The Heritage Centre and other businesses that grow up around it will give local rangitahi(youth) a tangible reason to complete their education through:

- a. providing opportunities for employment in the creative arts (storytelling, pōwhiri and digital presentation) that is often more appealing to them;
- b. providing opportunities for rangatahi to have hands on training in digital technologies to be used in the Heritage Centre as a pathway to higher skilled jobs and qualifications;
- c. employment that is based on manaakitanga and kaitiakitanga which restores cultural identity and pride;
- d. support for skills to provide a quality experience through the support of Te Papa and training young people at the QRC Tai Tokerau Hospitality College based at Paihia; and
- e. Spin off traditional cultural opportunities through which carving, weaving, waka tours, artists etc can all thrive and would enhance and compliment Manea.

Provide a focal point for the community: The Heritage Centre will strengthen the cultural roots of the community, providing a much-needed all-weather venue extending the season for tourism and also providing a facility that can be used by

the community. It will also support and be supported by the adjoining café and i-site; and

Preserve local cultural heritage: It will enable tangata whenua, to preserve and communicate the stories of their ancestors and to share them with their tamariki and whanau.

PROJECT COST: \$8.2 m

TIMEFRAME FOR DEVELOPMENT: 18 months from receipt of building consent which is expected to be achieved in March 2019. (See Manea development programme page 21 below).

DEVELOPMENT PROJECT MANAGEMENT:

Te Hua o Te Kowariki Trust (the Trust) has endorsed a working group comprising: Far North Holdings Ltd, (construction project management, budget control, contract management & construction), Gibson Group (experience, technology and building fitout), FIT Architects (building design), NZ Māori Tourism (government liaison and funding), Te Hua o Kowariki Trust's Operational development manage and two trustees.

The Trust has also contracted an interim manager to work alongside the Gibson Group to develop the experience, to build the profile of the experience in advance of its opening and to train the guides. Operational Management:

A charitable, limited liability company Manea Footprints of Kupe Ltd (MFKL) has been formally established, with the Trust as the sole shareholder. The company will have 3 or 4 directors with commercial skills. Two directors have already been appointed and are working closely with the Trust through the development phase to ensure that the transitional between the development and operational phases are seamless. Application for charitable status is with the Charities Commission for approval.

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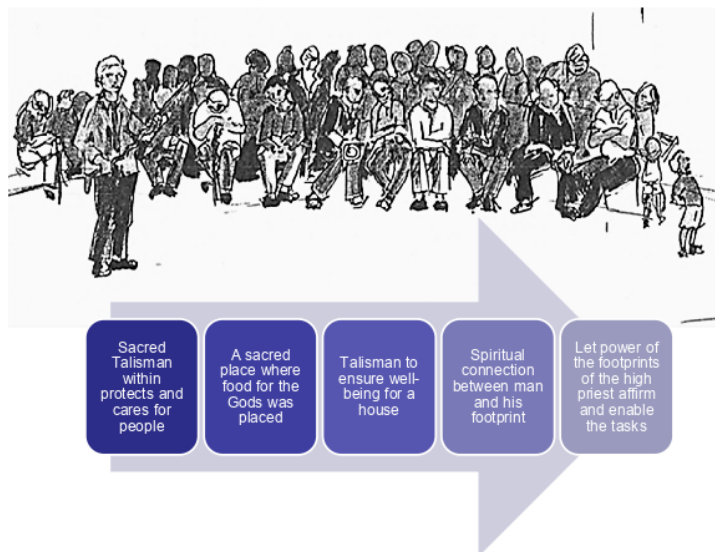
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THE PROJECT



The Manea project has been developed by the Te Hua o Te Kowariki Trust to establish a Culture Heritage and Education Centre as a tourism attraction in Opononi.

The attraction will be based on the Footprints of Kupe: Manea is the first footprint of Kupe, based on 1000 years of Māori history pertaining to Te Hokianga-a-Kupe, the returning place of Kupe. It is the story of the human habitation of Aotearoa.

The Heritage Centre would celebrate the journeys of Kupe, his departure, the stories of repopulation, and progression of his descendants, the local culture and the places of historical significance.

The aim is to construct a new heritage and education centre at Opononi, Hokianga in the mid-north of Tai Tokerau, using an interpretative approach to showcase Kupe's voyage to the Hokianga, his departure, the repopulation by his descendants, and their 32 generations of progress.

PROJECT COST

The total cost of the project is expected to be **\$8.2 million**.

PROJECT MANAGEMENT

This is a Māori community inspired and developed project. By commitment to this commercial venture, the Trust is hoping to further their aims to develop the social and economic wellbeing of the four constituent marae and whenua associated in the Hokianga district.

Through the establishment phase the Trust is being supported by project, business, tourism and hospitality management, and construction management expertise from successful tourism operators, NZ Māori Tourism, and Far North Holdings Ltd (Far North District Council's commercial infrastructure company). Far North Holdings Ltd will oversee the planning and construction of the project, Gibson Group is overseeing the experience development, technology and building fit out and the Trust has secured the service of Rawiri Paratene a well-known actor, producer and director to assist with the development of the experience (recording the stories, preparing the culturally acceptable scripts and working with the Gibson Group on the technical fitout).

Resource consent has been achieved and the centre is expected to take 18 months to build once building consents are granted which is expected to be achieved in March 2019.

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NATIONAL CULTURAL SIGNIFICANCE

This attraction is not only of regional importance but also of national significance given the importance of Kupe to New Zealand history and the lack of other significant icons honouring his deeds. To retain our identity, we need to celebrate our past, our 'sense of place', and Te Ao Māori (Māori world view). The experience to be shared will create experiences that relate to iconic sites and areas of wahi tapu (sacred sites) that tell the stories of our tipuna (our ancestors), our people so they become alive in the minds of our manuhiri (visitors).

The journeys of discovery of Kupe were undertaken at the time when Māori people were bound by their traditions, myths and legends and practices, with their spiritual realm in a cosmic unity of purpose. Kupe was an ocean traveller; he and his people were unafraid of the sea environment. The place of his departure needs to be celebrated and the traditions kept alive for future generations. The place he stood and bade farewell to the land that had captured his spirit remains as he left it. It is as important to our nation as it is to his descendants to celebrate the same unity of purpose the ancestor envisaged when he claimed the land for his future descendants.

Kupe's stories add a critical missing link in the authentication of Māori history. It completes the historical timeline of the first discovery of New Zealand in the Hokianga and the subsequent birth of the nation at the Waitangi Treaty grounds.

Once completed, this Heritage Centre would be a valuable potential addition to the Northland/ Tai Tokerau Landmarks that tell Aotearoa's story. (The *Landmarks - Whenua Tohunga* project is being supported by the Ministry of Culture and Heritage, the Department of Conservation and Heritage NZ).



STRATEGIC CONTEXT

Tourism is now New Zealand's top export which has brought capacity issues in some regions. Providing alternative visitor options in other regions can help to ease this pressure. Auckland International Airport Ltd and Air New Zealand have expressed support for improving the number, quality and dispersal of experiences in Northland to provide another option for short stay visitors coming through Auckland.

Visitor numbers and tourism spend in the Northland region have increased well ahead of the national average, but the Far North has not seen its share of the increase in visitor numbers because it lacks enough quality tourism experiences that would attract the growing visitor numbers to the west coast.

Despite recent increases in employment in the regions, Northland is still lagging other regions. The Far North has the third lowest employment rate of all NZ districts and the Hokianga remains one of the most socially deprived areas in New Zealand. Visible employment opportunities are needed to give rangatahi a reason to complete their compulsory education and to give them hope for a better future. Northland has the second highest Māori population of any NZ region and according to DHB statistics, 72 per cent of Hokianga's population are Māori - any opportunities for tangata whenua to remain in their rohe and

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connected to their cultural roots will strengthen the community and help the region to maximise its economic potential.

Northland aspires to be in the top three most visited regions. The Tai Tokerau Northland Regional Economic Action Plan prioritises developing more compelling value propositions based on linking cultural and natural advantages and creating authentic visitor experiences throughout the region which ultimately encourage the visitor to stay longer; reducing the seasonality of the sector through all-weather tourism products; and improving product dispersal across the region. The Manea Footprints of Kupe meets all three of these objectives and is a priority project for the region.

Locally the environment in which a development like this exists is also changing:

- In November 2017 the Copthorne Hotel and Resort Hokianga opened an extension to its premises to take accommodate increasing visitor numbers;
- The Peppers Carrington Resort (on the Karikari Peninsula) once fully developed (700 additional beds) will be demanding experiences to meet the needs of its guests;
- Cruise ship numbers to the Bay of Islands have increased, and are looking for innovative product for guests, particularly all-weather options;
- The QRC Tai Tokerau Resort Training College at Paihia is providing training to support the development of high-quality visitor experiences.
- Ngawha Springs Spa in Kaikohe is experiencing a surge in domestic visitors from Pou Herenga Tai – Twin Coast Cycle Trail, which is drawing visitors towards the west coast.

ECONOMIC IMPACT

Total annual tourism spend in Northland for the year ending May 2018 is nearly \$94 million². In the period from 2014-2017 the rate of spending grew annually by between 8-10 per cent. The total economic impact of Manea is expected to be in the order of \$17.5 million: a direct economic impact of construction for this project of \$12 million over the 18-month period of construction and an ongoing economic impact of \$5.5 million per annum based on estimated visitor numbers to the Manea experience of 41,500 per annum. This will have a significant ongoing impact on the Hokianga economy. (Refer Economic Impact Assessment attached as Appendix 1.)

Strategically, the attraction will provide an opportunity to boost the Twin Coast Tourism Route (New Zealand's first tourism highway) which is currently being renewed.

Other cultural experiences, some of which have recently been funded, will give support to and benefit from the establishment of the Manea Centre - in particular the Waitangi Museum, Hundertwasser Art Centre, Wairau Māori Art Gallery and the Hihiaua Cultural Centre in Whangarei and the proposed Tehononga Visitors /Hundertwasser Centre in Kawakawa.

The proposed redevelopment of Ngawha Springs Spa is likely to draw visitors to the west coast and Manea completes the link, joining the Waitangi Treaty Grounds, Cape Reinga, Waipoua Forest and the majestic Tane Mahuta, the Kauri Museum and the new Twin Coast cycle trails.

The experience itself will identify geographic areas of significance to Kupe's landing and departure that visitors could then go and physically visit, creating the opportunity for other boutique visitor experiences to be established in the area.

² Source: MBIE Regional Tourism Dashboard

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An earlier business case (2010) used data comparison from the Kauri Museum. The Museum is an excellent comparison of the potential of Manea. They are both off the beaten track on the west coast of the region; they both tell the local story which is the way that Tourism New Zealand says is the future. They both have strong community support. As a community business, the Kauri Museum impact on a remote area is considerable. They employ 30 FTEs and have approximately 100 volunteers that help in a variety of ways. In this Business Case, in the first year, it was envisaged that Manea would employ up to 14 FTEs and 7 volunteers to provide an all year round, seven day a week service.

Auckland Airport is considering a marketing investment, as, strategically, any attraction north of Auckland could mean further patronage for it on tourism routes both domestically and internationally. Air New Zealand sees the ability to tell the local stories as dramatic as Kupe, as being an international attraction and have expressed interest in basing an international marketing campaign around Kupe and the attraction.

EMPLOYMENT

The Heritage Centre will provide local employment opportunities in an area of high unemployment.

An estimated 17 FTE's will be employed as a direct consequence and 15 student trainees will be introduced in 2019/20. This will be Hokianga's third biggest employer after the Rawene Hospital and the Copthorne Hokianga. A number of volunteers will also be employed which will provide stronger community connections.

This Heritage Centre will provide a source of trained staff for other local businesses as they grow and can provide support for higher quality visitor services.

Impact for future employment – the Heritage Centre and other businesses that grow up around it will give local rangatahi a tangible reason to complete their education through:

- providing opportunities for employment in the creative arts (storytelling, pōwhiri and digital presentation) that is often more appealing to them;
- providing opportunities for rangatahi to have hands on training in digital technologies to be used in the Heritage Centre as a pathway to higher skilled jobs and qualifications;
- employment that is based on manaakitanga and kaitiakitanga which restores cultural identity and pride; and
- Spin off traditional cultural opportunities through which carving, weaving, waka tours, artists etc can all thrive and would enhance and compliment Manea.

EDUCATION & COMMUNITY WELLBEING

The Heritage Centre would play a key role in plans to introduce these cultural stories into the local school curricula to provide a more relevant/authentic curriculum to improve educational outcomes for the students and the schools. The Gibson Group is working with Opononi Area School and Te Kura Kaupapa Maori O Te Tonga O Hokianga to develop an assessment-based programme that would see students creating written material and providing photographs and video footage for the interactive experience. This programme will also involve locals with film experience supervising the work of the students. Involvement in creating the experience will give students and the local community ownership and involvement in the project, with the possibility of jobs on opening.

The Trust is working with the Ministry of Social Development, Ministry of Education, Te Wananga o Aotearoa, industry training organisations and trusts providing pastoral care and mentoring support to establish pathways to training and employment. This will ensure that as far as possible, locals are able to be

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employed on this project and to enter into other work areas e.g. trades apprenticeships, as a result of the development phase of Manea.

As a Māori and community owned business, the treble bottom line with the social responsibility and health (mental wellness) improvement alongside, economic, cultural, education and employment benefits are paramount. These are identified in the introduction by John Klarich at the beginning of this plan and are examples of selfhood and identity to follow providing a much deeper opportunity for community wellbeing than simply employment.

A measurement of these locally can be monitored to demonstrate an improved community: less likely to physical violence, drug dependence and theft along with measures such as improving employment outcomes, better educational outcomes, more small enterprises being established and better resilience in existing businesses.

THE PARTNERSHIPS

TE HUA O TE KAWARIKI TRUST

Te Hua o Te Kowariki Trust consists of kaumatua who represent the four-local marae in the area encompassing Omapere and Opononi. These representatives are endorsed by the marae as having the knowledge and skills to oversee this project.

- Maraeroa Marae kei Pakanae
- Whakamaharatanga Marae kei Waimamaku
- Te Whakarongotai o Kokohuia Marae
- Te Kaiwaha Marae kei Waiwhatawhata

The Marae and location are recognised as the cradle of the Ngāpuhi iwi. They represent the ancestral connections to the rich heritage of places, traditions, art work, songs, culture and identity held in the particular local area. On that basis, they have made personal commitments to become involved in establishing the Manea Footprints of Kupe Heritage and Education Centre locally.

SHANE LLOYDD FAMILY TRUST

The Shane Lloyd Family Trust operates and manages several local businesses, some which are connected to the Te Hua O Te Kowariki Trust. They are the owners of the Copthorne Hotel and Resort Hokianga and major shareholder in Kupe Hokianga Number 1 Ltd operating the “Footprints Waipoua” Cultural Tour of the Waipoua Forest, including Tane Mahuta. Footprints Waipoua was acknowledged in the 2006 publication, Lonely Planet: Code Green: Experiences of a lifetime as one of 82 amazing journeys and life changing experiences in the world. The Te Hua O te Kowariki Trust has a mutual partnership with the Shane Lloyd Family Trust to contribute meaningfully to the local community through a Māori cultural tourism project.

FAR NORTH DISTRICT COUNCIL & FAR NORTH HOLDINGS LIMITED

Far North Holdings Ltd (FNHL) is the Far North District Council’s commercial infrastructure company. FNHL’s involvement reflects the commitment of the Far North District Council to supporting the development of this part of the district.

The land owned by the Shane Lloyd Family Trust is being purchased by Far North Holdings Ltd, to ensure all investment made in Manea is effectively held in Trust for the community and ratepayers of the Far North District. This ensures the building and land, and all third-party investment, is secured in perpetuity. In the event of any future complications the investment reverts back to FNHL and therefore Far North District Council, so that this community tourism facility is maintained.

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CENTRAL GOVERNMENT

In February 2018, the Government announced details of the Provincial Growth Fund. This Fund will make available \$1 billion per annum for the next three years. At this time, the Government announced its intention to provide \$17.5 million to projects in Northland “to help create jobs, address infrastructure deficits, diversify the regional economy and enhance tourism opportunities that exist in Northland”.

Minister Jones recognised the growing demand for visitor experiences and the opportunities tourism presents for the region. He announced \$4.6 million to support the Manea Footprints of Kupe experience. This represents approximately 50 per cent of the cost of the project.

INDUSTRY PLAYERS

In the development of the concept Manea has received universal support expressed in letters from most of the inbound Tourism players. Letters of support have been received from:

- Renaissance Tours – tour operators Royal Caribbean, Celebrity Cruise lines and Azamara Club Cruises calling at the Bay of Islands by 2016 they are scheduled to bring 60,000 cruise passengers to the Bay and increase this in subsequent years.
- APT Group – New Zealand based who conduct escorted coach tours to New Zealand.
- Goway Travel – Australian based tour Group Company.
- Grand Pacific Tours - Australian based tour Group Company.
- Group Events – Australian based school education and adult special interest groups.
- Intercity Group/ Fullers - significant players in New Zealand Tourism.
- Kirra Holidays – South Australian travel company.

- Moatrek – a small group tour company with a strong market from the UK, US and Europe.
- Pacific Destinationz – New Zealand and Fiji inbound Tourism operators.
- Stay and Play – New Zealand Inbound Tourism Operators.
- Stray Adventure Travel Networks – Operates a nationwide ‘hop on hop’ off transport service for adventurous travellers to New Zealand.
- Tendenza Tourism Services – specialise in providing European representation for New Zealand tourism products.
- ANZCRO Australia – Travel and product listing company.
- KUPU Tourism – Australian based, sharing the word on “Māori business in tourism”.
- Winchester Travel Ltd – New Zealand based Asian tour market specialists
- AOT New Zealand – One of New Zealand’s largest inbound tourism operators with key client spanning 25 years in leading markets such Europe, UK and US.

LETTERS OF SUPPORT FROM OTHER ORGANISATIONS

- Air New Zealand – Supporting the concept of raising Kupe to a National Tourism icon.
- ATEED – Supporting the concept that aligns with the Auckland visitor plan providing authentic cultural experiences.
- NZ Māori Tourism – supporting the project believing that that the centre will provide an iconic and unique experience that will enrich both the New Zealand tourism experience and our nation’s history
- Auckland Airport – Supporting Northland as a Tourism destination and this project.
- Northland Inc – improving the length of visitor stay, spend and regional dispersal is a key outcome of the region’s Tourism Strategy and this project is a priority action in the Tai Tokerau Northland Economic Action Plan.

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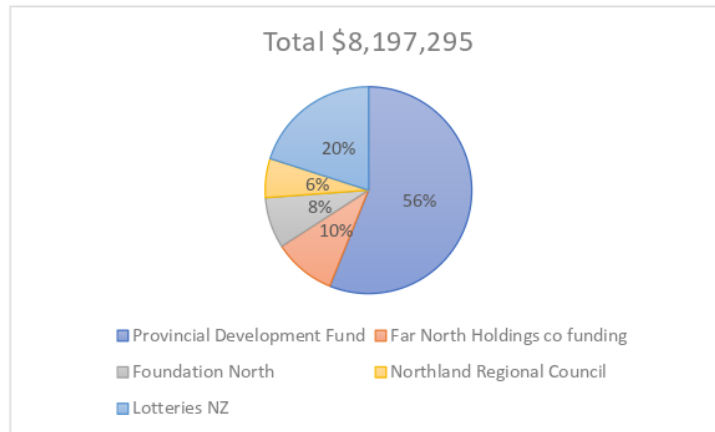
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DEVELOPMENT COSTS



FUNDING

The summary of costs set out on this page, reflect a close reworking of the costs based on quantity surveyors' estimates (attached as Appendix 2). Third party review of the technology and the proposed experience has been sought from Te Papa to ensure that potential risks and issues have been identified, mitigated and budgeted for.

³ A funding application to Lotteries Significant Projects Fund (LSPF) was considered in June 2018, however, the application was unsuccessful. While the application met the criteria for the fund, LSPF considered that ... " Given that this request only requires a small amount to meet the funding shortfall and the Trust has been encouraged to make a full funding

The Trust sought \$1.15 m from Foundation North after the Lotteries Significant Projects Fund declined its application for funding³

An application was made to Foundation North for \$1.15 m. In November 2018 the Trust was advised that, due to over subscription to the fund, the Trust would receive 56 per cent of the funding it applied for (\$653,439).

The Trust has reapplied to LSPF for \$1,643,856, being the balance of the funding required should the Northland Regional Council funding be secured.

A Business Case is included as Part 3 of this document.

DEVELOPMENT PROCESS AND COSTS

Once government funding was received, the Trust and its contractors were able to complete the concept and preliminary design work – all project cost assessments to this point were indicative until this more detailed design work was able to be undertaken.

The design, technical fit-out and operational layout required for the Kupe experience dictates the building form and this is critical to the success of Manea. This is now well informed and has resulted in additional cost for the experience itself, with the specification now being better understood. In addition, the infrastructure needed to support this by way of transformer, back- up generators has also added to the cost.

request to a regional philanthropic trust, the Committee considered this project had more viable funding alternatives than some of the other requests it considered."

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This work then provided sufficient substance to the experience and its design to re-engage with the community on the project. The community consultation which was undertaken in August/ September 2018, has resulted in the following changes to the project:

- Relocation of parking, ticketing and toilets from the i-Site to Heritage Centre site; and
- Subsequent repositioning of the Heritage Centre on the site to accommodate these changes and to orient it to face the harbour heads.

Since the original development and business case was done 12 months ago, construction costs have increased by \$1 million. This cost increase is being managed through value engineering materials, construction techniques and operations requirements as well as deferring some functional construction into a future growth plan.

Additional unanticipated costs including carparking, ticketing and toilets along with the need for a new transformer and back-up generator are being worked through with Far North District Council and other funders.

Funding		Total	
Provincial Development Fund	4,600,000		55%
Far North Holdings co funding	800,000		10%
Foundation North	653,439		8%
Northland Regional Council	500,000		6%
Lotteries NZ	1,643,856		22%
	8,197,295		
Development Costs		Total	
Te Hua O te Kowariki Trust			
Trust Costs	222,497		
Company Operation Development	697,149		
TOTAL	919,646		11%
Experience Development			
Design	321,949		
Specialist Fitout	581,966		
Content production	1,273,700		
Equipment Procurement	982,912		
Final Installation and Handover	90,589		
Architectural	144,631		
TOTAL	3,395,746		41%
Construction			
Concept Design	299,600		
Contract Costs	523,603		
Site Works	652,353		
Building Shell - Manea Heritage Centre	1,623,572		
Retail, Ticketing Toilets Building	447,065		
Concourse	175,710		
Contingency	160,000		
Construction Costs	3,881,903		48%
TOTAL BUDGETED COSTS		8,197,295	

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LAND AND ASSOCIATED PROPERTY

A sale and purchase agreement have been agreed between the Lloyd Family Trust (the present land owners) and Far North Holdings Ltd (FNHL an entity with commercial imperatives), who will undertake the construction of the Heritage Centre. The Trust will then lease back the buildings from FNHL. This transaction will be completed once all the funding has been secured.

The Trust has a MOU in place with FNHL to begin construction once the other funding has been secured. In the meantime, government funding enables pre-work such as design, consents and some of the experience development to be undertaken.

The Trust will fund the development of the theatre experience and interactive experiences and will own all of the chattels in the building.

Figure 1: First concept of the outline of the Manea building



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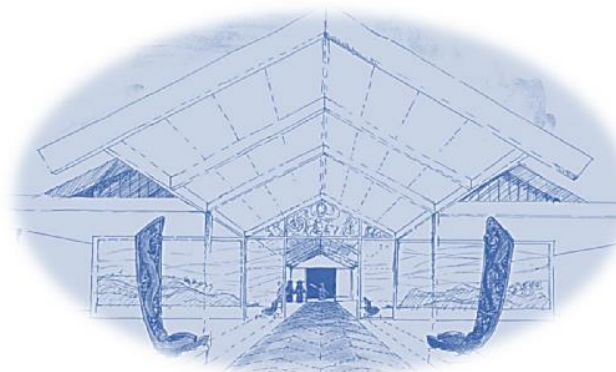


Figure 2: Initial Concept of the entrance to Manea, depicting a Waka landing on the sand

STAGE 1: PLANNING, DESIGN & CONSENTS

This is the set-up stage to move all the preliminary thinking to reality, the design and consents. The exact specifications for the building will depend on the nature of the theatre experience so full development of the theatre and interactive experience is required to finalise the architectural design. This part of the process is being driven on behalf of the Trust by FNHL who is also providing in-kind services, including project management, value engineering the project through the development cycle and acting as engineer to the contract. This in-kind professional support is worth \$200,000. Other funding support has come from Regional Growth Initiatives funding (\$50,000 MBIE), Far North Holdings Ltd (\$10,000) and the Northland Inc Investigation Fund (\$40,000).

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STAGE 2: CONSTRUCTION OF THE MANEA BUILDING (SHELL)

FNHL will construct the buildings to the agreed architect specifications. The build will be project managed by FNHL. The cost of the architect supervision will be for Stages 2 and 3 to ensure that there is continuity.

STAGE 3: FOOTPRINTS PRODUCTION & FIT OUT

This is the heart of the Manea – Footprints of Kupe experience which is to build an attraction that will be an enduring memory to the manuhiri. It has to be world class in terms of tourism product but at the same time an experience with cultural integrity. There are six major components of the experience, three inside the building and three outsides.

The differentiating component of this experience is the theatre performance set out below. This will be performed by trained, local performers. It is intended that the two local Kura will be closely associated with the development and production of the stories from the outset. The technology used to enhance this experience has been reviewed by Te Papa who consider it to be standard and well-tried technology. The suppliers of the technology work extensively with Te Papa and have also equipped and have service agreements and remote monitoring of systems with other experiences in remote locations in New Zealand and around the world.

THE WHAKAPAPA EXPERIENCE

At the start of the experience the explanation of Whakapapa. The relationship to Kupe and oral history in context.

THE CREATION BRIDGE

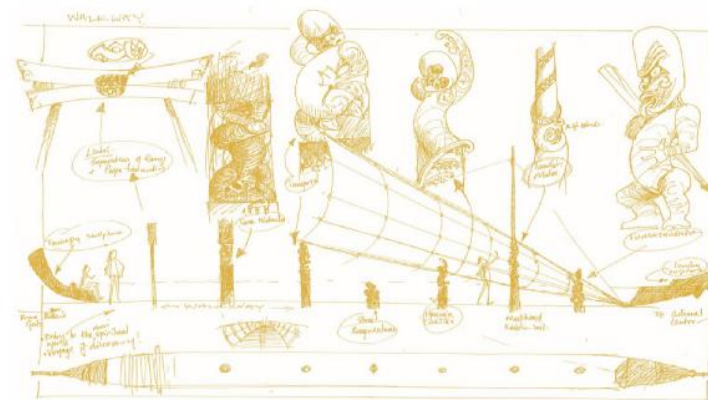


Figure 3: The initial concept drawings for the Creation Bridge

As part of the walkway a waka representation incorporating Pou carved with figures representing the Māori Gods will lead visitors to the experience. Guides will give explanations of these carvings.

THE LOOKOUT

Manuhiri will be invited to a lookout area just adjacent to the Manea building after witnessing the Manea experience. The lookout gives a great view of harbour heads and other landmarks mentioned in the Kupe Stories. It is the ideal spot for photographs.

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MANEA HERITAGE CENTRE

Manea is divided into three sections, each a station. The front section is known as the pōwhiri area, the centre is the Kupe Theatre and the back is the Footprints exhibition. The building has been designed as a modern take of the traditional wharenui (meeting house). The roof extends out over the marae ātea to form a welcoming porch entrance. The perforated rain-screen cladding has the “placeholder” pattern, to be developed with Māori design.

MANEA PŌWHIRI SPACE

The first part of the journey is into the Heritage Centre where a formal pōwhiri may take place.

The space is given over for wharenui protocol, general purposes, displays, interaction, and evening conferences. The symbolic waka carries visitors, tourists, and manuhiri forward to the second inner door - depositing waves and sands of the sea. He Tauihu: The Prow - there are two on either side of the entrance door, that provides a concept of the waka appearing into the space.

The tour group assembles with their guide on the marae ātea, greeted by a karanga and whakatau and is called on and into the pōwhiri space. The mihi (greeting) is followed by the waiata. Some of the waiata have been composed by local people specifically for the Heritage Centre to tell of events, feelings and expressions of the history and culture of Hokianga. Visitors, tourists, manuhiri may if they wish to respond, can do so in their own language. (Incentive for us to have language skills). Guides/ volunteers lead the visitors around the display cases of local taonga that are at the other end of the pōwhiri space.

The objects on display might be of two types. There might be a small collection of historically precious objects from the Hokianga repatriated from various private or museum collections, but also there might be a collection of contemporary cultural artefacts. The guide/volunteers incorporate the objects

into the visitor experience by making the connections between these objects and the whakapapa of the people who produced them and honour them.

The physical space is designed to accommodate not only the pōwhiri activities and the object cases and displays, but to also serve as a multi-purpose space for hui or social activities. Provision is therefore made in the technical design for a video projector, sound system, and for dimmable long-life LED track spotlights.

In the tour experience, having introduced the objects so that they can spend more time contemplating towards the end of their visit, the guide prepares the group for the Kupe experience and ushers them into the theatre.

THE KUPE THEATRE



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From a visitor perspective, the Kupe Theatre will be the highlight of the experience. The Kupe Theatre is the stage where the stories of Footprints 1 & 2 are told.

The theatre tells the story of Kupe's departure from Hawaiki, arrival in the Hokianga and adventures in Aotearoa, settlement and naming of sites in the Hokianga and departure, the rebuild of Ngatokimatawhorua and the arrival of his grandchildren Nukutawhiti and Ruanui back at the heads. It is a rich and energetic story involving taniwha, celestial navigation, great waves, storms, sacrifice and landings.

The theatre has raked seating flanking a central aisle and facing a multi-media "stage" for both actors and visual effects. The stage itself might be based on a waka hourua where the sails are tall moving screens, a large projection behind the sails (revealed during the show as the sails move by animatronic devices, with the shape of the harbour heads on either side) and a large floor projection (for water, sand, fire textures).

It packs a big technology punch. It has around 15 video projectors, a huge surround sound system, some "4D effects" like wind, spray and smell, and perhaps under seat "ticklers" (e.g. to give the feeling of the whēke's tentacles crawling through the space) - not to mention big theatrical lighting rig and sub-woofers for the storm scenes, along with "butt kickers" under each seat to deliver percussive effects in sync with the sound and visual effects.

Since the project was first mooted and the 2014 plan, the technology has advanced rapidly. The Trust is now investigating 7D technology which appears to be more spectacular and cheaper. The technology design includes headset radio microphones and sound mixer to integrate the performer's voices into the overall sound design of the theatre and show control systems to allow the performers to trigger effects when required.

The technology design calls for economical and long-life projectors and lighting and includes a store of spare parts to allow units to be swapped out and sent back to base for repair when necessary.

FOOTPRINTS EXHIBITION

This space changes the pace of the visitor experience. After a brief introduction from the guide, the group is free to explore the displays at their leisure. Following on from the theatre experience, which has taken visitors through a spectacular tour of the first footprints of Kupe and his immediate descendants, this post-show experience would be an interactive discovery of the later footsteps, about the human habitation of the Hokianga, from Rāhiri through to modern times.

While normally the space offers a self-paced experience, for an educational visit a guide could route one of the interactive devices to a large projector and present the rich multi-media experience simultaneously to a whole class. The principle elements of the space are around 14 individual digital columns (two for each of the 7 remaining "footprints"). Each column integrates an "oversize iPad" (i.e. a touch screen say 22" long mounted vertically in a surround reminiscent of an iPad) with medium size object and graphic display cases. The design of the islands is such that 2-3 people can stand around the oversize iPad, while the same again can explore the text, graphics and object components of the display.

The islands are laid out in the room in such a way as to allow the space to be also used for seminars, conferences etc., and the technical design for the space includes a video projector and sound system which can be used for this purpose, as well as for displaying the interactive journeys of the digital columns to a school group.

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Each "footprint" can be explored interactively using the touchscreen. The digital content design is highly visual and uses multimedia in innovative ways. A "content tree" for each footprint would be organised vertically, so that visitors would use the touch screen to drag topics down the screen onto the "digital ground" where they could be opened and explored in detail.

Each set of footprint content would be organised into 3 layers of "drill down". The first layer gives the general overview, but each component of that layer can be "opened up" to reveal a deeper layer of more detail, and so on for the next layer, so that visitors can "drill down" into the content areas that interest them from layer to layer. We would see there being sufficient content discoverable in this area to give 35-40 minutes' experience to the "knowledge seeker" category of visitor, whereas those exploring but with other levels of interactivity allowing a more "headline" experience of 15-20 minutes for others. Technically the interactive content would be programmed in formats like websites, with a user-friendly Content Management System available to the centre operators to add and update content easily.



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STAGE 4 PRE-OPERATIONAL DEVELOPMENT

STAFF RECRUITMENT AND TRAINING.

The Trust has appointed a Visitor Experience Development and Marketing Manager to assist to develop the experience as soon as possible and thereafter, a general manager at least 9 months before opening. The general manager would be expected to employ and train all staff required to deliver a quality experience within that timeframe. Technical staff will be employed and trained to manage the technology once it is installed and operating.

MARKET THE EXPERIENCE

Marketing should start at least eighteen months out from opening. This is to allow inbound tourism operators to list and advertise the product. The marketing plan is expecting some early adopters as indicated in the letters of support, but many operators will wait and see the product before commitment. Part of the pre-operational marketing will be special performances aimed at the operators two months out from opening. The domestic market will also be targeted.

Market Development	Cost
Raise the profile of the attraction to become a national tourism icon	\$10,000
Attract domestic visitors to Manea	\$10,000
Develop marketing relationships with Local Northland Operators	\$20,000 Photo shoots and imagery \$20,000 Marketing Collateral
Develop a web marketing and booking presence	\$25,000 Website with booking system
Develop the Cruise Liner business	Time & Collateral
Increase Coach tours	Time & Collateral
Develop Tours with Wholesalers	\$20,000 for TRENZ 20/21 Time and Collateral
Develop and market Manea specific merchandise	\$20,000 Retail specialist
Develop brand and brand collateral	Brand \$15,000
Total	\$140,000

WORKING CAPITAL

The company may have the ability to fund the required working capital from GST returns, however timing of GST is an issue and on the advice of Deloitte this amount has been accounted for in the funding being requested to ensure that the business is established on a sustainable footing.

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RISK ANALYSIS

Risk	Level	Description of Risk	Mitigation
Patronage	Medium	<ul style="list-style-type: none"> Possibility of forecast patronage not being realised. 	<ul style="list-style-type: none"> Planning and development models are based on the actual growth in visitor numbers which has already exceeded the original forecasts for growth. The projected patronage is based on conservative figures that have been peer reviewed and validated by Deloitte in 2015 and Crowe Horwath in 2016. The experience will be tested with the Trust and tourism operators as it is developed to ensure that it not only accurately reflects that stories of Kupe but is presented in a way that resonates with visitors. Recruitment of a marketing manager and the establishment of a marketing campaign is scheduled one year out from opening to ensure that this experience is factored into the programmes of inbound tourist operators for the 2019/20 season and is promoted in advance of opening to domestic visitors. Pre-booking of groups and scheduling with tourism operators will be the priority.
Greenfields	Low	<ul style="list-style-type: none"> This project is a greenfields development and regional cultural centres and museums do not have a history of commercial success in New Zealand. 	<ul style="list-style-type: none"> With the guidance of the Trust on the cultural authenticity of the experience, the stories and the production will be established early while the building consent process is being completed, to ensure that the building fits the experience on offer. The Trust can leverage the experience of Footprints Waipoua in the provision of a visitor orientated and culturally authentic experience. Te Papa has offered training support for front of house functions, hosting visitors, interpretation training and writing, health and safety. Support from Far North District Council and its commercial property developer, Far North Holdings Ltd brings commercial property development expertise to the development. FNHL has a track record of delivery to time and budget. Early appointment of a skills-based board to govern the establishment and ongoing operations of the experience, and early appointment of the key positions is also planned to mitigate this risk. The Regional Tourism Organisation is providing support and advice and will promote this experience alongside other regional visitor experiences. There are other regional developments that will feed tourism to this western part of the region e.g. Waitangi Museum and Ngawha Springs.

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			<ul style="list-style-type: none"> Securing as consultants and champions, the Gibson Group and Associates, who have an international reputation for designing and building world class visitor experiences Through Footprints Waipoua, developed an ongoing relationship with Te Roroa Iwi and the future Waipoua National Park, to develop the Hokianga /West Coast Northland as a destination.
Building cost increases	Medium/ High	<ul style="list-style-type: none"> Increases in building costs caused by delays in building consents and possible shortage of builders and sub-contractors to complete the project. 	<ul style="list-style-type: none"> FNHL has considerable expertise in managing building processes in the region and understands the requirements of the consenting bodies. Building costs will continue to be assessed and adjustments made to design and materials to meet budget. This project is likely to be tendered in advance of some of the other regional development projects and is therefore not expected to be crowded out by other regional developments.
Cultural Authenticity and Integrity, and community engagement	Medium/High	<ul style="list-style-type: none"> Managing the tensions between commercialism and cultural authenticity and expectation. This venture will rely on community volunteers to present an authentic and culturally acceptable experience. The benefits of commercialisation of culturally significant stories do not always accrue to the culture concerned. This is a risk around merchandising, copyright and IP protection. 	<ul style="list-style-type: none"> Content will be carefully scripted and rehearsed with Trust approval A full and rigid training regime will be developed with all staff and volunteers trained and tested before exposure to the public. Performance will be critiqued on a regular basis. Volunteers will be expected to undergo training and assessment. There will be a common behaviour code strictly enforced. Register for Qualmark rating. The operating company will work with local schools to create connections to education and pathways to employment for local youth. Look for partnerships with expertise in merchandising and IP protection.
Funding	Medium/High	<ul style="list-style-type: none"> Gaining full funding for the project by June 2019. Having sufficient funding in place to be able to complete resource consent and project management expertise required for other funders to be able to invest. 	<ul style="list-style-type: none"> MBIE and the region (Northland Inc and FNDC) have contributed \$100,000 to support the resource consent process and some of the initial set up costs. The Government has committed a significant proportion of the funding (55 per cent) required which will provide confidence to other non-government funding partners to invest and enable them to invest at a level commensurate to their available funds and community demand on them. Timeframes from other funders have resulted in delays in achieving full funding according to the original development process but this has had no impact on cost.

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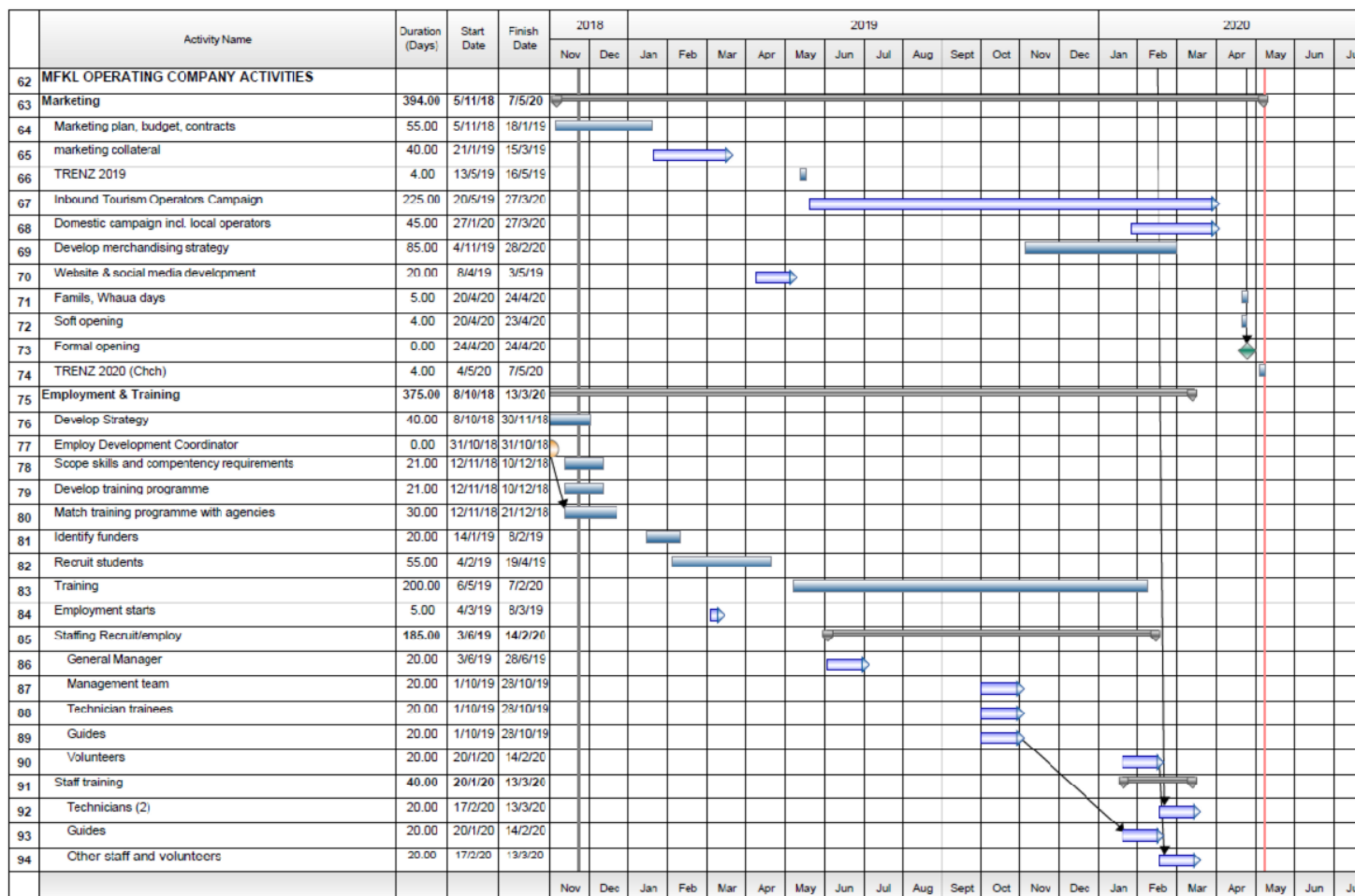
			If there is a shortfall from these funders there are other avenues for funding to make up the difference e.g. Lotteries Significant Projects Fund or Ministry of Culture & Heritage's Regional Culture and Heritage Fund (a fund of last resort).
Seasonality	High	<ul style="list-style-type: none"> Traditionally most of the tourism trade occurring in Northland is between November and April with subsequent effects on employment, cash flow and profitability. 	<ul style="list-style-type: none"> Manea will have an advantage as it is in the main, an indoor activity The region has developed a strategy that include promoting Northland in the shoulder seasons. The business will promote shoulder season tours such as school tours, corporate functions and winter tours with indoor activities. Events and packages to encourage the domestic tourist in the off season. Encourage Chinese tours for off season (winter tours). Work with the Regional Tourism Organisation to promote the "winterless North"
Technology sustainability and durability	Medium	<ul style="list-style-type: none"> The experience will rely on technology and power to operate a seven-day week with minimal interruption. It will also require good on-site technical support. 	<ul style="list-style-type: none"> Gibson Group and Associates have a wide and up to date knowledge of both local and international technology, sound and lighting products available, and would specify for this project products that will give good longevity and come with a reasonable warranty period. The Trust has sought a third-party review of the technology from Te Papa who has affirmed that the technology used can be serviced and monitored remotely. Backup generators for power are included in the building development. Depreciation has been budgeted for equipment replacement. A Service Level Agreement (SLA) would provide immediate phone support for any problems and verbal support for the staff and electricians to communicate directly with the people who built the system. The full SLA would be provided during the final design phase of the project when the scope of the project has been developed and specific details are in place for the technology. Spares for the "mission critical" elements in the experience will be provided within the build package of the project.



	Activity Name	Duration (Days)	Start Date	Finish Date	2018								2019								2020					
					Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
1	Manea Footprints of Kupe - Design Programme Timeline Gibson and FIT - Revision 11 dated 22.10.18																									
2																										
9	DESIGN & CONTENT DEVELOPMENT	171.00	3/8/18	29/3/19																						
10	Preliminary Design / weeks	35.00	3/9/18	19/10/18																						
11	Approvals / week	5.00	22/10/18	26/10/18																						
12	Developed Design / weeks	35.00	24/10/18	14/1/19																						
13	Approvals - CONSTRUCTION DESIGN FREEZE	5.00	17/12/18	21/12/18																						
14	Detailed Design EARTHWORKS, including tender docs	10.00	14/1/19	25/1/19																						
15	Detailed Design BUILDING, fit-out, visitor experience	45.00	2/1/19	22/3/19																						
16	Production and technology FINAL SPECIFICATIONS incl. building consent application & tendering documentation	50.00	14/1/19	22/3/19																						
17	Approvals detailed design building fit-out visitor experience	5.00	25/3/19	29/3/19																						
18	Kupe Theatre content Development ...	171.00	3/8/18	29/3/19																						
27	CONSENTS & TENDERING	111.00	23/11/18	26/4/19																						
28	ReSOURCE consent	0.00	23/11/18	23/11/18																						
29	Lodge EARTHWORKS consent	0.00	25/1/19	25/1/19																						
30	EARTHWORKS consent RfIs and tendering & contracting	30.00	26/1/19	8/3/19																						
31	Lodge CONSTRUCTION consent	0.00	1/4/19	1/4/19																						
32	CONSTRUCTION building consent processing and RfIs	30.00	14/1/19	22/2/19																						
33	CONSTRUCTION tendering & contracting	20.00	1/4/19	26/4/19																						
34																										
35	CONSTRUCTION and LANDSCAPING	245.00	11/3/19	14/2/20																						
36	Earthworks period 7 weeks	35.00	11/3/19	26/4/19																						
37	Construction contractor company set up period	10.00	29/4/19	10/5/19																						
38	Construction period 37 weeks + 3 weeks Christmas	200.00	13/5/19	14/2/20																						
39	Clean site	0.00	14/2/20	14/2/20																						
40																										
41	VISITOR EXPERIENCE PRODUCTION & INSTALL	275.00	1/4/19	17/4/20																						
42	Specialist Fit-out fabrications and procurement...	230.00	15/4/19	26/2/20																						

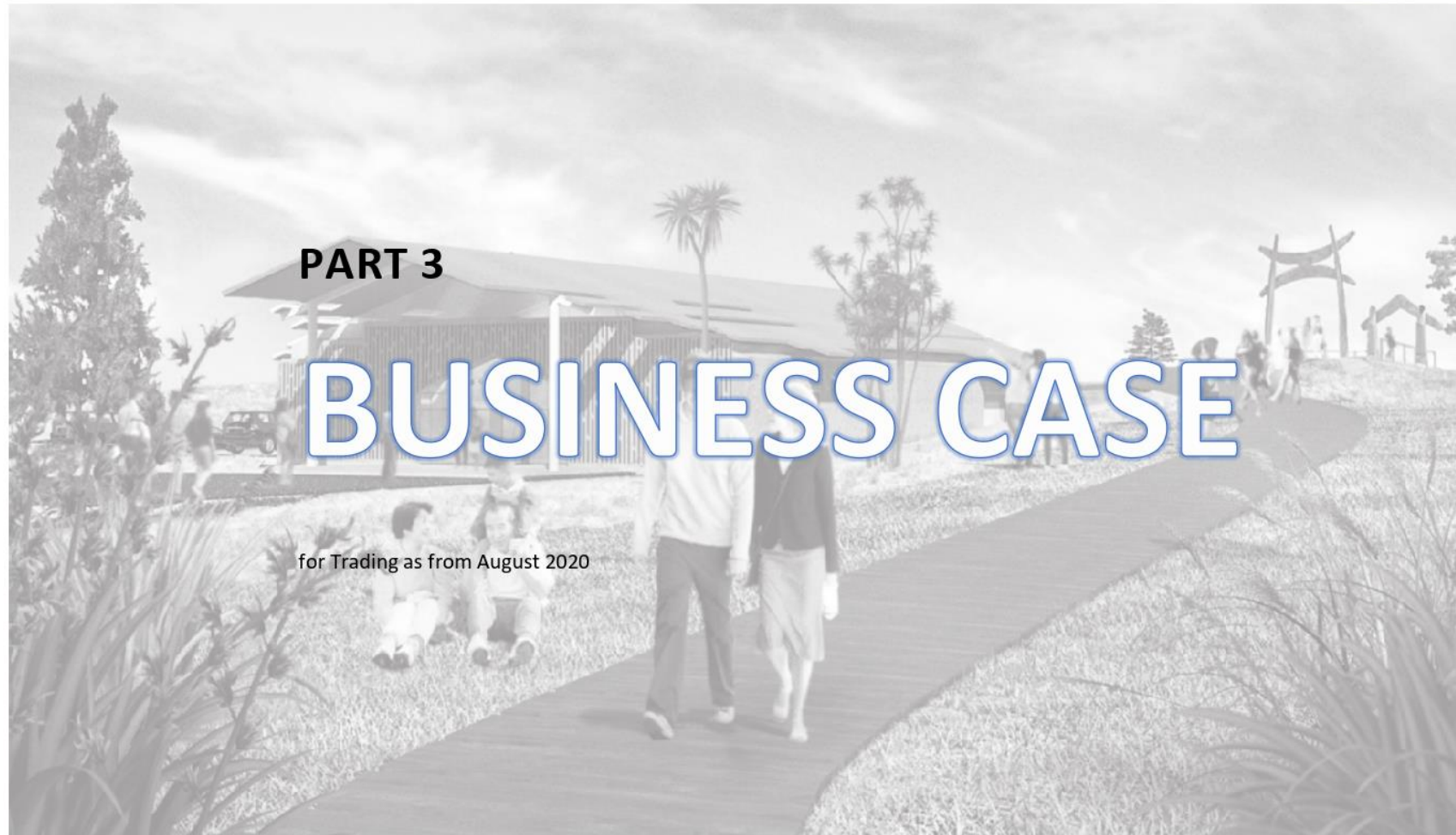
Te Hua O Kowariki Trust

Development & Business Plan Jan 2019



Manea Footprints of Kupe Ltd

Business Case Update November 2018



Manea Footprints of Kupe Ltd

Business Case Update V2 Jan 2019



THE OPERATIONAL STRUCTURES

GOVERNANCE

Te Hua o Kowariki Trust was established in 2007 by four local marae. It is governed by representatives of each of the marae.

In April 2018, the Trust established a charitable limited liability company to govern the operations and commercial activities of the Trust called **Manea Footprints of Kupe Ltd (MFKL)** (NZCN 6792115). Manea is a registered Charity, (Registration No CC56151). Its constitution mirrors that of the Trust i.e. its purposes are:

- (a) To promote, preserve and enhance the spiritual, economic, social and cultural wellbeing of people resident in Hokianga or of people who may culturally identify with Hokianga;
- (b) To preserve, present and promote the local oral traditions of Kupe, his arrival and life in Hokianga, his departure and journey to Hawaiki, the subsequent return to Hokianga of people led by Kupe's grandson and nephew, and of their descendants' journey into the contemporary world;
- (c) To establish a heritage centre to facilitate the presentation of the oral traditions of Hokianga, and the research and recordal of the history, culture and lifestyles of Hokianga;
- (d) To establish appropriate facilities to house and care for any taonga which may be placed in the care of the Te Hua o te Kowariki Trust;
- (e) To encourage the protection, understanding and appreciation of the heritage sites and landscapes of Hokianga, and the preservation and enhancement of the natural environment of Hokianga;

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(f) To increase the understanding of people resident in Hokianga and of visitors to Hokianga of Hokianga history and culture;

(g) To participate in discussions concerning the future of waka tupapaku, koiwi, and other taonga removed from the Kohekohe and neighbouring burial caves in and about 1902;

(h) To apply money to any of the Charitable Purposes; and

(i) To assist the Te Hua o te Kowariki Trust to carry out any of the Charitable Purposes.

Any revenue not required for the operation or capital requirements of the business will return to the Trust to be applied to the Trust's community purposes.

MFKL has a skills-based board and directors are in the process of being appointed. One of the directors will be a member of Te Hua o Kowariki Trust. The board will be advised on cultural matters by the Chair of Te Hua o Kowariki. The Directors are:

Nicole Anderson Chair - Kerikeri

Shane Lloyd - Omapere

Anton Haigh- Russell (pending)

Wayne Hutchinson (Development Manager) was the establishment director and will resign once Anton Haigh is confirmed.

MANAGEMENT TEAM

The management team will consist of General Manager, Assistant Manager (Marketing), Administrator and Operations Manager Lead Guide. The General Manager and the Lead Guide will be the coordinating point for Volunteers. An organisational diagram sets out the paid staff structure below.

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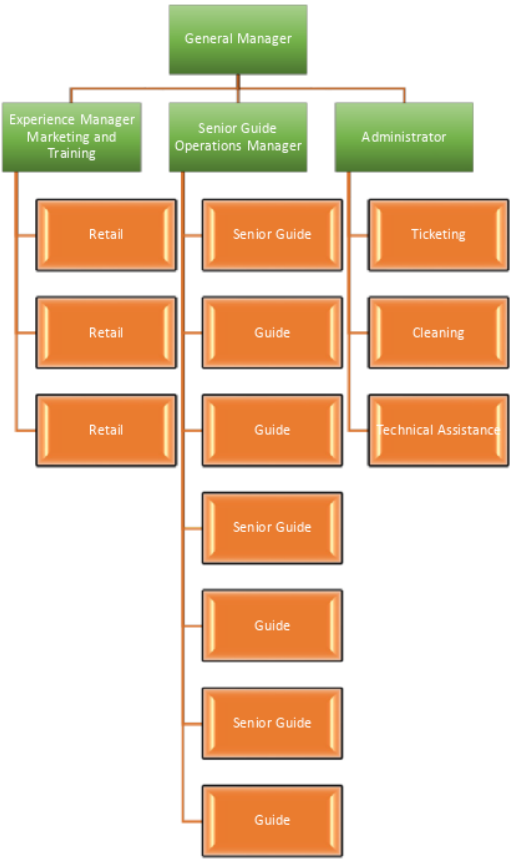


Figure 4: Staffing Plan Nov 2018: At end of third year 17 FTE

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THE MARKET

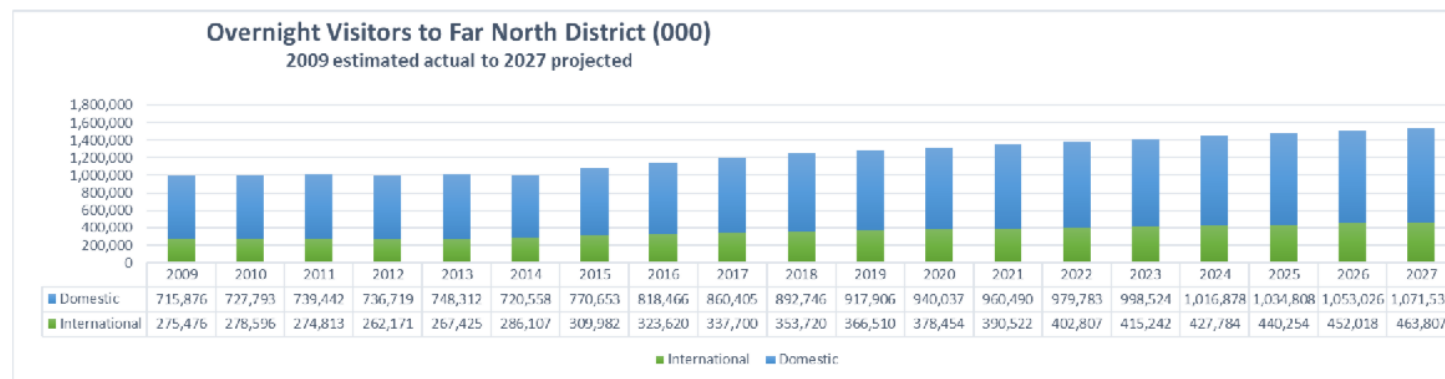


Figure 13: Crowe Horwath 2017

Notes

1. The Manea Operator estimates were compiled from existing operators and accepted by Deloitte as reasonable. (I understand they did not conduct their own comparative analysis, but made comment on the calculations)
2. Manea has commissioned Crowe Horwath/Horwath HTL to provide an independent analysis in order to provide a comparison to the Manea Operator figures and provide Manea management a second opinion to base their patronage assumptions.
3. The independent analysis provides that the potential market for visitors to the Manea Heritage Centre is a combination of Far North overnight domestic and international visitor numbers for both commercial accommodation and private accommodation, including, timeshare resorts, Air BnB, private holiday homes, VFR, B&B, campers etc. (see table below)
4. By comparison, the Manea management projections are reasonably aligned with existing Operator estimates and are more conservative than an applied 5% capture rate of the Crowe Horwath/Horwath HTL projection of overnight visitor forecasts.
5. In addition, The Crowe Horwath/Horwath HTL forecast does not include day visitors to the Far North, including cruise ships, day trip coach tours, overnight visitors staying in Whangarei and Kaipara districts. This provides for further potential upside in the total Far North potential market.

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THE SIZE OF THE MARKET

There have been five independent studies since 2005 of visitors to Northland and the Hokianga the latest (2017) being commission by NZ Māori Tourism on behalf of Te Hua O Kāwhariki Trust by Crowe Horwath Ltd shown above.

Based on earlier research by Colmar Brunton (2005), it is indicated that the Hokianga gets 12% of visitors to **Northland**.

To be conservative the figures used to for patronage were assessed on 5% of visitors to the **Far North** visiting the Heritage Centre.

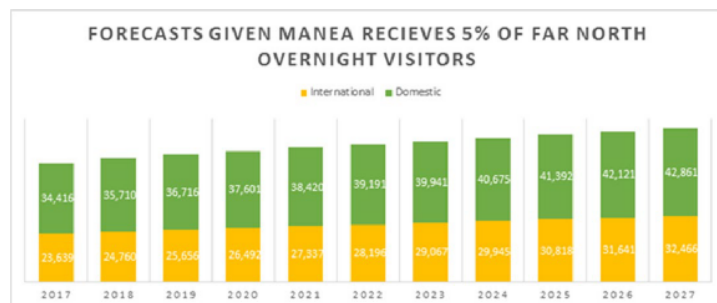


Figure 5: Adaption of the Crowe Howarth Forecasts 2017

If Manea is the major tourism attraction in Omapere/Opononi, then there is a good possibility of attracting most of these visitors who have made the effort to get there. This is without the development and implementation of a savvy

marketing plan that will include development of the schools' programme, alignment with all the major backpacker operators and small conventions to ensure that seasonality is extended.

The Crowe Horwath forecasts do not include cruise liner patronage. Currently the Hokianga is receiving three bus loads per ship (approx. 120), with one cruise line (10 Ships carrying 1200 passengers (Pax)). As indicated in the letters of support other lines will take up the opportunity with the advent of Manea. In 2017, 55 Cruise liners berthed in the Bay of Islands @ 120 passengers per ship. This would potentially provide a total of 6600 Pax with the possibility of increasing this to four buses per ship (8800 Pax).

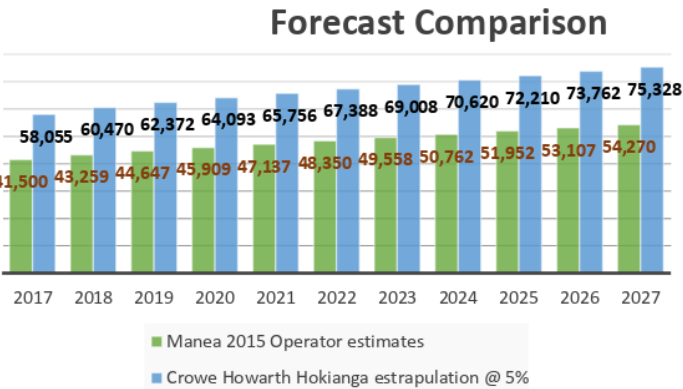
The 2015 Manea forecasts are 10-20% below those forecast by Crowe Howarth. The Tourism numbers coming to Northland (2016) increased by a reported 14% the largest regional growth rate in the country, so we are in a growing market. The Trust is confident that they are basing their business case on conservative forecasts.

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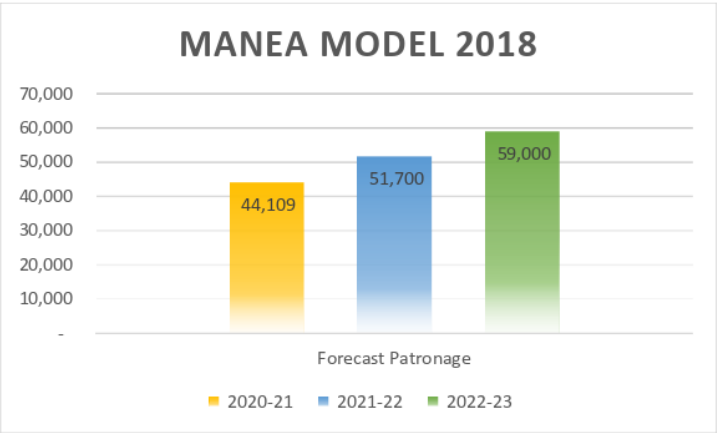
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In November 2018 the Trust rechecked the 2015 models and found the projections remain at the level predicted but we are forecasting that the rate of growth will be slightly accelerated once active promotion commences.

Figure 6: Manea Model 2018

The seasonal patronage forecast is based on local trading patterns. This is supported by local data sets.



SEASONALITY

Seasonality has a dramatic effect on most Northland Tourism business, sister Businesses such as the Copthorne Hokianga and Footprints Waipoua have worked hard for many years to build the shoulder season and low season markets with good success. Manea is an added all weather attraction that will complement the destination in the winterless North.

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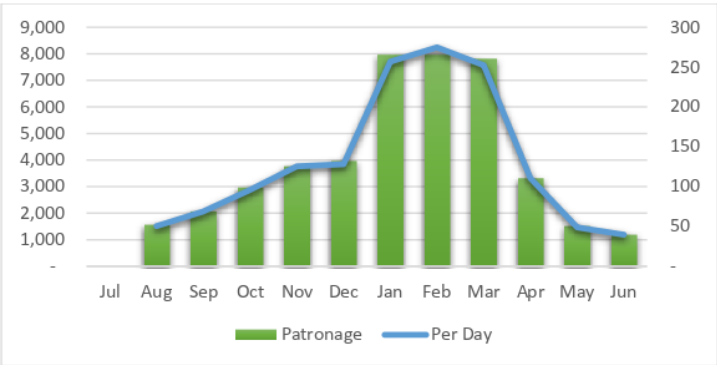


Figure 7: Forecast Seasonality

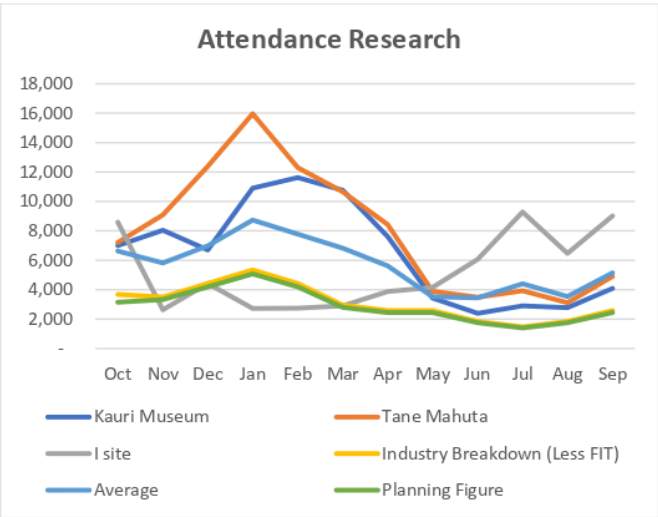


Figure 8: Local Data Sets

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STRATEGY AND PLAN – GETTING MANEA TO THE MARKET

The assumptions underlying the strategy are:

Objective	Assumptions	Strategy	Targets/Success measurements
Raise the profile of the attraction to become a national tourism icon	<ul style="list-style-type: none"> Story telling of the beginning of the civilisation of Aotearoa has been under told and this is an opportunity to correct that as a tourism attraction There is a world class tourism attraction built and operated in a professional manner. Having national and international exposure and presence will translate to more visitors to Manea 	<ul style="list-style-type: none"> Develop a media campaign around the launch. Highlight the synergies with current and proposed visitor attractions in the mid and west of Tai Tokerau. Encourage a documentary based around JK and the building of Manea. In partnership with Air NZ, Cruise Liners and other Northland and Auckland Māori tourism operators, establish “Kupe” the great New Zealand explorer to greet all inbound tourist encouraging them to follow his footsteps in discovery. In partnership with Auckland Airport highlight Kupe as above. Investigate establishing a merchandising arm at Auckland Airport 	<ul style="list-style-type: none"> Targets are focused around paying customers to Manea. The model numbers are the minimum acceptable, and there are no entry increases assumed for the first 5 years.
Attract domestic visitors to Manea	<ul style="list-style-type: none"> There is a large group of New Zealanders who live within three hours of Manea who have little knowledge of the history and culture of Māori. There is already a large volume of domestic visitors coming to Northland from Auckland and Waikato 	<ul style="list-style-type: none"> A domestic campaign focusing on visitors from Whangarei, Auckland and the Waikato. With tour companies design weekend and shoulder season packages from Auckland 	<ul style="list-style-type: none"> Doubling of domestic visitors for every year for the first three years. At least two tours developed in the first year.
Develop marketing relationships with local Northland operators	<ul style="list-style-type: none"> There is already an established relationship through Footprints with most operators however, with the establishment of Manea and the redevelopment of Ngawha Springs drawing visitors towards the west coast, this will go up a level. A high percentage of visitors come from the North and East, with the Bay of Islands being a key connection 	<ul style="list-style-type: none"> Develop supportive marketing collateral. Regular visits and updates with key suppliers/agents. Pre-opening hold an industry familiarization on site. 	<ul style="list-style-type: none"> Collateral is supportive A least three visits to agents: Preseason, during season, and post season. Relationship established with Footprints and Ngawha Springs trust.

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	<ul style="list-style-type: none"> The increase of new attractive tourism products should increase the average night stay. 	<ul style="list-style-type: none"> Develop the joint marketing relationship with Footprints and other cultural products as these develop. 	<ul style="list-style-type: none"> Web presence and newsletters established and functional.
Develop a web marketing and booking presence	<ul style="list-style-type: none"> A quality web presence is a must have and will compliment all other objectives. Twin Coast highway branding and interactive strategy will align with this digital presence 	<ul style="list-style-type: none"> Develop a comprehensive, functional website. Consult with the Twin Coast development project. May be a joint booking system with Footprints and other cultural products as these develop. 	<ul style="list-style-type: none"> A functional website is developed and serviced three months before opening.
Increase Coach tours	<ul style="list-style-type: none"> There are existing Coach Tours that can be built on. Although supportive, Coach Tour operators are unlikely to risk a change schedules prior to the opening. It takes approximately eighteen months for a new tour to come into schedule. There may be some early adopters, however it is more likely that existing operators will ramp up schedules and volume quickest. The joint destination package with Footprints and other Mid and Far North products will strengthen interest in Manea. Intercompany competition in the market will assist growth. 	<ul style="list-style-type: none"> Actively target Tour Coach companies, developing a sub strategy to do so 	<ul style="list-style-type: none"> Coach Tour visitors increase 50% per year for years two and three.
Develop Tours with Wholesalers	<ul style="list-style-type: none"> The Cruise ship and education market being the main targets. There are already good relationships with most suppliers as evidenced by the letters of support These suppliers will work on the same timeframes as the Coach companies There will be competition from the Cape tours for Cruise Liner business 	<ul style="list-style-type: none"> Build on existing relationships with inbound operators Have a presence at TRENZ 2018 to introduce the product to market. Have a presence at TRENZ 2019 to update the market and negotiate packages. Pre-opening hold an Industry familiarisation on site. 	<ul style="list-style-type: none"> Visitors from wholesalers increase 50% per year for years two and three. Visitors from Cruise liners move from 100 per ship to 250 per ship in three years Educational Tours move from 4 per year to 25 per year in three years.

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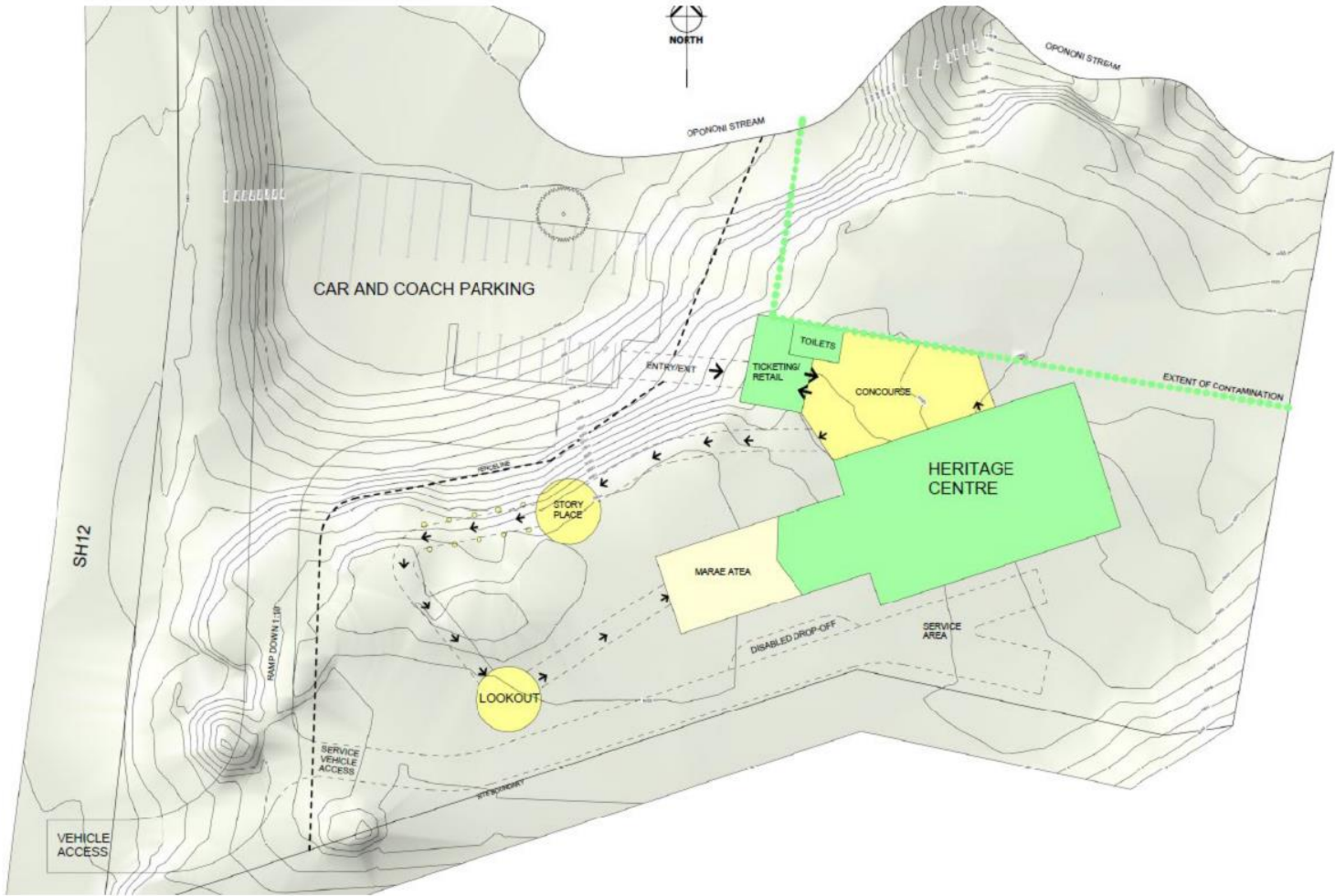
Develop and market Manea specific merchandise	<ul style="list-style-type: none"> • Merchandise will be a vital stream of income long term. • Local Ngāpuhi artisans will benefit. • Wherever possible merchandise will be branded. 	<ul style="list-style-type: none"> • Develop merchandise product lines and suppliers. • Build supply chain • Establish online sales channels • Investigate other marketing and sales opportunities. 	<ul style="list-style-type: none"> • Quality merchandise is sold reaching forecast targets
Develop brand and brand collateral	<ul style="list-style-type: none"> • Manea – the Footprints of Kupe is a brand with IP that the Trust will protect. • The brand will be authentic - both culturally and commercially 	<ul style="list-style-type: none"> • Establish and protect branding collateral. 	<ul style="list-style-type: none"> • Brand is developed and protected.

THE VISITOR EXPERIENCE



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PRICING STRUCTURE AND ESTIMATED VALUE

The Trust has studied the admission prices for like attractions in Aotearoa. The table below shows the current thinking around price setting and the expected commission levels paid with GST.

Source	2020-21	2021-22	2022-23	Gross Charge	Commission	\$	GST	Nett
Cruise Ships	5,000	7,000	10,000	\$ 45.00	20%	\$ 9.00	4.70	31.30
Coach Companies	2,000	2,000	2,500	\$ 45.00	20%	\$ 9.00	4.70	31.30
Coach Companies (Show only)	1,900	2,000	2,500	\$ 35.00	20%	\$ 7.00	3.65	24.35
FIT	14,750	16,000	17,000	\$ 45.00		\$ -	5.87	39.13
Copthorne	7,275	10,000	10,000	\$ 40.00		\$ -	5.22	34.78
Local Agents	1,100	1,200	1,500	\$ 45.00	15%	\$ 6.75	4.99	33.26
Web Sales	3,400	3,500	3,500	\$ 45.00		\$ -	5.87	39.13
Education Tours	2,900	4,000	5,000	\$ 45.00	20%	\$ 9.00	4.70	31.30
Wholesale/FIT	3,950	4,000	5,000	\$ 45.00	20%	\$ 9.00	4.70	31.30
Whanau/Local Visitor (Koha)	1,834	2,000	2,000	10.00	Koha			10.00
	44,109	51,700	59,000					

Figure 9: Prices November 2018

SEASONALITY PATRONAGE AND EXPECTED RETURN

The first full year of operations will be 2020/2021 is an expected 11 months of Trading. The figures below summarise the numbers on which the business case and cash flow projections have been based.

2020-2021 Expected Seasonality (11 Months)

Patronage	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Cruise Ships					1,000	750	1,000	1,000	1,000	250			5,000
Coach Companies			100	300	300	300	300	300	300	100			2,000
Coach Companies (Show only)		100	100	100	200	200	200	200	200	200	200	200	1,900
FIT		250	250	750	750	1,000	3,500	3,500	3,500	750	250	250	14,750
Copthorne		300	400	500	550	750	1,250	1,250	1,250	500	300	225	7,275
Local Agents		100	100	100	100	100	100	100	100	100	100	100	1,100
Web Sales		100	300	400	400	400	400	400	300	300	300	100	3,400

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Education Tours		500	500	500	50	50	50	50	500	500	100	100	2,900
Wholesale/FIT		50	150	150	250	250	1,000	1,000	500	450	100	50	3,950
Whanau/Local Visitor (Koha)		166	167	167	167	167	167	167	167	167	166	166	1,834
		1,566	2,067	2,967	3,767	3,967	7,967	7,967	7,817	3,317	1,516	1,191	44,109
Per day		51	69	96	126	128	257	275	252	111	49	40	

Year One Expected \$ Return Patronage

Patronage	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Cruise Ships		-	-	-	31,304	23,478	31,304	31,304	31,304	7,826	-	-	156,522
Coach Companies		-	3,130	9,391	9,391	9,391	9,391	9,391	9,391	3,130	-	-	62,609
Coach Companies (Show only)		2,435	2,435	2,435	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	46,261
FIT		9,783	9,783	29,348	29,348	39,130	136,957	136,957	136,957	29,348	9,783	9,783	577,174
Copthorne		10,435	13,913	17,391	19,130	26,087	43,478	43,478	43,478	17,391	10,435	7,826	253,043
Local Agents		3,326	3,326	3,326	3,326	3,326	3,326	3,326	3,326	3,326	3,326	3,326	36,587
Web Sales		3,478	10,435	13,913	13,913	13,913	13,913	13,913	10,435	10,435	10,435	3,478	118,261
Education Tours		13,913	13,913	13,913	1,391	1,391	1,391	1,391	13,913	13,913	2,783	2,783	80,696
Wholesale/FIT		1,565	4,696	4,696	7,826	7,826	31,304	31,304	15,652	14,087	3,130	1,565	123,652
Whanau/Local Visitor (Koha)		1,660	1,670	1,670	1,670	1,670	1,670	1,670	1,670	1,670	1,660	1,660	18,340
		46,595	63,300	96,083	122,170	131,083	277,605	277,605	270,996	105,996	46,421	35,290	1,473,144
Per day		1,503	2,110	3,099	4,072	4,228	8,955	9,573	8,742	3,533	1,497	1,176	

Year One GST Collected

Patronage	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Cruise Ships		-	-	-	4,083	3,062	4,083	4,083	4,083	1,021	-	-	20,416
Coach Companies		-	408	1,225	1,225	1,225	1,225	1,225	1,225	408	-	-	8,166
Coach Companies (Show only)		318	318	318	635	635	635	635	635	635	635	635	6,034
FIT		1,276	1,276	3,828	3,828	5,104	17,864	17,864	17,864	3,828	1,276	1,276	75,284
Copthorne		1,361	1,815	2,268	2,495	3,403	5,671	5,671	5,671	2,268	1,361	1,021	33,006
Local Agents		434	434	434	434	434	434	434	434	434	434	434	4,772
Web Sales		454	1,361	1,815	1,815	1,815	1,815	1,815	1,361	1,361	1,361	454	15,425
Education Tours		1,815	1,815	1,815	181	181	181	181	1,815	1,815	363	363	10,526
Wholesale/FIT		204	612	612	1,021	1,021	4,083	4,083	2,042	1,837	408	204	16,129
		5,861	8,039	12,315	15,717	16,880	35,991	35,991	35,129	13,608	5,838	4,387	189,757

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Patronage	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Cruise Ships				6,261	4,696	6,261	6,261	6,261	1,565			31,304
Coach Companies	-	626	1,878	1,878	1,878	1,878	1,878	1,878	626	-	-	12,522
Coach Companies (Show only)	487	487	487	974	974	974	974	974	974	974	974	9,252
Local Agents	499	499	499	499	499	499	499	499	499	499	499	5,488
Education Tours	2,783	2,783	2,783	278	278	278	278	2,783	2,783	557	557	16,139
Wholesale/FIT	313	939	939	1,565	1,565	6,261	6,261	3,130	2,817	626	313	24,730
	4,082	5,334	6,586	11,455	9,890	16,151	16,151	15,525	9,264	2,655	2,342	99,436
NETT Sales	36,652	49,928	77,182	94,997	104,313	225,462	225,462	220,342	83,124	37,927	28,561	1,183,951

Nett Sales are Gross return – GST and Sales Commission

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CASHFLOW YEAR ONE 2020-2021 (NOTE TRADING IS FOR 11 MONTHS)

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Income												
Experience	46,595	63,300	96,083	122,170	131,083	277,605	277,605	270,996	105,996	46,421	35,290	1,473,144
Retail Merchandise Commissions	12,262	16,185	23,232	29,496	31,062	62,382	62,382	61,207	25,972	11,870	9,326	345,373
Total Income	58,857	79,485	119,315	151,666	162,145	339,986	339,986	332,203	131,968	58,291	44,616	1,818,518
Less Cost of Sales												
Experience												
Marketing, Promotion	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
Wages & Salaries	63,116	63,117	65,337	65,338	65,339	65,340	65,341	65,342	63,123	63,123	63,123	707,641
Commissions	4,082	5,334	6,586	11,455	9,890	16,151	16,151	15,525	9,264	2,655	2,342	99,436
Maintenance Technology	5,000			5,000			5,000			5,000		20,000
Staff Recruiting Training and Development	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	22,000
Light, Power, Heating	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,337	3,333	3,333	36,667
Cleaning	300	300	300	300	300	300	300	300	300	300	300	3,300
Repairs and Maintenance	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,087	2,083	2,083	22,917
Maintenance Footprints Fitout								5,000				5,000
Experience Cost of Sales	89,914	86,167	89,639	99,510	92,945	99,207	104,208	103,583	90,112	88,495	83,182	1,026,961
Retail Merchandise Commissions												
Purchase of Stock	6,131	8,092	11,616	14,748	15,531	31,191	31,191	30,604	12,986	5,935	4,663	172,687
Point of Sale technology	50	50	50	50	50	50	50	50	50	50	50	550
Retail Cost of Sales	6,181	8,142	11,666	14,798	15,581	31,241	31,241	30,654	13,036	5,985	4,713	173,237
TOTAL COS	96,095	94,309	101,305	114,307	108,526	130,448	135,449	134,237	103,148	94,480	87,895	1,200,198
Gross Profit	- 37,238	- 14,824	18,010	37,358	53,619	209,538	204,537	197,967	28,821	- 36,189	- 43,279	618,320
	-63%	-19%	15%	25%	33%	62%	60%	60%	22%	-62%	-97%	34%
Less Overheads												
Trust Admin Fee		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000		45,000
Accounting	300	300	300	300	300	300	300	300	300	300	300	3,300

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Bank Fees (404)	20	20	20	20	20	20	20	20	20	20	20	220
Directors Costs		3,000			3,000			3,000			3,000	12,000
General Expenses (429)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	33,000
Insurance (433)		5,000			5,000			5,000			5,000	20,000
Lease Manea (469)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
Legal expenses (441)				5,000				5,000				10,000
Meals and Accommodation (420)	500	500	500	500	500	500	500	500	500	500	500	5,500
Office Expenses (453)	200	200	200	200	200	200	200	200	200	200	200	2,200
Printing & Stationery (461)	200	200	200	200	200	200	200	200	200	200	200	2,200
Rates	2,750			2,750			2,750			2,750		11,000
Subscriptions (485)	500			2,500			500			500		4,000
Website and Software	400	400	400	400	400	400	400	400	400	400	400	4,400
Telephone & Internet (489)	600	600	600	600	600	600	600	600	600	600	600	6,600
Travel - National (493)		1,000		1,000			1,000			1,000		4,000
TOTAL OVERHEADS	18,470	29,220	20,220	31,470	28,220	20,220	24,470	33,220	20,220	24,470	23,220	273,420
TOTAL Costs	114,565	123,529	121,525	145,777	136,746	150,668	159,919	167,457	123,368	118,950	111,115	1,473,618
Net Profit	- 55,708	- 44,044	- 2,210	5,888	25,399	189,318	180,067	164,747	8,601	- 60,659	- 66,499	344,900
GST	-95%	-55%	-2%	4%	16%	56%	53%	50%	7%	-104%	-149%	19%
GST Paid	6,711	7,880	7,329	10,492	9,314	11,130	12,336	13,319	7,858	7,282	6,260	99,910
Minus GST Received	7,700	10,466	15,799	20,142	21,539	45,349	45,349	44,311	17,504	7,619	5,785	241,563
TOTAL GST	- 990	- 2,587	- 8,471	- 9,650	- 12,225	- 34,219	- 33,012	- 30,991	- 9,646	- 337	474	- 141,653
Company Profit (The Company is a Charity for Tax)	-	-	-	-	13,173	155,099	147,055	133,755	-	-	-	203,247
	56,698	46,631	10,681	3,761					1,045	60,996	66,024	
Starting Bank Balance	180,000	123,302	76,671	65,990	62,229	75,402	230,502	377,557	511,312	510,267	449,271	
Plus, Income	58,857	79,485	119,315	151,666	162,145	339,986	339,986	332,203	131,968	58,291	44,616	
Minus Expenses	114,565	123,529	121,525	145,777	136,746	150,668	159,919	167,457	123,368	118,950	111,115	
GST	- 990	- 2,587	- 8,471	- 9,650	- 12,225	- 34,219	- 33,012	- 30,991	- 9,646	- 337	474	
Closing Bank Balance	123,302	76,671	65,990	62,229	75,402	230,502	377,557	511,312	510,267	449,271	383,247	

Manea Footprints of Kupe Ltd

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THREE YEAR PROFIT & LOSS YEAR 1- 11 MONTHS TRADING

Income	2020-21	2021-22	2022-23
Experience	1,483,639	1,728,000	2,089,948
Retail Merchandise Commissions	345,373	405,845	464,920
Total Income	1,829,013	2,133,845	2,554,868
Less Cost of Sales			
Experience			
Marketing, Promotion and Advertising	110,000	120,000	120,000
Wages & Salaries	707,641	927,647	907,434
Commissions	102,246	121,430	159,155
Maintenance Technology	20,000	20,000	20,000
Staff Recruiting Training and Development	22,000	26,000	26,000
Light, Power, Heating	36,667	40,000	40,000
Cleaning	3,300	3,600	3,600
Repairs and Maintenance	22,917	25,000	25,000
Maintenance Footprints Fitout	5,000	10,000	10,000
Experience Cost of Sales	1,029,772	1,293,678	1,311,189
Retail Merchandise Commissions			
Purchase of Stock	172,687	202,923	232,460
Point of Sale technology	550	600	600
Retail Cost of Sales	173,237	203,523	233,060
TOTAL COS	1,203,008	1,497,200	1,544,249
Gross Profit	626,004	636,645	1,010,619
Less Overheads	34%	30%	40%
Trust Admin Fee	45,000	60,000	60,000

Accounting	3,300	3,600	3,600
Bank Fees (404)	220	240	240
Directors Costs	12,000	12,000	12,000
General Expenses (429)	33,000	36,000	36,000
Insurance (433)	20,000	20,000	20,000
Interest Expense (437)	-	-	-
Lease Manea (469)	110,000	120,000	-
Legal expenses (441)	10,000	10,000	10,000
Meals and Accommodation (420)	5,500	6,000	6,000
Office Expenses (453)	2,200	2,400	2,400
Printing & Stationery (461)	2,200	2,400	2,400
Rates	11,000	11,000	11,000
Subscriptions (485)	4,000	4,000	4,000
Website and Software	4,400	4,800	4,800
Telephone & Internet (489)	6,600	7,200	7,200
Travel - National (493)	4,000	4,000	4,000
TOTAL OVERHEADS	273,420	303,640	183,640
TOTAL Costs	1,476,428	1,800,840	1,727,889
Net Profit	352,584	333,005	826,979
GST	19%	16%	32%
GST Paid	100,277	113,895	107,016
Minus GST Received	245,324	286,268	342,340
TOTAL GST	- 145,048	- 172,373	- 235,324
Company Profit (The Company is a Charity for Tax)	207,537	160,631	591,655

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STAFF MANAGEMENT YEAR ONE (11 MONTHS)

2020-21			High Season						Low Season			2020-21
Staff	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Management Team												
General manager	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	9,333	102,667
Experience Manager (Marketing)	7,467	7,467	7,467	7,467	7,467	7,467	7,467	7,467	7,467	7,467	7,467	82,133
Senior Guide Operations Manager	6,533	6,533	6,533	6,533	6,533	6,533	6,533	6,533	6,533	6,533	6,533	71,867
Administrator	3,328	3,328	5,547	5,547	5,547	5,547	5,547	5,547	3,328	3,328	3,328	49,920
Staff												-
Guides (Senior)1	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853	53,387
Guides (senior) 2	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853	4,853	53,387
Guide (Senior)3	4,326	4,327	4,328	4,329	4,330	4,331	4,332	4,333	4,333	4,333	4,333	47,635
Guide Junior 4	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	42,709
Guide Junior 5												-
Guide Junior 6												-
Guide Junior 7	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	42,709
Retail/ Ticketing	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	42,709
Retail Ticketing Assistants	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	3,883	42,709
Retail Ticketing Assistants												-
Contracts and Overtime												-
Night Cleaner	2,233	2,233	2,233	2,233	2,233	2,233	2,233	2,233	2,233	2,233	2,233	24,558
Technical Assistance	1,747	1,747	1,747	1,747	1,747	1,747	1,747	1,747	1,747	1,747	1,747	19,219
Night Experience overtime @ senior rate												-
Guides (2) Male and Female	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912	32,032
	63,116	63,117	65,337	65,338	65,339	65,340	65,341	65,342	63,123	63,123	63,123	707,641
Analysis												
Staffing cost per day	2,036	2,036	2,108	2,108	2,108	2,108	2,108	2,108	2,036	2,036	2,036	
Cost per customer	40.30	29.55	22.02	16.79	16.47	8.20	7.67	8.36	18.42	41.64	51.29	

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STAFFING & SCHEDULING EXAMPLE MINIMAL LEVELS

Employee Name	Operating Hours	Working Days	Mon	Tue	Wed	Thu	Fri	Sat	Sun
General Manager	0900 - 1700	5 days at 8 hours	GM	GM	GM	GM	GM	Day Off	Day Off
Marketing Manager		5 days at 8 hours	MM	MM	MM	MM	MM	Day Off	Day Off
Administrator		3 days at 8 hours	Administrator / Ticketing	Administrator / Retail	Administrator	Administrator / Retail	Day Off	Day Off	Day Off
Senior Guide / Operations Manager	0900 - 1700	5 days at 8 hours	Day Off	Roaming / Ngaru Paewhenua	Roaming	Roaming	Roaming	Roaming / Duty Manager	Day Off
Guide 1	0900 - 1700	5 days at 8 hours	Ngaru Nui	Ngaru Nui	Ngaru Roa	Ngaru Roa	Ngaru Paewhenua	Day Off	Day Off
Guide 2	0900 - 1700	5 days at 8 hours	Ngaru Roa	Ngaru Roa	Ngaru Paewhenua	Day Off	Day Off	Ngaru Paewhenua	Ngaru Nui
Guide 3	0900 - 1700	5 days at 8 hours	Ngaru Paewhenua	Day Off	Day Off	Ngaru Nui	Ngaru Nui	Ngaru Nui	Ngaru Roa
Guide 4	0900 - 1700		Day Off	Day Off	Ngaru Nui	Ngaru Paewhenua	Ngaru Roa	Ngaru Roa	Day Off
Guide 5	0900 - 1700		Roaming	Ngaru Paewhenua	Day Off	Day Off	Day Off	Day Off	Ngaru Paewhenua / G&C
Night Experience	1830 - 2130	2 guides required at 3 hours each	Guide 1 & 2	Senior Guide & Guide 1	Senior Guide & Guide 2	Senior Guide & Guide 3	Guide 1 & 3	Guide 2 & 3	Guide 2 & 3
Retail	0900 - 1700	5 days at 8 hours	Retail	Administrator	Retail	Administrator	Retail	Retail	Retail / Ngaru Paewhenua /
Ticketing	0900 - 1700	5 days at 8 hours	Administrator	Ticketing	Ticketing	Administrator	Ticketing	Ticketing	Ticketing / Duty Manager
Grounds person & Cleaning	0900 - 1700		Guide 3	Guide 5	Guide 2	Guide 4	Guide 1	Guide 2	Guide 5

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NOTES TO STAFFING LEVELS AND THE EXPERIENCE

1. The experience is divided into three spaces e.g. Space 1 = **Ngaru Nui** - Concourse to Welcoming Space;
Space 2 = **Ngaru Roa** - Welcome Space & Theatre
Space 3 = **Ngaru Paewhenua** - Footprints Gallery to Ticketing Office.
2. One of the major goals of Manea is to create local employment. However, this will not be to the detriment of another goal which is delivering a world class tourism experience. Footprints Waipoua experience has shown that using well trained and scripted performances the experience can achieve these goals.
3. This schedule is designed for the low season, for the high season extra guides will be employed. Actual numbers will be determined using the operational experience as Manea settle in. As indicated in the cashflow there is enough ability for further employment if required.
4. Employment of guides will ideally be 50% Male to 50% Female to reflect the different roles needed to play during the experience. All guides will have the capability of delivering waiata and the females karanga. Acting ability will also be a necessity, just one of the skill set required and taught during the pre – employment training.
5. The Duty Manager will always be on site when operating. All the Management Team will be expected share the Duty Manager duties although any trained and authorised staff member may be called on to do so after authorisation and recommendation from the Directors through the General Manager.
6. All staff will be cross trained to fill in if required. All staff will be expected to carry out the cleaning and maintenance duties.
7. High Season runs from 1 October to 31 March.
8. Manea is open to the Public for 10 hours operating up to 18 tours a day; the gate opens at 0830 and closes at 1830. The first tour departs at 0900 and the last tour departs at 1700. Tours depart on every hour and half hour. A booking system will apply with the status of each tour notified on line and on screen in the Car park and Ticketing Office.
9. Time for the **Ngaru Nui** space and **Ngaru Roa** space is approximately one hour. Patrons can enjoy the **Ngaru Paewhenua** space at their leisure. The space outside will be established to allow for picnics and concessionaires will provide Coffee, Tea, Snack and Ice creams from the Concourse area.
10. The night experience is a pre-booked option only which requires a minimum number of 20pax and 48 hours' notice / This option closes off at 1330
11. Max number per tour is 60pax and the minimum number is 1pax

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APPENDIX 1 ECONOMIC IMPACT ASSESSMENT NORTHLAND INC MARCH 2018

SUMMARY

Economic Impact of **\$17.5M**, based on

- Estimated visitor numbers 41,500 contributing to ongoing economic impact of **\$5.5M/annum**
- Direct Economic Impact (Construction) **\$12M**

STRATEGIC NORTHLAND TOURISM IMPACT

Northland is the 6th most 'stayed-in' region of New Zealand, measured in total Commercial Guest Nights. Tourism numbers-wise, and total spend-wise, it is the 'largest small region' and 'smallest large region' outside New Zealand's 5 large tourism destinations. Tourism in Northland is significant.

Tourism is now worth \$1,112M annually to Northland's economy, and growing at a rate 5% per annum. However, we have one of the most pronounced seasonality visitation curves of any New Zealand region. Most activity happens in the summer months and has a skew to traditional domestic activity, so is lower value than many other regions.

Manea is one of a series of cultural attractions around Northland which offers the opportunity to address current visitation patterns and smooth the seasonality curve. Arts / cultural attractions are less seasonal, less weather dependent, and more likely to attract higher value international visitors:

- Visiting a museum or art gallery ranks # 5 in activities undertaken by international visitors – 43%¹ do this while in NZ.
- When in place, Manea would be one of a 'string of cultural beads' providing a rich, contemporary arts and cultural experience for visitors, along with;

- Hihiaua Cultural Centre development (Whangarei)
- Waitangi National Museum
- Hundertwasser Art Centre (Whangarei)
- Ngati Kuri plans for the Journey to Cape Reinga
- Matakohe Kauri Museum
- Kaurinui – Guided tours of Hundertwasser's home (Kawakawa)
-

The International Visitor Survey estimates that the average daily spend per visitor is \$183.06 (YE Sept 2016). However, the expected visitor breakdown to Manea includes domestic visitors as well as local population so the IVS figure for International visitors cannot be directly translated. To this end we have cautiously estimated that the average visitor spend would be \$50 per person.

With 41,500 people projected to visit Manea (which we believe is conservative), we believe the economic impact, based on a conservative visitor spend of \$50 per person, and an economic multiplier of 1.62², will be

\$5,478,000 per annum.

ECONOMIC IMPACT OF CONSTRUCTION

The economic impact assessment of the construction of Manea (using construction multipliers) indicates that construction activity of \$6.856M would result in:

Direct Construction	\$6,856,000
Direct economic impact of (multiplier of 0.4)	\$ 2,742,400
Indirect economic impact of (multiplier of 0.37)	\$ 2,536,720
Total Economic Impact	\$12,135,120

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2018 BUILDING DEVELOPMENT APPENDIX 2: QS
BREAKDOWN COST NOVEMBER

	Total	Section Total	
Concept Design		299,600	8%
Resource Consent	100,000		
Building Consent	20,000		
Engineering, services and building design	179,600		
Contract Costs		523,603	13%
Manea Building Preliminary and General	162,352		
Manea Building Margin	129,882		
Site works Preliminary and General	65,261		
Site Works Margin	52,209		
Retail Ticketing Preliminary and General	45,706		
Retail Ticketing Margin	36,565		
Concourse Preliminary and General	17,571		
Concourse Margin	14,057		
Site Works		652,353	17%
External Works	491,353		
Landscaping	90,000		
Drainage carpark	71,000		
Building Shell - Manea Heritage Centre		1,623,572	42%
Retail, Ticketing Toilets Building		447,065	12%
Structure			
Site Preparation	13,024		
Substructure	49,393		
Frame	22,000	84,417	

Services

Plumbing
Heating and Ventilation
Fire Protection
Electrical
Special Services

External Fabric

Roof
Exterior walls
Windows and Exterior Doors

Internal Finishing

Interior walls
Interior Doors
Floor finishes
Wall Finishes
Ceiling Finishes
Fixtures and Fittings

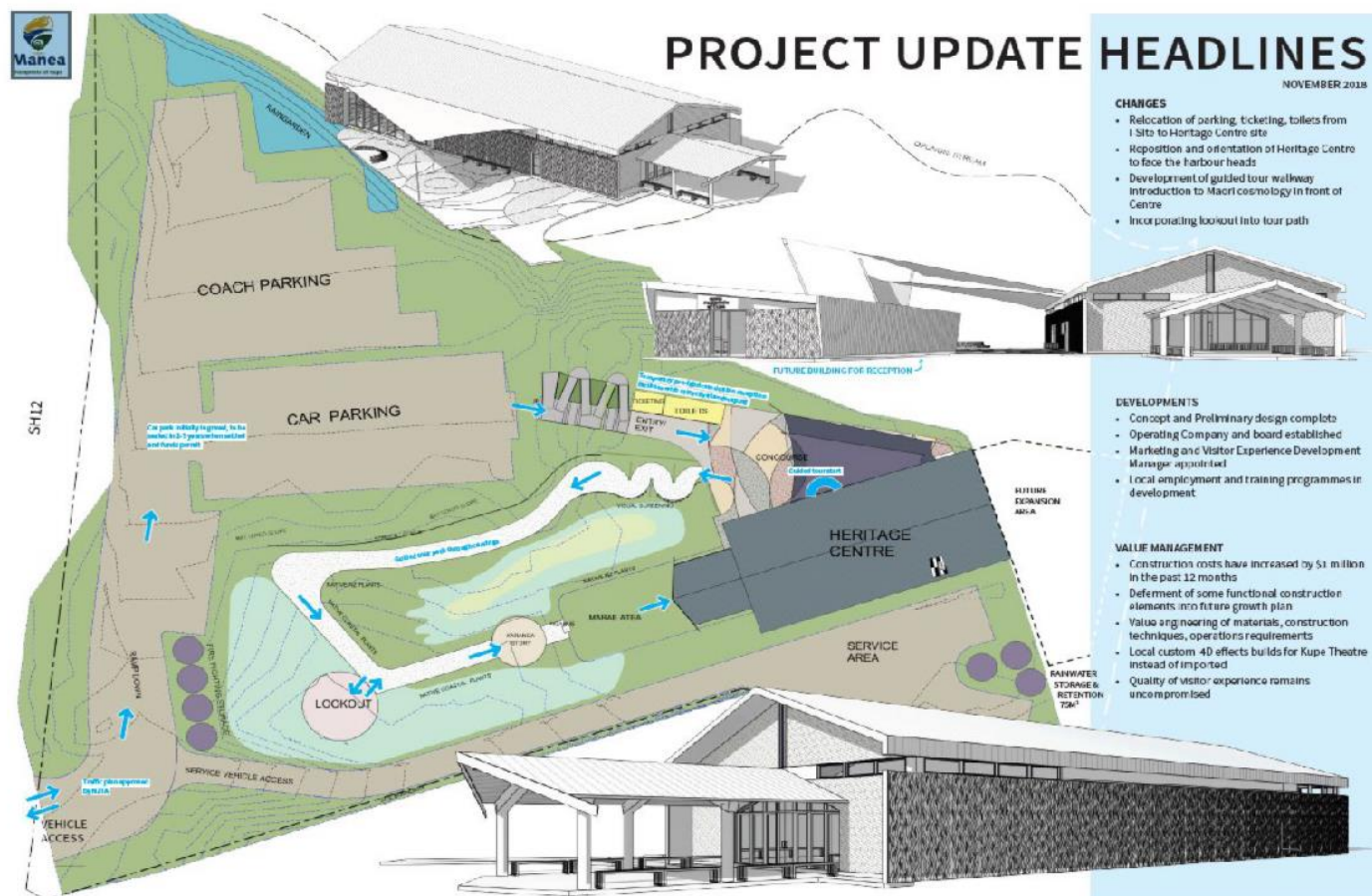
Concourse

Contingency

TOTALS Excluding GST

46,200		
25,190		
2,530		
14,168		
15,048	103,136	
31,068		
78,074		
29,095	138,237	
36,300		
7,315		
9,284		
2,750		
10,626		
55,000	121,275	
175,710	175,710	5%
160,000	160,000	4%
3,881,903	3,881,903	

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TITLE: Environment Fund Criteria Review

ID: A1156376

From: Imogen Field, Land Management Advisor - Freshwater Improvement Project;
Lorna Douglas, Eastern Coast Manager and Duncan Kervell, Land Manager

Executive summary/Whakarāpopototanga

This report proposes new Environment Fund criteria, to update the current criteria which were last reviewed in 2015. The proposed changes aim to improve clarity for landowners and land management staff. They will also introduce new project-specific fund criteria, to promote innovation and ensure equitable allocation of the overall fund, whilst targeting maximum environmental benefit and catchment priorities.

Recommendation(s)

1. That the report 'Environment Fund Criteria Review' by Imogen Field, Land Management Advisor - Freshwater Improvement Project; Lorna Douglas, Eastern Coast Manager and Duncan Kervell, Land Manager and dated 24 January 2019, be received.
2. That council approve the new Environment Fund criteria.

Background/Tuhinga

The Environment Fund criteria were last reviewed in 2015.

The criteria review process is to align years 2, 3 and 4 of the LTP and new Fresh Water Improvement Fund funding criteria for the Northern Wairoa Freshwater Improvement Fund (NWFIF) project.

Fencing buffer distance from waterway (e.g. metres from stream edge) will be specified clearly on the grant agreement schedule of works, based on a water quality risk analysis metric (to be developed by the NRC staff based on a literature review underway).

LTP Environment Funding Criteria and Tables

Table One: Proposed criteria compared with existing criteria

	Current criteria	Proposed new criteria
<ul style="list-style-type: none">• Fencing General waterway: fencing rivers, streams, drains and wetlands• Fencing for Soil Conservation: Erosion control permanent retirement fencing and afforestation	<p><u>50% funding via delegated authority (DA)</u></p> <p>Dairy farm cap: up to \$5,000</p> <p>Drystock caps:</p> <ul style="list-style-type: none">• Up to \$10,000, 1-199ha• Up to \$15,000, 200–599ha• Up to \$20,000, 600+ha	<p><u>Up to 50% funding via DA</u></p> <p><u>Note: With waterway fence buffers defined and required</u></p> <p>Equal dairy and drystock caps:</p> <ul style="list-style-type: none">• Up to 4ha (\$2,000 limit)• Up to \$5,000 for 4-49ha• Up to \$10,000 for 50–199ha• Up to \$15,000 for 200–599ha• Up to \$20,000 for over 600ha

Top 150 wetlands and dune lakes	50% funding via DA or up to 100% with council approval	Retain
Terrestrial biodiversity projects	50% funding via DA	Retain
Planting	Traditionally granted approx. \$1,000 of plants, 100% funded for riparian plants	Funds in 2019/20 available from 1BT Boost Year Fund, Hill Country Erosion Fund and Regional Afforestation Grant Scheme (RAGS)
Exceptional projects	Up to 100% for staff recommended exceptional projects not fitting other criteria, with council approval	Retain

Northern Wairoa Fresh Water Improvement Fund (NWFIF) Criteria

The Northern Wairoa Fresh Water Improvement Fund (NWFIF) Project has a specific set of objectives around water quality improvement. These proposed criteria aim to structure a funding system using the NWFIF budget of \$1.6m (over four years). The key changes recommended are:

Multiple Year Funding applications:

- Projects will be planned and budgeted for up to three years of treatment works via the Farm Environment Plan (FEP). These projects will be recommended from the partnership and approved by council via the delegated authority process used for the Environment Fund.
- NOTE: This proposed process provides more value to the Farm Environment Plan and helps guide and monitor implementation.
- The NWFIF FEP and funding proposal provides for a wider diversity of works to be funded (see table two) to achieve the objectives of the project and improve the diversity of treatment types and extend the technical service of NRC staff.

Table Two: Proposed qualifying works and % contribution from the FIF Environment Fund

Qualifying work categories	Percentage contribution
Fencing	Up to 50%
Alternative Water Supplies (Cost of troughs and tanks)	Up to 50% (will cover costs of troughs and tanks, with landowner contribution being installation and other materials required)
Native plant establishment and maintenance	Up to 50%
Wetland construction and restoration *	Up to 100%
Detention bund construction Erosion tree planting	Up to 50%
Works to restore fish passage (culvert remediation, weirs, floodgates)	Up to 50%

* Due to the significance of wetland restoration the project can fund up to 100% for priority projects.

In order to recognise the landowner contribution, the retirement of land from grazing for wetlands can be valued as an in-kind contribution to the project at a rate of up to \$2,500/ha at a minimum of 5ha. This creates further incentives for wetland enhancement and improved farmer buy-in.

The NRC Environment Fund is in a transition period with potential regulation from Ministry for Environment 'Essential Freshwater Packages' and NRC Regional Plan regulations becoming operative. As these regulations progress and additional funding becomes available (i.e. One Billion Trees and Freshwater Improvement Fund) the Environment Fund will need to be agile and require further review in the near future. One of these changes may be to transition away from funding of stream fencing to other high value and non-regulated water quality initiatives (i.e. gully retirement, fencing of seeps).

Considerations

1. Options

No.	Option	Advantages	Disadvantages
1	Approve proposed criteria for the Environment Fund and Northern Wairoa Fund	Improved efficiency and better environmental outcomes and FIF project progression.	Nil
2	Reject the proposed criteria for the Environment Fund and maintain status quo	Nil	This will prevent the adoption of process to match criteria of new funding streams and LTP implementation.

The staff's recommended option is option 1.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it has previously been consulted on and provided for in council's Long Term Plan (the increased fund budget helps meet the council and community's aspirations for improved water quality. It has also been a part of council's day to day activities since 1996).

3. Policy, risk management and legislative compliance

Not applicable.

Further considerations

4. Community views

The community is likely to support the revised criteria as the fund supports aspirations for clean water.

5. Māori impact statement

Tangata whenua are likely to support the revised criteria as the fund supports aspirations for clean water.

6. Financial implications

The total fund budget has already been approved by council under the LTP process. The new criteria will still work within that budget, with grants approved by council via delegated authority.

7. Implementation issues

No implementation issues.

Attachments/Ngā tapirihanga

Nil

Authorised by Group Manager

Name: Bruce Howse
Title: Group Manager - Environmental Services
Date: 07 February 2019

TITLE: Inter-regional Marine Pest Management - Discussion Document

ID: A1160314

From: Justin Murfitt, Strategic Policy Specialist and Don McKenzie, Biosecurity Manager

Executive summary/Whakarāpopototanga

Executive summary

The purpose of this report is to seek council approval to release a discussion document and undertake an engagement process to seek feedback on the management of marine pests in the upper North Island. This consultation project is a partnership between Northland Regional Council, Auckland Council, Waikato Regional Council, Bay of Plenty Regional Council, the Ministry for Primary Industries (MPI), and the Department of Conservation (DOC). The discussion document includes the option to develop consistent rules across the four regions to address marine pests. The proposal to embark on a discussion document of this nature was endorsed by the Upper North Island Strategic Alliance (UNISA) in late 2017.

This consultation project would be run at the same time in the four participating regions as far as practicable using consistent engagement and communications processes (we anticipate the feedback period running from 18 March to 24 May 2019). Feedback received will inform future decisions on marine pest management - and potentially, the development of an inter-regional marine pest pathway management plan under the Biosecurity Act 1993 across the four participating regions. The discussion document is not a statutory process but would fulfil many of the consultation requirements if a regulatory mechanism under the Biosecurity Act 1993 (such as an inter-regional marine pest pathway plan) was to be progressed.

It is recommended that council authorise the release of the draft discussion document and commencement of the engagement process (in conjunction with the project partners). The draft discussion document is attached in **Attachment 1** and an outline of the proposed consultation/engagement approach is provided in the report. The feedback received will be brought back to council for consideration once collated and assessed.

Recommendation(s)

1. That the report 'Inter-regional Marine Pest Management - Discussion Document' by Justin Murfitt, Strategic Policy Specialist and Don McKenzie, Biosecurity Manager and dated 5 February 2019, be received.
2. That council approves the release of the draft discussion document and the associated consultation process.
3. That council delegates authority to the Deputy Chief Executive to make minor changes to the discussion document prior to the start of the consultation (for the purpose of formatting, adding agency logo's and minor changes to text).
4. That council appoint a political spokesperson for the purposes of consultation in Northland being Councillor _____.

Background/Tuhinga

The threat of marine pest incursions is particularly high in the coastal waters of northern New Zealand. This has been evident with the recent spread of pest species such as Mediterranean Fan Worm. Northland's coastal waters are particularly susceptible to incursions of marine pests given the range of habitats available, relatively benign climate and the high number of visiting and resident

vessels that are a vector for spread (the movement of 'fouled' vessels is the biggest pathway for the spread of marine pests). Northland also has significant cultural, natural heritage and economic values that are potentially impacted by marine pests. These issues are also faced by neighbouring regions such as Auckland, Waikato and Bay of Plenty, which in combination with Northland accommodate the majority of New Zealand's vessel movements.

Controlling marine pests once established is extremely difficult and preventing their arrival is far more cost-effective – this is one of the reasons council recently developed a marine pest 'pathway' plan targeting the movement of bio-fouled vessels. However, preventing the spread of marine pests is likely to be far more effective if a coordinated and consistent multi-region approach is adopted – there are also likely to be efficiency gains in implementation. The concept of consistent rules (targeting hull-fouling) across the four regions has been identified as an option to address the issue.

Pathway plans are a mechanism available to regional councils under the Biosecurity Act 1993. They provide the ability to regulate activity that risks spreading pests rather than the pest itself (e.g. a rule on vessel hull fouling like those recently developed in Northland) – this is a more effective means of addressing risk than traditional pest management plans, which rely on pest presence or controlling the sale, distribution or release of pest species. The Biosecurity Act also provides for one or more councils to jointly prepare a pest management plan or pathway management plan that applies across regions (a joint/inter-regional pest or pathway management plan), but requires that each council approve the procedural steps set out in the Act and each council has discretion over how costs are allocated in their respective regions.

A project to undertake initial scoping and consultation on an inter-regional approach to marine pest management was endorsed by UNISA in late 2017. The project has been progressed through the Top of the North Biosecurity Group with partners being Northland Regional Council, Auckland Council, Waikato Regional Council, Bay of Plenty Regional Council, with support from MPI and DOC. Council approved development of a draft discussion document at the meeting of 21 August 2018. The proposal has also been discussed with Te Taitokerau Māori Advisory Committee Working Party and the Māori Technical Advisory Group.

Staff in conjunction with the project partners have now developed the draft discussion document setting out options to manage the incursion and spread of marine pests. These focus on key pathways. The options include:

- Develop consistent rules requiring clean vessel across the four biggest boating regions – Northland, Auckland, Waikato, and Bay of Plenty.
- Go further – make rules for other pathways like ballast water, aquaculture, bilge water and marine equipment.
- Rely on a national approach - wait for the Ministry for Primary Industries to develop a national 'pathway' approach for marine pests (with each region retaining the option to develop their own rules for managing marine pests).

The consultation (assuming approval by all participating councils) would be coordinated across the participating regions and consultation and communications approaches would be consistent as is practical allowing for regional nuances. A summary of the approach to consultation and engagement is provided below:

- The discussion document and supporting information would be hosted on the Bionet website (a national website for biosecurity information) and linked to each participating council's website.
- A feedback form would be available electronically and the feedback period would extend from 18 March to 24 May 2019.
- Each participating council would target engagement to suit stakeholders (such as local marina operators, yacht/boat clubs and relevant marine industry), tāngata whenua and interested

parties in their regions, but would use the same key messages and supporting material. The timing enables engagement at the Hutchwilco New Zealand boat show in Auckland between 16 and 19 May 2019.

- Broader advisory notices would be sent to other stakeholders with a likely interest (such as mooring owners).
- Advice from the Māori Technical Advisory Group has been sought on engagement with tāngata whenua.
- A coordinated approach would be used for 'inter-regional' stakeholders to avoid duplication – MPI is likely to take a strong role in this engagement.
- Council may wish to appoint a councillor as spokesperson for the purposes of consultation in Northland.

Feedback received would be reported to UNISA and partner councils mid-2019. The feedback would inform future decisions on marine pest management and potentially, the development of an inter-regional marine pest pathway management plan under the Biosecurity Act 1993.

The project would be aligned as far as possible with the national processes to ensure it has applicability and utility across New Zealand – so similar approaches can be adopted in other regions and/or incorporated into national pathway planning by central government in the future. The discussion document will increase community understanding of the risks associated with marine pests and the options available. Feedback received will assist the councils to understand community views and inform future decisions on marine pest management.

The project costs can be met within the current Biosecurity budget. It is recommended that council approve the release of the discussion document and enable staff to start the consultation process. The same mandate is sought from each participating council with the timing of these decisions aligned as far as practicable.

Considerations

Options

No.	Option	Advantages	Disadvantages
1	Do nothing (e.g. status quo/await national initiative).	No costs associated with consultation.	<ul style="list-style-type: none"> • Uncertainty on timeframes for measures to address marine pest spread. • No understanding of stakeholder/community views on the matter.
2	No discussion document – seek council approval to start the statutory process for inter-regional marine pest pathway plan.	Shorter timeframe and statutory methods have earlier effect.	<ul style="list-style-type: none"> • Risk consultation does not meet requirements of the Biosecurity Act. • Risk of strong negative reaction from communities if not given opportunity to comment prior to formal process.

3	Release discussion document and engage/consult the community to seek their views.	<ul style="list-style-type: none"> • More confidence in management options (tested in consultation). • Greater stakeholder/ community understanding of issues and options (better buy-in). • More confidence consultation meets requirements of Biosecurity Act if statutory options pursued. 	<ul style="list-style-type: none"> • Costs associated with consultation (estimated at approximately \$15,000-\$20,000). • Delay in statutory process/legal effect of rules (if pursued). • Feedback received may identify unforeseen issues/problems or opportunities.
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The staff's recommended option is option three on the basis it provides greater confidence in selecting management options, better meets consultation requirements of the Biosecurity Act 1991 (in the event a statutory approach is pursued), and is likely to achieve more buy-in from tāngata whenua, stakeholders and communities.

2. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it does not commit significant resources or result in regulatory change. This does not mean that this matter is not of significance to tāngata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

3. Policy, risk management and legislative compliance

Being a non-statutory consultation process, the decision to release a discussion document does not present any policy or legislative issues and is considered good practice. For similar reasons, risks are considered to be low.

Further considerations

4. Community views

While Northland communities have an interest in marine biosecurity, the discussion document does not result in any regulatory or financial initiatives with material effect on Northland communities. If progressed, the discussion document would provide an opportunity for the community to express their views.

5. Māori impact statement

While Māori have an interest in marine pest management, the release of the discussion document does not have any substantive regulatory or financial implications with material effect on Māori. Also, if progressed, the discussion document would provide an opportunity for the community to express their views. The proposal has also been discussed with Te Taitokerau Māori Advisory Committee Working Party and the Māori Technical Advisory Group with both indicating support for the consultation.

6. Financial implications

The project can be met within existing budget.

7. Implementation issues

Coordinating the project across four regions will present some implementation issues, however, careful project management should ensure these are managed.

Attachments/Ngā tapirihanga

Attachment 1: Discussion document DRAFT 30 January 2019 [↓](#)

Authorised by Group Manager

Name: Bruce Howse
Title: Group Manager - Environmental Services
Date: 12 February 2019



Better ways to stop marine pests?
Ētahi tikanga pai atu mō te ārai orotā o te moana?

We want to hear from you!
Mauria mai o whakaaro!

DRAFT

To protect the coastlines we all love, the four northern-most regions are considering shared rules on marine pests.

For several years, Northland, Auckland, Bay of Plenty and Waikato regions – together with boaties from all over – have been working together to stop the spread of marine pests.

We think that creating better, consistent rules across the regions is a hugely important part of how we respond to the growing threat of marine pests.

But before going any further, we want to hear from you. So read on, find out more, and have your say!

Have your say at [www.\(URLTBC\).co.nz](http://www.(URLTBC).co.nz).
Feedback closes 24 May 2019.

Front cover image: *Richard Hughes*

DRAFT

What's the problem? He aha te raruraru?

New Zealand's wealth of coastline and rich, diverse marine life is very much part of who we are. The sea is in our hearts.

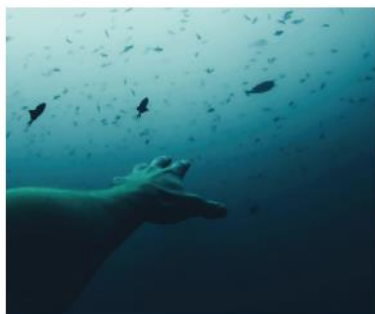
As the movement of boats increases, so too does the risk of marine pests spreading and threatening our incredible coastal playground, kai moana, underwater life, tourism and aquaculture industries and more.

For vessels coming from overseas, there are national rules in place to minimise the risk of new pest species arriving.

But for vessels moving around within our coastal waters – mostly our own vessels – rules to prevent pests spreading to new places vary from region to region.

A consistent approach across the regions would be simpler, more effective and make it easier to understand the rules.

Our four northern-most regional councils (Northland, Auckland, Waikato and Bay of Plenty Toi Moana) are also home to the biggest boating populations in the country. We're exploring whether inter-regional hull-fouling rules could be a better way forward – and we need to hear what you think.



What are the options? He aha etahi ara?

Rules just for hull fouling? Include other pathways too?
Or wait for national rules?
Which option do you think is best – and why?



OPTION 1



Lead the way with consistent rules for clean hulls.

Develop consistent rules on managing hull-fouling across the four biggest boating regions – Northland, Auckland, Waikato, and Bay of Plenty.



OPTION 2



Go even further – make rules for other pathways too.

Along with rules for hull-fouling, develop rules for other pathways like ballast water, aquaculture, bilge water and marine equipment.



OPTION 3



Wait for national rules.

Wait for MPI to develop a national 'pathway' approach for marine pests. Continue our combined efforts on public education, but each region keeps its own rules for managing marine pests.

Pros



- Reduced risk of marine pest spread.
- Reduced cost in the long run – it's cheaper to keep pests out than deal with them when they move to a new place.
- Good systems in place to deal with new pest arrivals.
- Easier for public and marine industries to understand.
- Could provide the model for an eventual national 'pathway' plan.

Pros



- Addresses all the main risk pathways for marine invaders.

Pros



- Rules will apply to all regions.
- Provides clarity for everyone having the same rules everywhere.

Cons



- Could be eventually superseded by national 'pathway' plan.
- Cost of hull surveillance programme in regions that don't already have one.
- Cost to boat owners to keep hulls clean.
- Still inconsistent with rest of New Zealand.

Cons



- Increased costs of implementation.
- Increased costs to commercial shipping, aquaculture and will require extensive changes to practices.
- Likely to take many years before new rules can be implemented.

Cons



- Delays – expected to be several years before national rules could be developed.
- Risk of marine pests spreading remains same in the near future.
- One size fits all approach may not work for some councils/regions.


DRAFT

What could the rules look like?

Me pēhea te hanga o ngā ritenga?

If clean hull rules were to be developed, there are a few different options.
Which do you think is best? Are there any other good options?

		
OPTION 1 	OPTION 2 	OPTION 3 
Clean hull required at all times.	Clean hull required only when moving.	Clean hull required only when moving to specially identified places.
<i>All vessel hulls required to have no more than a slime layer and/or barnacles at all times.</i>	<i>No more than a slime layer and/or barnacles permitted when moving from one harbour/place to another. This rule is already in place for Northland.</i>	<i>No more than a slime layer and/or barnacles permitted when moving to specially identified high value places.</i>
Pros 	Pros 	Pros 
<ul style="list-style-type: none">• Easy to understand.• Exceptions could be applied to vessels which don't move.• Doesn't require a vessel identification system.	<ul style="list-style-type: none">• Easier to achieve than Option 1.	<ul style="list-style-type: none">• Surveillance programmes can target 'high value places'.
Cons 	Cons 	Cons 
<ul style="list-style-type: none">• Rule will require compliance and monitoring by agencies.• Cannot eliminate risk of marine pest transfer.	<ul style="list-style-type: none">• Harder to enforce.• Requires a vessel identification system.• Requires mapping to identify the boundaries of the movement zones.• Harder for the public to understand.	<ul style="list-style-type: none">• Only protects those special places identified, other areas will still be at risk.• High value places will need to be identified and categorised based on economic, environment and cultural values.

 Tell us what you think – head to www.URLTBC.co.nz



Why focus on boat hulls? He aha ai tatou e arotahi ana ki ngā tākere waka?

Marine pests, particularly in their juvenile stages, can hide in amongst other hull-fouling, making them hard to detect. Fouled boat hulls can also act as a magnet for some marine pests by providing additional surface for them to settle on.

Unfortunately, it also makes it easy to accidentally transfer marine pests from one place to another on your boat hull if it hasn't been effectively cleaned.

New legislation now allows councils to manage 'pathways' if they choose to – that is, the way pests are transported from one place to another.

In the marine environment, the 'pathway' really means boats, as movement of hull-fouled boats is the single biggest risk for marine pest transfer.

It's not just about stopping the spread of pests that are already here and keeping them out of places like our world-class marine reserve at the Poor Knights in Northland.

It's also about putting good systems in place in case new, worse marine pest species slip through the cracks and reach our shores.

Together with vessel owners and the wider marine industry, we now have an opportunity to better safeguard our precious coastline, now and for future generations.

DRAFT

What about other pathways? Pēhea ētahi atu tikanga?

Unfortunately, some marine pest species have invaded parts of our coastal marine area in recent years, arriving as hitchhikers on boat hulls or in the ballast water of international sea-going vessels. Nowadays, vessels coming from overseas must meet national rules to minimise the risk of new pest species arriving. However, we need to deal with some of the problem marine pests that have already become established to stop them from spreading further

Research tells us that fouling on boat hulls is by far the biggest risk for transferring marine pests, though there are other ways these pests hitch-hike around.

Aquaculture-related movement of marine pests will be covered by a proposed national standard. This standard will require aquaculture farms to manage

their biosecurity risks, and can be found on the Ministry for the Environment's website.

For ballast water, incoming international vessel risk is managed by the Ministry for Primary Industries. However, there are currently no regulations to manage the transfer of ballast water from one region to another.

There is also a risk of marine pests being moved within fishing gear (including crab pots and dredges), residual water in cooling systems, bilge water and the movement of structures in the coastal marine area.

However, these risks are minimal compared to biofouling on vessel hulls – managing this will cover off the majority of the risks we face.



DRAFT

What's the current situation? He aha te āhua ināianeī?

The four northern-most regional councils, with support from MPI, have been collaborating closely in recent years to build awareness of marine pests and help boaties understand the actions they can take to reduce the spread.

However, the rules and management approaches for marine pests vary from region to region.



DRAFT

Northland Regional Council



Recently introduced 'pathway' rules requiring a clean hull when entering the region or moving from place to place – the first region in New Zealand to do so.

Northland's rules are implemented through a surveillance programme which inspects more than 2000 hulls a year. The pathways plan approach is a proactive way to managing the impacts of marine pests rather than a reactive measure of managing pests once they are established.

Auckland Council



Has risk-based rules in the Unitary Plan to manage the spread of harmful and invasive organisms via fouled hulls.

Waikato Regional Council



Currently has no pathway plan rules but is active in managing the impacts and risks of marine pest species.

Bay of Plenty Regional Council



Has pathway-style rules in the Proposed Regional Pest Management Plan. Currently has Small-Scale Management Programmes for Sabella and Stylea.



You can find out about more about these councils' marine pest rules at www.marinepests.nz

The Ministry for Primary Industries (MPI) has indicated interest in developing a national pathways programme, in line with its Biosecurity 2025 vision, but considers it important to understand the different regional needs and approaches first.



Where to from here? **Mai konei ki hea?**

This document is intended for informal consultation to help the four regional councils understand people's views on how to prevent the spread of marine pests.

We'll collate all feedback received and use this to help inform the shape of pathways management within the four regions.



DRAFT

Have your say Tuku kōrero mai

Which option for marine pest rules do you think is best? If clean hull rules were developed, what do you think those rules should look like?

We're keen to hear what you think!

You can jump online and have your say at:
[link TBC]

If you'd prefer to email or post your feedback, send it to [email address] or [postal address].

Thanks for being part of the conversation and doing your bit to care for our precious marine environment.

Photo credit: Poor Knights, Seacology NZ

DRAFT

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Ministry for Primary Industries
Manatū Ahu Matua



TITLE: Chair's Report to Council

ID: A1156744

From: Bill Shepherd, Chairman

Purpose of Report

This report is to receive information from the Chair on strategic issues, meetings/events attended, and correspondence sent for the months of December 2018 and January 2019.

Recommendation

That the report 'Chair's Report to Council' by Bill Shepherd, Chairman and dated 31 January 2019, be received.

Strategic issues

Upper North Island Supply Chain Strategy

Government is currently conducting a review of transport logistics for the Upper North Island. The review is defined on the Ministry of Transport's website which says that:

"Government is conducting a comprehensive Upper North Island logistics and freight review to ensure New Zealand's supply chain is fit for purpose in the longer-term.

The review will guide the development and delivery of a freight and logistics strategy for the Upper North Island. This includes a feasibility study to explore moving the location of the Ports of Auckland, with serious consideration to be given to Northport."

Our council has been invited to participate in the review and to that end, Chief Executive Malcolm Nicolson, Councillor John Bain as Chair of the Northland Regional Transport Committee, and I met with the Working Party just before Christmas to present our views.

The Working Party questioned us as to why Ports of Auckland and Port of Tauranga have grown significantly more than Northport in recent years. Clearly this is partly because of the geographic location of Northport, but more importantly because successive governments have not invested in the onshore transport infrastructure of road and rail that is necessary for Northport to play a greater part in the economy of the Upper North Island.

It is very clear that Northport has capacity that can be part of the solution to Auckland city's expansion needs, but it will need significant investment in onshore transport infrastructure of road and rail from central government.

Relationship Agreement

The Northland Regional Council, the Far North District Council, and the Kaipara District Council, all signed an historic relationship agreement with Te Kahu o Taonui (which is the Northland Iwi Leaders Forum and similar to the Northland Mayoral Forum), at Waitangi on 31 January 2019.

This Agreement formalises the willingness of iwi leaders and local government leaders of Taitokerau at a governance level, to work together and collaborate on issues of mutual interest and/or benefit. It does not confer special privileges on to any one party, it builds on the governance structures that already exist.

To the best of our knowledge, this is the first relationship agreement to have been made in New Zealand between multiple iwi and multiple councils.

At this stage two iwi and the Whangarei District Council have chosen not to join the Agreement. However, the door is open for any of those organisations to join at a later stage if they so desire.

Meetings/events attended

During this period, I attended the following meetings/events/functions:

- Meetings attended with the council's CEO, Malcolm Nicolson:
 - Brent Wilson, Leigh Hopper, and Felix Richter – fanworm in Whangārei Harbour. Councillor David Sinclair also attended.
 - Northland Inc. Limited – Annual General Meeting. Councillor David Sinclair also attended.
 - Sir John Goulter and Jon Moore, Northport – methyl bromide. Group Manager – Regulatory Services, Colin Dall, also attended.
 - Addressed the Upper North Island Supply Chain Strategy Study Group. Councillor John Bain also attended.
 - Chris Saxby, Babcock International – progress project on move to Whangārei. David Wilson and Vaughan Cooper from Northland Inc. also attended.
 - Northland Mayoral Forum held at Far North District Council.
 - Northland Mayors, Chair and CEOs – NZTA announcement on four laning.
 - Signing of the Council Governance Relationship Agreement and dinner with the National Iwi Chairs Forum at Waitangi.
- Kristen Edge, Northern Advocate – four lane highway.
- Regular Northland Mayoral Forum conference calls.
- Enviroschools Green-Gold celebration at Comrie Park Kindergarten. Environmental Education Officer, Susan Karels, also attended.
- Kawakawa Hundertwasser Christmas celebration.
- Craig Fenton, Operations Manager, Google UK – speaking about 'Okay Google what's next'.
- Mayor Sheryl Mai – Hundertwasser Whangārei.
- GoodGround Christmas celebration.
- Luke Beehre and Vaughan Cooper, Northland Inc. – Extension 350 update. Councillor Penny Smart also attended.

Correspondence

During December 2018 and January 2019 I sent out the following correspondence:

Date	Addressed To	Subject
11.12.18	Jim Kilpatrick Chair Ngunguru Sandspit Protection Society Inc.	Ngunguru Sandspit
14.12.18	Fergus Gammie Chief Executive New Zealand Transport Agency	Thank you letter for the work carried out in Northland

19.12.18	Sarah Petersen, Chair David Wilson, Chief Executive Officer Northland Inc.	Northland Inc. Ltd Statement of Intent 2019-2022 – letter of expectations
21.01.19	Mayors Whangārei District Council Kaipara District Council Far North District Council	Invitation to attend session with Dame Diane Robertson, Chair, Data Futures Partnership, on governance responsibilities of data management
22.01.19	Ngaire Tyson Kiwi Coast Coordinator Kiwi Coast Trust	Congratulatory letter on Kiwi Coast's achievement as a finalist for the New Zealander of the Year Award
25.01.19	Executive Officer Nature Heritage Fund	Northland Regional Council's support to community efforts to protect Ngunguru Sandspit and Whakareora Maunga
30.01.19	Hon Phil Twyford Minister of Transport	New road infrastructure in Northland

Attachments/Ngā tapirihanga

Nil

TITLE: Chief Executive's Report to Council

ID: A1156933

From: Malcolm Nicolson, Chief Executive Officer

Recommendation

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 29 January 2019, be received.

7.2.1 HIGHLIGHTS

Signing of historic relationship agreement

Council's Chairman and CEO attended the National Iwi Chairs Forum at Waitangi on Thursday 31 January, where the Mayoral Forum and Taitokerau Iwi Chairs Forum (Te Kahu O Taonui) signed an historic governance to governance Relationship Agreement.

Best Trade Exhibit

This year council won the Best Trade Exhibit at the Whangārei A&P show, and attributed this to its combined partner effort that creating linkages between biosecurity pest animals and adjacent site partners Pukenui Forest Trust and Kiwi Coast.

Sustainable Hill Country and Regional Priorities Programme

Northland was notified late December 2018 that the proposed "Sustainable Hill Country and Regional Priorities" (SHARP) programme funded through the Hill Country Erosion Fund (2019-2023) (a subset of the PGF and One Billion Trees programme) has been approved, in principle, subject to contracts being finalised. The **\$3.6 M** of funding, over 4 years, will allow the hiring of 4FTE, provision of advisory services for soil conservation and afforestation, grant funding for planting and fencing and research funds for coastal vegetative buffers and managing ageing poplars and willows in the landscape. The SHARP programme will enable Northland to progress our Long Term Soil Conservation Plan, over and above the Long Term Plan and consolidate NRC's land management advisory, soil conservation nursery, Environment Fund, Farm Environment Plans and One Billion Trees workstreams around one programme.

Kiwi Coast finalist for New Zealander of the Year

The Kiwi Coast Trust is a finalist in the Kiwi Bank New Zealander of the Year Awards. Kiwi Coast has been nominated for the Mitre 10 New Zealand Community of the Year category with the winners to be announced at the New Zealander of the Year Awards Gala in Auckland on February 13. Read more about the awards here: <https://nzawards.org.nz/news/2019-new-zealander-year-awards-finalists-confirmed/>

7.2.2 CEO'S OFFICE

Shared services

Nine shared services/collaborations are now business as usual, complete or at operational stage:

- Active Recreation and Sports Facilities (NRC rate funding)
- Joint Procurement/Contracts
- One Calendar

- Whanaketia te Whenua
- Contact Centre – KDC and FNDC
- Northland One Voice Collaboration
- Northland Transportation Alliance
- Civil Defence
- Health and Safety.

Focus remains on Northland councils working together on applications for the Provincial Growth Fund a part of the Northland Forward Together's 'One Voice' advocacy program. The four councils' other priorities also include four waters, IT services, and LIDAR (survey restarted in December with Mainland Air).

Regional Economic Development has been an addition to the Shared Services program following CEOs workshop in January 2019. Three potential business model concepts are to be progressed with a recommendation on a preferred business model, funding and benefits targeted to go to Mayors then councils August/September 2019.

Council property update

An offer by way of a Sale & Purchase Agreement to purchase a Waipapa property is currently before the vendor.

Redevelopment at 8 Kensington Avenue: the resource consent application has been submitted. There is significant interest from prospective tenants. All consultants have been engaged. Detailed design has begun.

Kaipara Service Centre: HB Architecture and Griffiths & Associates have been contracted as Architect and Project Manager respectively. Consultant engagement has commenced. Engagement with KDC on detailed design has begun.

Preparation for the Autumn 2019 Mt Tiger Forest harvest is well underway.

In response to the LTP, Water Street Office's renovations Stage 1 complete. Stage 2 currently on hold.

Current Legal Proceedings

<i>Department</i>	<i>Description</i>	<i>Status</i>
Consent decision appeal	To construct a boardwalk as part of a coastal walkway in Back Bay, Mangawhai Estuary	No further progress to report. Mediation adjourned until 30 June 2019.
Consent decision appeal	Seventeen groundwater takes for horticultural irrigation at Houhora, Motutangi, and Waiharara	The Court hearing closed on Friday 14 December 2018. The Court undertook a site visit on 21 January 2019 and the council is awaiting its decision on the applications.
Consent decision appeal	Proposed deepening and realignment of Whangārei Harbour entrance and approaches	Appeal resolved via consent order issued 14 December 2018.

<i>Department</i>	<i>Description</i>	<i>Status</i>
Consent decision appeal	Replacement consents for, and new consents for an expansion of, Doug's Ōpua Boat Yard in Walls Bay, Ōpua.	<p>Appeal of the decision lodged with the Environment Court on 27 November 2018. Judicial teleconference held 22 January 2019.</p> <p>The Appellant made a partial withdrawal of the parts of the appeal relating to coastal structures and dredging (new activities) on 31 January 2019. The remaining matters subject to the appeal are the existing discharges associated with the boat yard that are continuing under section 124 of the Act. A Court hearing has been set down for the weeks of 8 or 15 April 2019.</p> <p>An objection to costs of processing the application was received on 10 December 2018.</p>
Consents and notification decisions judicial review	Peat/kauri gum and resin extraction operation	The judicial review proceedings were withdrawn following surrender of the consents by the Consent Holder. One of the plaintiffs (Forest and Bird) has applied for costs from the council, which the council is opposing. The application is currently before the High Court for determination.

7.2.3 CORPORATE EXCELLENCE

Fraud Declaration

I am not aware of any fraud nor am I investigating any incidence or suspected incidence of fraud at this time.

Information Technology

The following provides an update to the presentation made at the Council workshop in November, with further investigation occurring in these areas.

Auckland Council - Discussions have continued with Auckland Council to gain a better understanding of the opportunity to leverage their systems as a shared service, with the focus around costs and the value proposition of a shared service.

Waikato Regional Council – Waikato have prepared a comprehensive business case including the recommendation of a preferred supplier. Once approved, our council can review the decision and determine the level of alignment and syndicated procurement opportunities.

Our council – workshops were completed to capture and model the intended business benefits that will come from a transformation project such as this. The process utilises a quality framework that facilitates the capture of the proposed improvement and associated business metrics.

All of these elements will assist with the preparation of the high-level business case and evaluation of options.

An update back to council is scheduled for early March.

7.2.4 REGULATORY SERVICES

Consents in Process

During December 2018 and January 2019, a total of 96 Decisions were issued. These decisions comprised:

December 2018 (38)		January 2019 (58)	
0	Moorings	2	Moorings
13	Coastal Permits	14	Coastal Permits
0	Air Discharge Permits	1	Air Discharge Permits
11	Land Discharge Permits	7	Land Discharge Permits
1	Water Discharge Permits	0	Water Discharge Permits
10	Land Use Consents	26	Land Use Consents
2	Water Permits	1	Water Permits
1	Bore Consents	7	Bore Consents

The processing timeframes for the December 2018 consents ranged from:

- 59 to 10 calendar days, with the median time being 29 days;
- 38 to 6 working days, with the median time being 20 days.

The processing timeframes for the January 2019 consents ranged from:

- 278 to 8 calendar days, with the median time being 48 days;
- 179 to 5 working days, with the median time being 18 days.

34 Applications were received in December 2018.

23 Applications were received in January 2019.

Of the 99 applications in progress at the end of January 2019:

- 29 were received more than 12 months ago (most awaiting further information);
- 20 were received between 6 and 12 months ago (most awaiting further information);
- 50 less than 6 months.

Appointment of Hearing Commissioners

The following commissioner was appointed in January 2019 for one consent hearing:

- Dr Robert Lieffering for consents associated with a new marina at Port Road, Whangārei.
The hearing is scheduled for 29 March 2019.

Consents Decisions and Progress on Notified Applications in Process, Objections and Appeals

The current level of notified application processing activities at the end of January 2019 is (by number):

• Applications Publicly/Limited Notified During Previous Month	0
• Progress on Applications Previously Notified	5
• Hearings and Decisions	0
• Appeals/Objections	4

Compliance monitoring

The results of compliance monitoring for the period 24 November 2018 – 31 January 2019 (and year-to-date figures) are summarised in the following table and discussed below.

Classification	Total	Full compliance	Non-compliance	Significant non-compliance	Not exercised during period
Air discharges	35	23	6	5	1
Coastal permit	68	45	19	2	2
Discharge permit	150	104	32	11	3
FDE – Discharge permit	67	1	2	1	63
FDE – Permitted activity	3	2	0	1	0
Land use consent	37	35	1	0	1
Water permit	232	211	16	0	5
Total	592	421	76	20	75
Percentage		71.7%	12.8%	3.4%	12.7%
YTD	4827	3836	543	216	232
Percentage		79.4%	11.2%	4.5%	4.8%

Coastal

The majority of consents monitored during the reporting period related to coastal discharges (treated municipal sewage) and coastal structures.

Monitoring of the dredging at Marsden Point was undertaken on a number of occasions due to non-compliance relating to water clarity. The method of dredging (trailing suction hopper dredge) had not been used in Northland before, and while an efficient method of dredging, results indicated it resulted in more disturbance than previously used dredging methods at Marsden Point.

Hazardous substances

Twelve incidents involving the discharge of hazardous substances and 47 enquiries regarding contaminated land were received and responded to.

340.9kg of hazardous wastes was disposed of.

Discharge and land use monitoring

Routine compliance monitoring of discharge and land use consents continued during the period. Council staff attended a meeting with the Far North, Kaipara and Whangarei district councils to discuss sharing of information and working together on the National Environmental Standard – Plantation Forestry (Forestry NES).

Since 1 May 2018 (when the Forestry NES came into effect), NRC has received 289 notices of activities. The majority (about 57%) of these have been in relation to harvesting.

Notices of Activities NES–PF		
Subpart 1	Afforestation	7
Subpart 3	Earthworks	92
Subpart 4	River crossings	23
Subpart 5	Forestry quarrying	3
Subpart 6	Harvesting	164
	Total	289

Farm Dairy Effluent (FDE) Monitoring

FDE annual inspections commenced on 16 July 2018 and were completed prior to Christmas, with a total of 855 farms being visited by our contractor or council staff. The results for consented and permitted activity farms are tabled below and compared with those for the same period last year.

Consented FDE discharges

A total of 642 consented farms were visited. There was a marked improvement in the significant non-compliance rate for consented farms, dropping from 21% last year to 15% this year. The full compliance rate improved by the same percentage.

Full Compliance		Non-Compliance		Significant Non-Compliance	
This Year	Last Year	This Year	Last Year	This Year	Last Year
387	358	158	167	97	142
60%	54%	25%	25%	15%	21%

Non-consented FDE discharges

A total of 213 non-consented farms were visited. There was a slight improvement in the significant non-compliance rate for non-consented farms (2% drop).

Full Compliance		Non-Compliance		Significant Non-Compliance	
This Year	Last Year	This Year	Last Year	This Year	Last Year
138	162	30	17	45	52
65%	70%	14%	7%	21%	23%

The overall significant non-compliance for all farms was 16.6%. This is an improvement of 5% compared with last year. It is obviously pleasing that the compliance rate has moved in a positive direction this year.

Environmental incidents

A total of 223 environmental incidents were received during the reporting period. Regardless of the dry conditions and fire restrictions imposed for the region by Fire and Emergency Services, 53 of these related to burning and smoke nuisance. There were no incidents recorded during the reporting period which resulted in a significant environmental impact.

January recorded the second highest number of incidents reported to council since records began in 1994 (122 as compared with 124 in February 2007).

Enforcement

Abatement notices, infringement notices and formal warnings

The following enforcement actions were taken during the period:

Nature of Offence	Infringement Notice		Abatement Notice		Total	
	No. Offences	No. Notices	No. Offences	No. Notices	No. Offences	No. Notices
Boat maintenance	1	1	1	1	1	2
Burning & smoke nuisance	0	0	14	14	14	15
Discharge to land	1	1	1	1	2	2
Farm dairy effluent	7	15	8	8	10	23
Illegal activity in CMA	0	0	4	4	5	5

	Infringement Notice		Abatement Notice		Total	
Other air discharge	0	0	1	1	1	1
Other water discharge	1	1	1	1	1	2
Sediment	0	0	1	2	1	2
Sewage	1	1	1	1	2	2
Total	11	19	32	33	37	54

Other Enforcement

Dumping and burning of demolition waste, Kaikohe

Charges have been laid against two companies and one individual (associated with one of the companies) and a land owner for the dumping and burning of demolition waste near Kaikohe. One of the companies entered guilty pleas on 14 November 2018. The other company and the land owner have elected jury trial. The landowner has requested a sentence indication hearing. There were Case Review Hearings held on 12 and 17 December 2018. A call over date has been allocated for 28 February 2019.

Enforcement Order – Paihia Wastewater Treatment Plant

The Far North District Council (FNDC) was provided with draft enforcement orders and staff affidavits relating to the Paihia Wastewater Treatment Plant for consideration/response. Following the FNDC's response changes were made to the enforcement orders, which were then lodged with the Environment Court. It is the NRC's preference that we get an enforcement order by consent and this is currently being worked through with the FNDC.

Hydrology

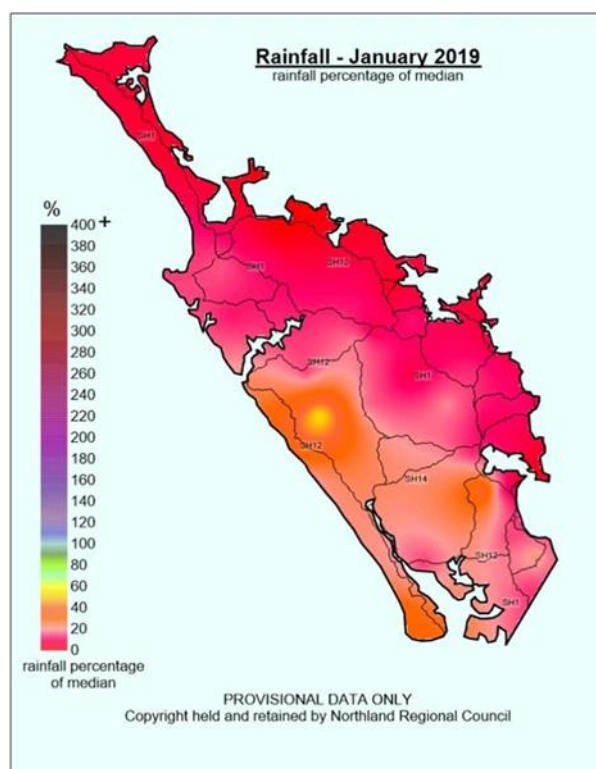
It was an exceptionally dry start to the 2019 year. Over half of the region's rainfall stations recorded totals of less than 10mm for the month, with the driest areas in the north and east coasts. The lowest, as yet unconfirmed, rainfall for the month was Ōruru with zero, 4mm at Cape Rēinga, 3.5mm at Kerikeri, 5mm at Ōpua and Ōākura, 6.5mm at Glenbervie (the lowest January rainfall recorded since 1947), and 1.5mm at Marsden Point. About 75% of Northland received less than 20% of normal January rainfall.

More information will be provided in the climate reports available on the [NRC website](#), see below for the regional rainfall map

Low flow gauging project work has been carried out in Whangārei Harbour tributaries. This is to be carried out multiple times over low flows, with the aim of using the data to calibrate a MALF model. We will aim to get these measurements at least once more over the summer period.

Low flow gaugings have regularly been carried out at stations used for compliance purposes. Some compliance gaugings at consent holder water takes have been carried out in the Kerikeri and Kaihū catchments.

Some equipment at the Awanui At School Cut river recorder have been shifted upstream to



make way for the river works currently under way. The equipment will be moved back to its original position soon after the completion of the river benching work.

A continuous dissolved oxygen/water temp sensor has been installed at the river recorder, Mangere at Knights road. This is the second of five sensors to be installed.

IRIS270 data loggers have been tested and installed at two stations (Tarawhataroa at Redan Road and Mangere at Knights Rd). These will be used at the remainder of our GPRS sites (around 45) over this financial year and the next.

The Waitangi at McDonald Road rainfall recorder has been switched to radio communications to decrease communications outages.

Natural Resources Science

Envirolink

Bill Dyck, Envirolink National Coordinator will be visiting us at the end of February.

NRC managed to get seven Envirolink grants this year for a total of \$130K. Projects topics are listed below:

- Drivers of periphyton biomass in Northland streams
- Developing a Fish IBI for Northland
- Dune lake galaxid aging using otolith growth rings – training advice package
- Meteorological drought localisation for Eastern region
- Real-time radar rainfall estimation and correction for Northland
- Review of 1080 recent science
- Application to introduce two biological control agents for the weed Sydney golden wattle

SWIM SIG convener

Jean-Charles Perquin to be taking over from Tim Davie (ECan) as the Surface Water Integrated Management (SWIM) SIG convener. Handover is estimated to be by the end of 2019.

Natural Resources Science projects - Water quantity

NRC is working on securing a site to deploy a temporal vertical pointing radar that will operate for one month as part of the real-time radar rainfall estimation project. Below is an image of the radar that the University of Auckland developed, this unit will be deployed in the autumn period.



Coastal

- A surveillance camera and local volunteers have been used to monitor nuisance algae (seaweed) at Waipū Cove. The observations will be matched to weather patterns to help predict future incidents of nuisance algae.
- Coastal water quality buoys have been deployed in the Hātea River and Waitangi Estuary. These buoys will be deployed for one month and record water quality parameters every 15 minutes. The results can be viewed by the public in real-time on the NRC website.
www.nrc.govt.nz/buoydata.

Freshwater quality/Freshwater ecology

- Seven additional water quality monitoring sites in the Northern Wairoa catchment will be established through the Northern Wairoa FIF project. Four of these sites will fill in gaps in our existing SOE monitoring network in the lower catchment. The remainder will be used to monitor effectiveness of targeted mitigation measures.
- A review of the first three years of periphyton monitoring data has been commissioned to NIWA; to be completed by June 2019. This work will be essential in informing a proposed plan change in 2021. Critical to this is understanding the role of dissolved inorganic nitrogen (DIN) and dissolved reactive phosphorus (DRP) in driving periphyton growth and ultimately deriving appropriate in-stream nutrient concentrations and limits/criteria for Northland rivers.
- Victoria University has been contracted to develop an Index of Biotic Integrity (IBI) for fish communities specific to Northland utilising data from the NIWA NZFFD and relevant models. The Fish IBI developed for Northland will provide an assessment of the state of regional fish communities.
- Targeted monitoring of low flows will be undertaken in the Kerikeri River catchment to inform the impacts of low flows on ecosystem health.

Water allocation

A workshop on NRC's Water Allocation Calculator was held on the 24 January 2019 with Bay of Plenty Regional Council Staff (BoP). BoP are considering using the tool to meet their water quantity accounting requirements.

Air quality

- Ambient PM₁₀ monitoring results for November and December 2018 for the Whangārei and Marsden Point airsheds, and Kaikohe, showed that compliance was met with the National Environmental Standards for Air Quality (NESAQ). PM_{2.5} monitoring results for Whangārei were within the Ambient Air Quality Guideline value.
- Unsealed Road PM₁₀ monitoring started in early December 2018 with some difficulties due to instrument failure. A technician is due to visit Whāngārei in early February to repair the instrument.
- A project was initiated to calculate NRC CO₂ emissions. The first results show that NRC produced 859.88 tCO₂-e (including buses, air travel, electricity, cars, boats, waste generation, air conditioning and refrigerator) for the financial year 2017-18.

Natural Resources Data

- NRC attended the Environmental Data Workshop on 21 January 2019. The workshop focused on the environmental data management needs of the different councils rather than the solution. Non-functional and functional requirements (i.e. QC, security, provenance, accessibility, usability, interoperability, supportable platform, types of data, interfaces, outputs). The project is supported by ReCoCo.

- Survey 123: NRC attended a workshop session at ECan in Christchurch on Survey 123 for environmental data collection. The Data team will be creating electronic data capture forms and testing in the field in February and March 2019. The GIS team is supportive of the project. Survey123 proof of concept will be tested by the Natural Resources Team
- Ki Eco: NRC attended a workshop session at Auckland Council on the biological database to provide direction with commissioning the system at NRC over the next six months
- Quality System: working on options to restructure the field monitoring manual to better reflect the responsibilities/tasks of the different teams.
- Water use records: The online submission system is currently being tested by several consent holders until the end of February 2019.

7.2.5 ENVIRONMENTAL SERVICES

LAND MANAGEMENT

Environment Fund Update

28 Environment Fund projects have been completed and signed off to date for this financial year totalling \$126,180.

Farm Environment Plans (FEP) – 2018/19

This financial year 91 FEP's have been commenced and 69 have been completed. We anticipate approximately 150 plans will be undertaken during the year, surpassing the LTP KPI of 25,000 ha.

One Billion Trees Programme Update

The Hill Country Erosion Fund boost year (June 2018-June 2019) team have been making good progress commissioning Northland consultants and afforestation experts, developing best practice afforestation guides and forming partnerships to enable Northland to respond to the One Billion Tree Programme. By July 2019 we are progressing the planting of 20,000 or more trees on farms for riparian planting through this funding programme.

BIODIVERSITY

FIF Dune Lakes Project

Four fencing and three water reticulation projects are now underway (Lakes Waiparera, Ngatu, Shag, Midgley's), to be completed by the end of the financial year.

Pest fishing work began with Lake Parawanui (North Dargaville) which is the first lake targeted for rudd removal.

Ngāti Kuri, Te Aupouri and Ngāi Takoto have indicated support for aquatic weed control herbicide operations for Lakes Ngakeketo South, Waiparera, Ngatu, Mini Split and Waimimiha North. Te Uri o Hau and DOC have indicated they support the plant aquaculture (phyto-remediation) work at Lake Rototuna.

Wetlands

Wetland condition monitoring is well underway. This is the third repeat monitoring of 28 wetlands over 18 properties, that were originally monitored in 2011. As at the end of January, 13 wetlands have been monitored. Nine have improved overall wetland condition scores and four had stable scores.

CoastCare

Prior to Christmas two new CoastCare brochures were produced, one aimed at summer tourists to the region and the other at people driving on Northland's beaches. These have been provided to

Ambassadors in the Whangārei and Far North districts as well as to I-sites, agencies and CoastCare groups for distribution.

A CoastCare – Northland's Coast and Us social media campaign is currently running to share dune protection messages and promote the work being done around the region by CoastCare volunteers. The campaign includes a photo competition to encourage public involvement.

Check, Clean, Dry

The Check, Clean, Dry (CCD) advocacy programme is funded by the Ministry for Primary Industries to reduce the spread of freshwater pests between water-ways. The programme includes a user survey, signage and interaction with users of fresh-water sites.

To date this summer, 115 surveys have been completed and around 700 people have been spoken to about CCD messages. 435 CCD packs containing information, detergent and spray bottles were given out to the public and relevant businesses around Northland for distribution to their clients.

NRC CCD advocates have attended popular lakes and waterways throughout Northland including the Kai Iwi lakes (Taharoa and Waikere), Lake Ngatu, Lake Rotopokaka (Coca Cola Lake) and Lake Manuwai. The overall engagement from surveys taken at these lakes has been good. In addition, events including Whangārei A&P show, waka ama trials and the Kai Iwi Lakes Open Day have been attended.

BIOSECURITY

Biosecurity Threats/Incursions

Mycoplasma bovis

As of January 2019, assistance provided by NRC to the Mycoplasma bovis (M. bovis) response has concluded. Council's involvement with the response began in March 2018 through to December 2018 – with all staff costs (approximately \$120,000) charged back to Asure Quality. A new Farm Case Manager (ICP Manager), employed by Asure Quality and based in Whangārei, continues to assist Northland farmers who have controls and restrictions placed upon their properties due to the response.

During December 2018, council's Biosecurity Incursion Management Officer completed a handover of Northland's current existing Notices of Direction and Restricted Place Notices to the new ICP manager. Latest updates on the M. bovis response can be found by following the link below:

<https://www.mpi.govt.nz/protection-and-response/responding/alerts/mycoplasma-bovis/>

Kiwi Coast – NRC Partnership

Kiwi Coast has collaborated with Department of Conservation to refresh the kiwi roadside billboards around Northland. The first of the two new Kiwi Coast roadside billboards have been installed at Ngunguru and on SH1 near Hikurangi. Further billboards have been requested at Russell, Mangamuka and Purerua. The purpose is to support communities who are working hard to increase kiwi numbers with a dog control message, in a positive and eye-catching way.

Biosecurity High Value Areas (HVAs)

Council's recently established Biosecurity High Value Areas have all established community-based working groups to help ensure outcomes and objectives that have been developed in each HVA management plan are achieved. Each HVA working group have drafted individual terms of reference using a template previously approved by council.

Whangārei Heads High Value Area

Landowner engagement and predator trapping throughout the Whangārei Heads is ongoing and a high turnout of the public is expected at the next kiwi release which is planned for 17th February.

Weed Action Whangārei Heads (WAWH) has continued to support community weed control projects which includes managing the “community store”, a place where locals can borrow equipment for managing weeds. The community is supported by council staff and advice on how to control weeds will be available at the upcoming kiwi release. Staff are also developing a community pest control plan with WAWH to address large infestations of privet around Parua Bay.

Mangawhai – Waipū (Piroa-Brynderwyn) High Value Area

The working group for this high value area have renamed their high value area to the Piroa-Brynderwyn HVA to better reflect the focus area of the pest control work being carried out. Piroa is the traditional name for the Brynderwyns as recognised by local iwi Patuharakeke and Te Uri o Hau which will be used to refer to this high value area. The Piroa-Brynderwyn Landcare (PBL) group has progressed with the extension of a comprehensive predator trapping network throughout the project area. Predator trap boxes are built by the Waipū Men’s Shed and deployed and serviced by local landowners and contractors. Increasing numbers of landowners are requesting support and wanting to get involved in pest management.

The Piroa Brynderwyn Weed Action Committee and Weed Action Coordinator are progressing the establishment of a ‘community store’ modelled on that of the Weed Action Whangārei Heads store, where locals can access free advice, tools and herbicide. They have three community events scheduled over the next three months and have begun developing a project plan for engaging the local community and raising awareness of the priority weeds they have identified for their area.

Mid North Bay of Islands High Value Area

Kiwi Coast Coordinator, Andrew Mentor has continued to coordinate and manage the Mid-North / Bay of Islands High Value Area alongside council staff. Northern Regional Corrections Facility at Ngāwhā have constructed hundreds of stoat trap boxes which are now being delivered to landowners, groups and projects within the Mid North High Value Area. These traps will help to intensify existing stoat trapping operations, fill gaps to link neighbouring projects into continuous trapping networks and kick start new projects wanting to protect local kiwi populations.

Tutukākā High Value Area

Biosecurity staff have been supporting the community in the Tutukākā HVA with kiwi monitoring work over December and January. This included the collection of an egg from a monitored male kiwi’s nest which was under threat. The chick hatched at the Whangārei Native Bird Recovery Centre and was released back into the Tutukākā area in January with community members in attendance. Staff also supported the capture and transmitter change of a monitored kiwi in the Sandy Bay Area and followed up on a kiwi nest reported by a member of the public in the Matapōuri area.



Image: Kiwi chick due for release back into protected land in Tutukākā high value area



Image: Externally pipping kiwi (hatching) egg salvaged from monitored nest in Tutukākā

A sub-committee of Tutukākā Landcare representatives has been convened with a focus on weeds. This group has great representation for the various local community 'hubs' and will use that model to create a network of key local contacts for the community to access weed advice, equipment and support. They have also appointed a new coordinator who has begun developing a volunteer event kit and a prioritisation exercise to determine the 'dirty dozen' focus weed species, as well as a plan for raising awareness about these target species in their community. They are at the early stages of defining this group and are yet to determine if they will use the same Weed Action branding as the Whangārei Heads and Piroa-Brynderwyns group.

Kai Iwi Lakes High Value Area

Staff have continued to liaise with landowners surrounding the lakes regarding the development of a community pest control plan. A western-Northland based project manager has continued to build landowner relationships and encourage participation in community pest control. Local Te Roroa contractors have delivered weed and animal pest control operations at the lakes and surrounding areas. Wilding pine and acacia control has been ongoing with more scheduled over the coming months.

Western Northland Pest Control

Staff delivered 242 stoat trap boxes and 484 stoat traps were provided for council's Western Northland Pest Control programmes. These traps will be used for predator control in new established community pest control areas such as Wekaweka Landcare CPCA, and Pupurangi Nature Sanctuary CPCA as well as several others which are currently being finalised.

Russell Forest Pest Control

Following on from the Department of Conservation's aerial 1080 operation last year in Russell Forest, staff are continuing to work with the Russell State Forrest Roopu in developing the twenty-year forest health plan. Council has collaborated with Nga Whenua Rahui and Guardians of the Bay to fund a one-off ground operation on 3B2 Trust land to complement the aerial operation on Cape Brett. Council is supporting Manaaki Whenua /Landcare Research's MBIE Vision Mātauranga proposal, a project that would replicate the forest vegetation and bird survey recently undertaken in the Warawara Forest. Ngāti Manu's pest control team based at Kāretu have begun laying out traps and eventually bait stations in a small pilot area to train hapū members, with the long-term goal to expand throughout the Whaakaurau Valley.



Image: Ngati Manu's pest control team based at Kāretu setting up their pilot pest control block.

Kauri Dieback

Staff are continuing to groundtruth potential kauri dieback sites identified through aerial surveillance in Northland. Results are presented in the following table.

Kauri Dieback management plans are currently being developed for all positive sites as well as those that are identified as medium – high risk sites. Nearly all sites council staff have inspected will receive advice and a basic management plan about how to best protect their kauri and forest from kauri dieback and other diseases.

Staff have provisionally secured additional funding of approximately \$160,000 from the Kauri Dieback programme to groundtruth priority sites and fence off kauri in Northland.

Table 1 below: Summary of samples taken

	Number of Sites Inspected				Soil Samples Taken	Soil Sample Results		
Month	Total Sites Inspected	Priority 1 Sites	Priority 2 Sites	Landowner Requested Sites	Number of Samples Taken	Positive	Undetected	Pending
October	5	0	2	3	17	6	11	0
November	11	3	3	5	38	2	32	6
December	11	8	3	0	44			44
January	15	7	3	5	40			40
YTD Total	42	18	11	13	139	8	43	90

Marine Biosecurity

The Hull Surveillance Programme has been running since October and is on track, with 53% of the annual target (2,000 vessels) completed as of 23 January 2019. In December and January, surveillance was carried out at Whangārei Harbour, Bay of Islands and Whangaroa Harbour and included a total of 630 vessels checked by divers for marine invasive species.

In three instances, fanworm were found in the Bay of Islands on the bottom of keels of boats that were recently cleaned in Auckland by the same facility (and a fourth one was reported by the boatyard). The team will work with this facility to improve their operations and ensure compliance. Overall, we have seen a very positive change in attitude this summer, in particular from vessels from Auckland, with a much higher compliance with the Pathways Plan (69% of vessels surveyed) and support for the clean hull rule and Hull Surveillance Programme.

Results of the 18/19 Hull Surveillance Programme for December 2018 and January 2019	
Number of vessels surveyed	630
Total year to date	1061
% of target for 18/19	53%
Vessels detected with fanworm (Sabella)	11
Vessels detected with Styela sea squirt	40
Vessels detected with Japanese kelp (Undaria)	0
Vessels detected with Australian droplet tunicate (Eudistoma)	11
Vessels detected with Pyura sea squirt	0
Pathways plan compliance	69% of vessels

The Ōpua Fanworm Eradication Programme continues but was delayed due to very poor visibility; divers could not successfully conduct surveys. As soon as visibility improves, dive surveys and removal of any fanworm found will resume and be completed. This may not happen until May when it is anticipated that visibility will improve.

A fisherman reported catching four large shrimps in a flounder net in Whangaroa on 18 January and staff confirmed them as Japanese mantis shrimp, a species not currently known from Whangaroa but is found in the harbours of the Hokianga, Kaipara harbours and also reported from Mangonui. This aggressive, predatory shrimp is known to prey on a variety of fish, molluscs and crustaceans, however the impacts of high numbers of mantis shrimp on other fisheries such as flounder are unclear and currently there are no means of eradication once the shrimp is established. Many Northland harbours do not have the shrimp however they can hitchhike on vessels as part of biofouling and it is important that vessel hulls are kept clean to avoid their transfer.

The Ministry for Primary Industry provided a marine pest identification workshop on 24 January, hosted at NRC. Approximately 25 people attended including commercial divers, boatyard operators, port environmental officers, biosecurity officers, and local vessel owners.

Staff were required to attend a disputes tribunal hearing in Whangārei concerning the marine pest charge. The applicant claimed the charge was unfair and unjust however the referee determined the claim was not within the jurisdiction of the tribunal to hear and dismissed the claim.

Pest Plants

Eradication and Progressive Containment plants

Staff have started the biannual inspections for Mickey Mouse plant (*Ochna serrulata*). There are currently 470 active or surveillance sites throughout Northland. Ninety-Four sites were inspected in January, with 8 new management sites added to the programme. Two of these are within Biosecurity High Value Areas at Tutukākā and Whangārei Heads.

The annual spartina control program is also now underway with control undertaken at Kaipara management sites. Whangaroa sites are scheduled to begin this month.

Inspections and control have also been undertaken for Senegal tea, yellow flag iris and cathedral bells. A new cathedral bells site was found in Onerahi while conducting searches for Mickey Mouse plant. There are now six known active eradication sites for this species in Northland.

Staff undertook control for progressive containment species pultenaea sites outside of the containment area and further initial knockdown work was undertaken by contractors at main pultenaea infestation site inside the containment area.

The summer period has also been an extremely busy time for customer requests for weed identification, advice and herbicide, with particular interest in moth plant and ragwort and tradescantia biocontrol, as well as the expected privet and wild ginger enquiries.

Manchurian Wild Rice

The first round of Manchurian wild rice spraying has commenced after delays due to unsuitable weather conditions. Local contractors have since been able to fast track control effort and have nearly completed the first round of contracted spray hours.

Stop Wild Ginger

The inaugural bi-annual Stop Wild Ginger stakeholders meeting was held, with relatively good representation of stakeholders in attendance. The meeting covered progress on the acquisition and testing of potential wild ginger biocontrol agents. Manaaki Whenua Landcare Research Containment Facility Manager, Hugh Gourlay, who is overseeing the project with CABI, provided a detailed update on the project.

One agent, the stem mining fly has been successfully exported from northern India to the UK, and host testing has begun. They are currently waiting on the emergence of the stem mining fly larvae from the host testing experiment and can expect the results in May/June.

A second agent, the ginger weevil, is proving more difficult to collect due to a number of factors such as weather and collection site numbers. It is expected that the weevil is to be collected and taken to the UK by October 2019.

The current target is for a release date in Northland is summer 2021.

RIVERS

River Contract Works

Priority Rivers	Work	Status	Comments
Awanui	OpEx	90% complete	Mid-Awanui stop-bank re-alignment completed some remaining spraying, mulching and minor maintenance.
Awanui	CapEx	55% complete	Te Ahu stopbank stabilization works and grade control.
Awanui	CapEx	75% complete	Bell's Hill Benching.
Kaihū	OpEx	65% complete	~ 40% long-reach digger work and 50% of the Spraying.
Minor Rivers	OpEx	32% complete	Only high priority work is being progressed.

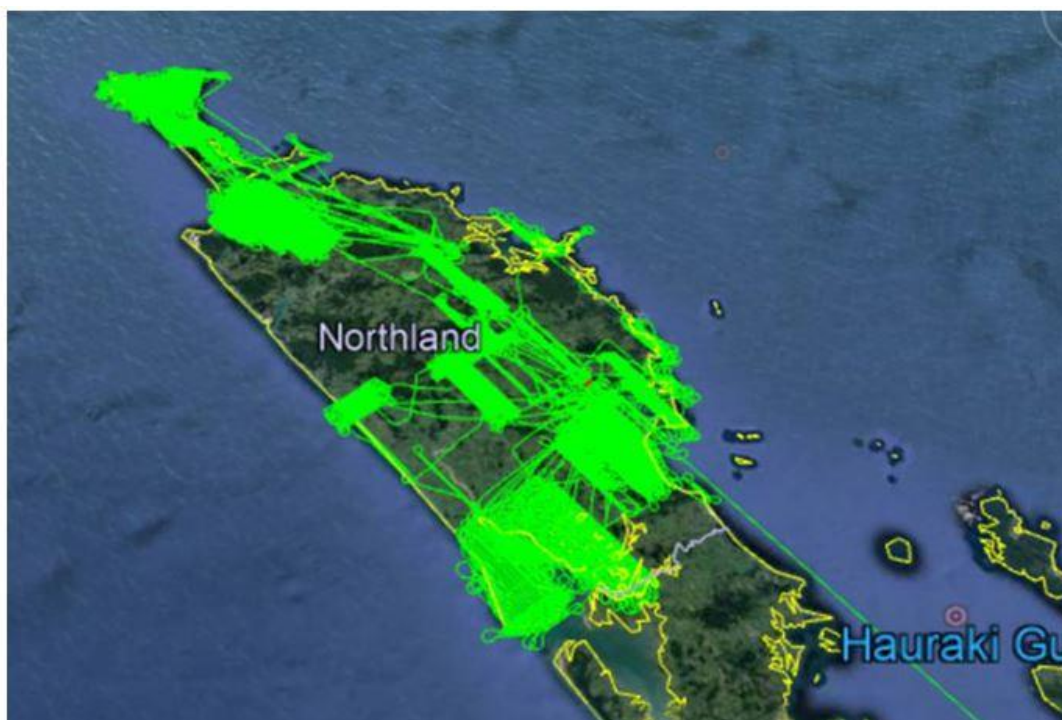
LTP Projects

Rivers	Comments
Awanui	Bell's Hill Benching and the Te Ahu Rock Armouring projects has progressed well given the good weather in January. Modelling work is progressing and we expect the Preliminary Scheme design results to be delivered in March.
Matangirau	Preliminary modelling has been completed, staff have shared the modelling results with the Matangirau community and with FNDC. We have scoped additional modelling to refine the preferred options.
Kawakawa – Taumārere	The Resource Consent has been lodged as "Draft" for the Turntable Hill river benching works to allow FNDC and NRC to process and identify any gaps while an Archaeology Authority lodgement with HNZ is running concurrently. Staff have met with the affected landowners and with Iwi to get agreement for the works.
Whangārei	Detailed design for the Woods Road floodwall is finalised. We expect the Resource Consent to be lodged mid-February and works tendered shortly thereafter.
Panguru	Preliminary Modelling has been completed and staff are scoping and refining the modelling ahead of 12 February Committee meeting and 28 February Community Meeting.

NATURAL HAZARDS

Work Streams	Status	Comments
Priority Rivers Flood Hazard Maps	95%	Staff are reviewing the Paparoa and Waipū River models and performing final checks. We expect the maps to be released in March.
Awanui Flood Model	75%	DHI has completed two model calibration runs, with only one remaining. This is the most complex part of the modelling work. Once the remaining calibration run is complete, DHI will start design storm runs
Regional LiDAR	26%	RPS has flown over Christmas and New Year and have completed approximately 26% total capture.

Northland LiDAR Capture



Northland LiDAR as of 7 February 2019

7.2.6 STRATEGY, GOVERNANCE AND ENGAGEMENT

Proposed Regional Plan

The Hearing Panel is preparing its recommendations with the aim of presenting them to the April 2019 council meeting for approval. The aim is also for council to make its decisions on the provisions for managing genetically modified organisms at the same council meeting.

The council decisions version of the Proposed Regional Plan will have legal effect.

Once council has released its decisions, submitters will then have the ability to appeal provisions to the Environment Court.

National Initiatives

The Productivity Commission has started an inquiry into local government funding and financing with the release of an Issues Paper on 6 November 2018. Council has lodged a submission on the paper under authority delegated to the Chairman and Chief Executive officer. The submission outlines council views on the local government funding and finance issues raised by the Commission.

Corporate Planning

The process of developing the Annual Plan 2019/20 is progressing well and is running to an earlier than usual timeframe to accommodate elections. Community consultation is scheduled to begin on 4 March.

The second quarter of reporting on the performance measures set out in the Long Term Plan 2018-2028 is now complete. The second quarter covers the three month period October – December 2018.

Quarter two provides an opportunity to check in on the progress of some of the annual measures, with reporting demonstrating that annual targets are tracking well. Targets were achieved for all but three of the measures reported on in the second quarter. Those not achieved are shown in the table below:

LTP performance measure	Target	Q2 result	Commentary
Percentage of official information requests that are responded to within 20 working days.	100% compliance	92%	Two LGOIMA requests not responded to within 20 working days during the reporting period.
Percentage of monitored permitted farm dairy effluent activities that are not graded as significantly non-compliant.	90%	79.20%	A total of 212 permitted activity dairy farms were monitored. Of these, 44 were significantly non-compliant.
Percentage of environmental incidents with more than minor effects reported to the Environmental Hotline that are resolved within 30 working days.	80% resolved within 30 working days	72.70%	There has been a total of 11 incidents with more than minor adverse effects. Of these 8 were resolved within 30 working days.

District Planning

Staff attended a hearing for Whangarei District Council's Proposed Plan Change 129 (Notable and Public Trees) in early December. The regional council requested amendments to the plan change to allow tree works to be undertaken by Northland Regional Council staff as 'permitted activities', where trees have the potential to cause/exacerbate river flooding and stream bank erosion.

The Hearing Panel are currently deliberating on the plan change and will make a recommendation to Whangarei District Council in the next few months. Staff will provide a further update when the district council releases the Council's decision.

Economic Development

Investment and Growth Reserve – Projects report

Project	December/January update	Future developments/ reporting
Extension 350	Nothing new to report.	
Resources Enterprise Limited (REL)	Discussed with business consultant on plans to reopen the sawmill. December interest payment has not yet been paid.	Meeting with REL directors set for 8 February.
Hundertwasser Art Centre (Whangārei)	Nothing new to report.	Second invoice due at 50% works complete.
Kawakawa Hundertwasser Park Centre (Te Hononga)	Funding agreement signed and all conditions met. First invoice received and paid (\$200,000).	Stone laying ceremony 1 February 2019. Second invoice expected in April 2019.
Extended Regional Promotion	Nothing new to report.	Report for the first six months 2018/19 due in February.
Twin Coast Cycle Trail (TCCT)	Contacted FNDC who informed that one of the five outstanding easements have been finalised.	Awaiting further progress report on remaining four easements to complete funding commitment. Maybe Q4.

Other activities

- Issue 22 of the Northland Economic Quarterly published on 11 December (www.nrc.govt.nz/economicquarterly). The annual section looks at some key primary sector results for the 2017/18 season while the spotlight section focuses on the latest business demography statistics for Northland.
- Internet Speed Survey 2018/19 launched 11 December and closed 1 February. The Digital Enablement Group (comprising the four Northland councils and Northland Inc) ran the internet

speed survey to gather information that will assist us in our work with central government to expand and improve broadband coverage in Northland. 376 completed surveys were received.

- Letter of Expectations for the Statement of Intent 20019-2022 sent to Northland Inc.
- Second meeting held with NZTA, consultants, NInc and district council on developing walking and cycling business cases using funding awarded through the PGF.

Online Channels Highlights

- Most popular post on Facebook for December – Internet speed test survey promotion. The post reached over 14,000 people.
- Most popular post on Facebook for January – Call for our community to keep an eye out for pest plants in flower right now like the Cathedral Bells pest plant. The post reached over 7,000 people.

Key Performance Indicators	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
WEB					
# Visits to the NRC website	13,000	14,800	14,700	16,100	18,400
E-payments made	25	11	6	2	4
# subscription customers (cumulative)	1,169	1,154	1,153	1,159	1,167
SOCIAL MEDIA (cumulative)					
# Twitter followers	1,405	1,415	1,413	1,418	1,416
# NRC Facebook fans	6,623	6,910	7,132	7,198	7,611
# NRC Overall Facebook Reach	203,600	137,800	137,200	70,275	87,800
# CDEM Facebook fans	16,000	No data	16,200	16,400	16,500
# CDEM Overall Facebook Reach	59,100	No data	47,200	59,299	14,800
# Instagram followers	540	596	615	646	663

* November data is for a 25-day period due to early reporting deadlines.

Enviroschools / Education

Enviroschools Reflections

Date	School / Kindergarten	Stage
4 December Sharing and decision-making session	Comrie Park Kindergarten (Matarau)	Green-Gold
14 December Celebration with Chairman Bill Shepherd		
5 December Celebration with Cr Joce Yeoman	Bay of Islands International Academy (Te Ti)	Silver
11 December Sharing and decision-making session	Whangaruru School	Silver
18 December Celebration with Cr John Bain		
12 December Celebration with Cr Joce Yeoman	Whananaki School	Bronze

On 3 December, Otaika Valley School reported to the Whangārei Harbour Catchment Group on their work in and around the Otaika River.

School communities facilitated

Despite the school holidays, 21 school communities were visited by Enviroschools facilitators during December and January.

Marketing and Engagement

Whangārei A&P Show (1 December 2018)

Our display focused on biosecurity pest animals and pest plants, hygiene and the conclusion of the Where's your Wai freshwater consultation. Our focus on partnerships influenced site set up this year, creating linkages between biosecurity pest animals and adjacent site partners Pukenui Forest Trust and Kiwi Coast. The partnership was an efficient way of maximising the messages to this audience. Pest plants also focused on joint messages with Pukenui and provided advice on predominantly urban control species. The hygiene display covered Kauri Dieback, Check, Clean, Dry and information was also available on Mycoplasma bovis given the current interest regarding this concern in Northland.

It was felt, however, that the show was not as well attended as in previous years. Approximately 200 people interacted with council's site. The rainy morning would have contributed to this, but feedback will be given to the A&P Society.

Bay Bush Action-Paihia Green (15 December 2018)

Biosecurity team attended an event co-ordinated by Bay Bush Action on the Paihia Green. Although the event was poorly publicised the two staff attending felt it was a worthwhile event and that there was benefit in supporting the work being done in this area.

Kai Iwi Lakes Open Day (26 January 2019)

Council continued its usual presence at this event with information on wetlands, dune lakes animal pests and weeds. A check, clean, dry station also showed people the methods to ensure freshwater pests are not spread between waterways via the gear used in water activities.

Ngati Hau Festival – Akerama marae (26 January 2019)

This event was trialled as a new opportunity to engage with Māori. Unfortunately, attendance at this new event was marginal and engagement with the two council staff representing biosecurity pest animals was not significant.

Māori Engagement

At its November meeting, the Te Oneroa-a-Tōhē Board resolved to erect safe swimming signage at four sites along Te Oneroa-a-Tōhē/90 Mile Beach, and develop collateral to be distributed via the i-site centre Kaitāia as part of a summer campaign to raise awareness of the Board and its purpose. Signs were erected at Ahipara, Hukatere and Te Paki and the summer collateral provided to Te Ahu i-site centre for distributing to summer visitors.

The Te Taitokerau Māori and Council Working Party (TTMAC) by-monthly regional marae based hui was held at Takahiwai Marae, hosted by Patuharakeke Te Iwi Trust.

Staff continue to work with Auckland Council and Kaipara Uri on drafting advice around a mitigation proposal associated with the Kaipara Harbour for central government consideration.

During January, Te Rūnanga o Ngāti Whātua welcomed Alan Riwaka as their new Chief Executive. Councillors Dimery and Smart attending the pōwhiri for Mr Riwaka supported by the Chief Executive and staff.

Governance Support

Local government official information (LGOIMA) requests

Month	LGOIMA requests received 2017/18	LGOIMA requests received 2018/19
July	7	15
August	10	20
September	16	7
October	15	5
November	12	10
December	14	9
January	12	11
February	14	
March	12	
April	14	
May	15	
June	18	
Total LGOIMA requests received	159	77
Total LGOIMA requests not responded to ≤ 20 working days*	15	0

Details on the requests not completed within 20 working days:

REQ.592230 – Request for bullying and harassment claims. This was not completed within 20 working days due to the need to seek legal advice.

REQ.592349 – Request for information on farm cattle consents. This was not completed within 20 working days because of a misunderstanding of the LGOIMA definition of working days.

7.2.7 CUSTOMER SERVICE – COMMUNITY RESILIENCE

CUSTOMER SERVICE

Telephone Inbound Call Statistics

	December 2018	January 2019	Target
Call volume	1848	2334	
Conversion rate	97.0%	95.3%	>95%
Average wait time	7 sec	8 sec	
Calls answered in under 30sec	94%	91.8%	>90%

The dip in performance in January is attributed to staff being on leave requiring Customer Services Officers to make multiple calls to locate suitable staff for referrals.

Telephone Performance

Although most post-installation issues have been resolved, there are still intermittent call quality issues and instances of calls not ringing internal numbers. Northcloud are responsive to issues and are meeting regularly with NRC to resolve these issues. A follow up staff survey is planned to identify any remaining problems and opportunities for improvement.

Satisfaction Monitoring

Feedback Cards, Compliments and Complaints

Some departments are including an online feedback link. Feedback from this source and from feedback cards has been included with compliments and complaints.

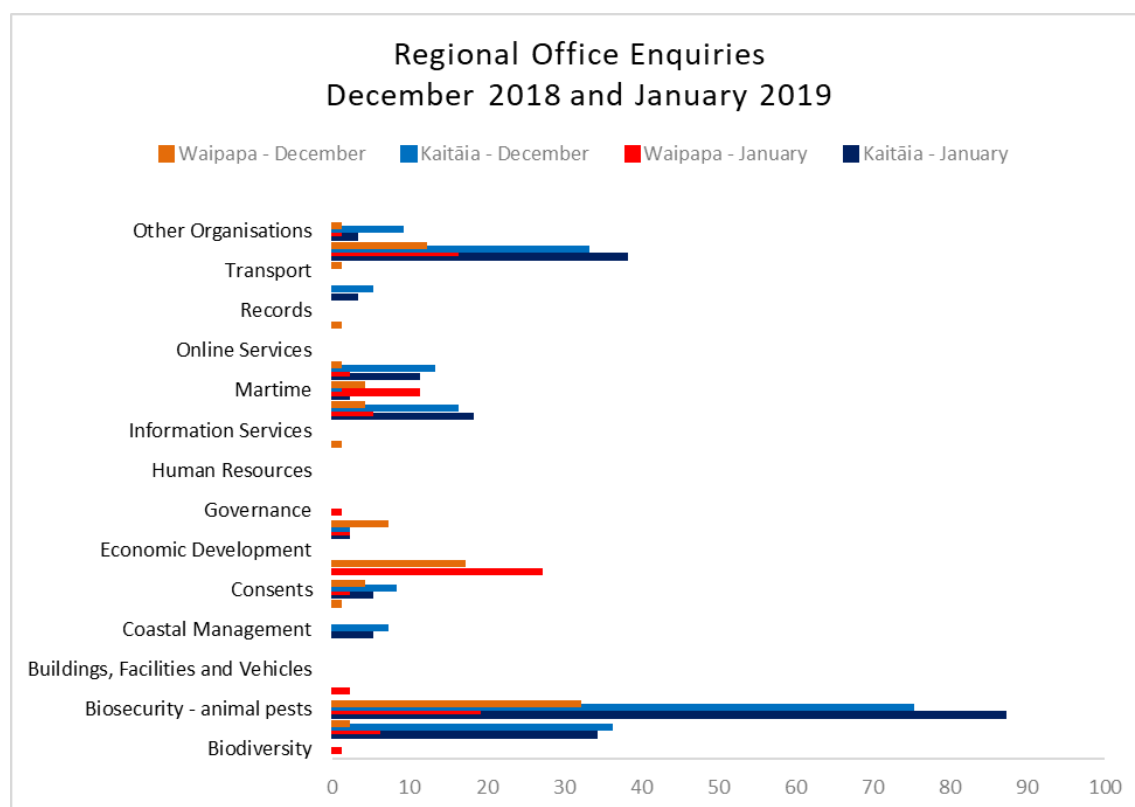
Compliments received December and January	Total
Overall Service	6
Biodiversity	1
Civil Defence	1
Consents	3
Records	1
Service provided by a specific person	4
Mike Knight, Biosecurity	1
Diane Lawrence, Biosecurity & Customer Services	2
Paula Munn, Customer Services	1

The two compliments received on behalf of Diane both related to her advice on pest control. Mike's compliment related to his practical advice and offers of further assistance at Trefoil Park. Paula's was an acknowledgement of her warm and friendly welcome.

Complaints received December and January	Total
Standard of service provided	8
Consents via web form with no additional detail	2
Armourguard inaction on hotline complaint	1
Fish died after salvinia removed from pond by NRC	1
Drinking water testing	1
Felled wilding pines not cleared up	1
Miscommunication and runaround over abandoned car	1
Gold card holder dissatisfied	1
Disagree with decision or process	2
Inaction over neighbours use of Roundup	1
Objected to display of taxidermied animals	1
Lack of information or communication	3
Delay in information because address not checked	1
Lack of detail on invoice	1
Delay in receiving application information	1

All non-anonymous complaints have been managed and responded to by their department and/or the Customer Services Manager. The web form has been amended to encourage dissatisfied customers to include their contact details.

Regional Customer Service Centres (CSC)



Other Activity

By creating a virtual call centre, the new phone system has increased Customer Service's capacity to answer incoming calls relieving pressure for the officers to refer calls quickly. The officers now spend more time with callers ensuring they get through to a subject expert rather than voice mail. An on-line knowledge base is being developed to ensure more enquiries can be satisfied at first point of contact without the need for referral.

CIVIL DEFENCE EMERGENCY MANAGEMENT

Warnings and activations

No weather watches or warnings have been issued during December or January for the Northland region. A National Warning System test message was carried out by the Ministry on 29 January. Response to the test was carried out in accordance with group operating procedures.

Emergency Management System Reform

The Ministry of Civil Defence and Emergency Management (MCDEM) is working to implement many of the recommendations made in the Government's response to the Technical Advisory Group Report on the Ministerial Review on better responses to natural disasters and other emergencies. Many of the recommendations relate directly to CDEM Groups.

This work includes the Ministry working towards the establishment of "Fly in Teams," (NZFIT) which is effectively surge capacity and capability to support groups at the local and regional level during an emergency. A draft concept paper on the design and implementation of NZFIT was circulated to groups prior to Christmas 2018.

The Northland CDEM Group has now provided comments on the proposal. It is apparent that the Ministry is working to a very tight timeframe to put in place the arrangements and personnel. This time pressure seems to have impacted the consultation and development outcomes. The Group comments relate to the limited consultation and input to the design, team name, deployment

process and funding arrangements, the proposed reporting lines and governance. The target date for having the NZFIT up and running is 30 June 2019.

The Ministry recently released details outlining the new Response and Recovery Leadership Capability Development Programme. (Previously referred to as Controllers and Recovery managers professional development programmes). A contract has been signed with Massey University on behalf of the Response and Recovery Aotearoa (RRANZ) consortium in December and a draft programme outline has subsequently been developed, consisting of an on-line component and two face-to-face Tiers: Tier 1 focussing on common capabilities for response and recovery, and Tier 2 focussing more on the response and recovery leadership capabilities.

Significant costs are associated with this programme and matters such as prior learning and current levels of capability are yet to be resolved.

Iwi engagement

The Department of Prime Minister and Cabinet assisted by Te Puni Kōkiri, has been asked to engage with iwi and CDEM Groups to explore how best to involve iwi in governance/management of Civil Defence and to better recognise the role of marae in a response capacity. This work is underway, including consideration of support that may be needed to support the work of groups/iwi/marae.

Emergency Response Software

The Ministry of Civil Defence and Emergency Management are progressing with development of an Office365 solution to replace the Emergency Management Information System (EMIS). A Project Reference Group is being established as part of the build. The project is expected to be completed by July 2019.

Council shared services

A presentation was made by CDEM Group office personnel to the Mayoral Forum in mid-December and a follow up presentation has also been made to Whangarei District councillors. The presentation focused mainly on shared services, work programmes and the changes to the on-call arrangements.

The work program for each of the three councils have been agreed for the coming year.

TRANSPORT

Regional Land Transport Planning

The Local Government sponsored Transport Special Interest Group (TSIG) is presently looking into the New Zealand Transport Agencies (NZTA) policies and procedures relating to the compilation of Regional Land Transport Plans (RLTP). The present process is onerous, time consuming and does not align with local governments Long Term Plans.

The TSIG does not consider that enough emphasis is placed on the importance of the RLTP's, particularly during the compilation of National Land Transport Plans and the subsequent allocation of funds.

PASSENGER TRANSPORT ADMINISTRATION

Total Mobility

Total Mobility (TM) figures are reported on one month in arrears, as the required information is unavailable at the time of the agenda deadline.

	Total clients	Monthly Actual Expend	Monthly Budget Expend	Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Variance
November	1423	\$19,587	\$25,000	-\$5,413	\$89,843	\$125,000	\$35,157

	Total clients	Monthly Actual Expend	Monthly Budget Expend	Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Variance
December	1425	\$16,215	\$25,000	-\$8,785	\$106,058	\$150,000	\$43,942

On 7 December, Northland Regional Council staff attended the International Day of People with Disabilities event held in Whangārei, the event was widely advertised and was well attended. Staff took the opportunity to fully promote the TM Scheme.

Total Mobility Awareness campaign

The Transport team is working with the Communications team on creating more awareness around Total Mobility, through radio advertising, posters for doctor surgeries and rest homes, and incorporating a social media campaign.

Contracted Bus Services

Due to information for this report being required prior to the month end, complete statistics are not available. Therefore, the information included below is one month in arrears.

* Please Note - Cash fares were lowered to \$2 Adult and \$1 Child for the month under review. This reduction in fares was to offset any passenger related problems with the closure of the Snapper system and the introduction of the new INIT interim cash fare only system. This reduction in fares is expected to continue to about **March 2019** when the INIT system becomes fully online (activation of card-based fares).

Operational Statistics

December 2018 (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
City Link Passengers	29192	22353	6839	161975	158805
City Link Revenue	*\$29,689*	\$45,130	*- \$15,441	\$258,188	\$315,272
Mid North Link Passengers	157	402	-245	1153	2496
Mid North Link Revenue	\$545	\$2,660	-\$2,115	\$3,311	\$15,714
Hokianga Link Passengers	26	42	-16	159	174
Hokianga Link Revenue	\$229	\$313	-\$84	\$1,674	\$2,268
Far North Link Passengers	461	501	-40	3486	3827
Far North Link Revenue	\$1,126	\$1,253	-\$127	\$7,916	\$9,568

Operational Statistics

November 2018 (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
City Link Passengers	30315	27930	2385	132783	136452

November 2018 (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted
City Link Revenue	\$40,327	\$56,644	-\$16,318	\$228,499	\$270,142
Mid North Link Passengers	219	414	-195	996	2094
Mid North Link Revenue	\$808	\$2,699	-\$1,891	\$3,676	\$ 13,053
Hokianga Link Passengers	35	30	5	133	132
Hokianga Link Revenue	\$397	\$391	\$6	\$1,445	\$1,721
Far North Link Passengers	668	667	1	3025	3326
Far North Link Revenue	\$1,650	\$1,667	-\$17	\$6,790	\$8,314

BusLink Services - Christmas Cheer event

On Friday 21 December, the Transport team ran a promotion for all BusLink services. This consisted of riding the bus free. In Whangārei, staff and Councilors, John Bain and Paul Dimery did a sausage sizzle at the Rose Street Bus Terminus. This was much appreciated by our regular bus passengers, and was well attended.

Road Safety Update

Despite continued and increased efforts from the regions Road Policing, Road Engineering and Road Safety promotion partners, Northland's provisional road toll for 2018 was 35. The Provisional national figure is 379 but a number of crash victims are still hospitalised as critically injured so these figures could change.

Key advertising themes by the New Zealand Transport Agency (NZTA) for November and December 2018 was centred around 'Speed and Motorcycling, Alcohol, Drugs'.

Nationally, the highest risks for fatal and serious injury crashes to date for November and December 2018 were –

- Alcohol; Speed; Drugs; Fatigue; Motorcycling and Young Drivers.

Hospitalisation Provisional Data Northland Transport Injuries 2018 – Length of Stay (LOS). There were 1258 <1 Day stays – 142 1-3 Day stays & 166 >3 Day stays for a total of 1566. In 2017 there were 1158 <1 Day stays – 188 1-3 Day stays & 160 >3 Day stays to total of 1506.

Regionally the year to date road deaths stands at 2 with the main contributing factors being -

- Speed;

Regional Road Toll Statistics – 2019 & 2018 Comparison Year to Date

Location	YTD 2019	YTD 2018
Far North	2	0
Whangārei	0	0
Kaipara	0	1
Northland	2	1
National	20	21

Maritime

Two new Maritime Officers started in November providing much needed additional resources to the team, along with a summer student who is assisting with some technical projects.

The infringement regulation for the Navigation Safety Bylaw was signed off by Parliament on 5 November and the new regulation came into effect on 7 December 2018.

A spare second hand engine has been purchased and serviced for the Waikare, which will serve as back up in case of sudden failure, and assist with the engine reconditioning over winter. A reconditioned third engine will now always be on standby, as parts can take weeks to be delivered.

The month of November saw nine cruise vessels visit the Bay of islands with one double up day, in which both the Maasdam and the Pacific Explorer called. There were six ships in December and thirteen in January plus some extra superyachts visiting. The weather has been calm so no ships have cancelled this season so far.

The tier two oil spill response exercise scheduled for 14 November was suspended after an actual spill occurred at the refinery. The incident was caused by a leak from a bunker fuel line on Jetty #2. Loss of containment was minor and dispersed quickly, the refinery handled the incident as a tier one response with NRC staff in attendance. The incident provided a good opportunity to test the combined Marsden Point response plan with all three ROSC present. A follow up revalidation exercise was held on 22 January. The ROSCs attended the annual oil spill conference in Tauranga.

The harbourmaster and maritime manager presented to the Maori Advisory Committee on how the oil spill response system works. The Harbourmaster attended a two-day oil and gas workshop in Wellington in his position as National on Scene Commander. The Deputy Harbourmaster attended a LINZ workshop on digital chart development in Auckland along with a Northtugz pilot.

All navigation beacons in Tutu kaka harbour have been renewed with positive feedback received. These were some of the last harbour board beacons to be replaced, with some found to be imbedded seven metres into the ground. K12, a bent beacon in the Kioreroa Reach caused some concern amongst local residents. It was removed and replaced with a buoy.

The annual Harbour Wardens meeting was held, in Waitangi on the 28 November 2018 with a good turnout. This forum updates the Regional Wardens on latest safety advice, changes to regulations and this year's summer boating safety campaigns. Topics covered during the meeting included summer safety campaigns, the new bylaw and infringement regulation. Peter Wiessing also attended as a guest speaker and presented on the Awanui flood scheme.

Summer bylaw and safety patrols were carried out over 16 days in the peak season in Bay of islands, Whangaroa, Tutukākā, Hokianga, Kai Iwi, Mangawhai, Whananaki, Whangārei and Ngunguru. Fifteen days of biosecurity and pollution water runs were provided in support of those departments.

The on-water garbage service ran according to schedule with no days missed and received good reviews on a welcome service.

The bay has been busy with sail week, tall ships race and Millennium cup race, along with cruise ships.

Twenty one incidents were received over the month of November. A large portion of the incidents are mooring related with several oil spill incidents.

Forty three incidents in December with the same number in January giving an overall total of eighty six. Out of these incidents the majority consisted mostly of unregistered jet skis, speeding, sinking and dragging yachts. 2 abandoned boats were removed and destroyed.

No major oil spills were recorded.

Attachments/Ngā tapirihanga

Nil

TITLE: Receipt of Committee Minutes
ID: A1158061
From: Chris Taylor, Governance Support Manager

Recommendation

That the unconfirmed minutes of the:

- Investment Subcommittee - 28 November 2018
- Civil Defence Emergency Management - 4 December 2018
- Regional Transport Committee - 5 December 2018
- Property Subcommittee - 5 December 2018

be received.

Attachments/Ngā tapirihanga

Attachment 1: Unconfirmed Investment Subcommittee Minutes - 28 November 2018 [↓](#)

Attachment 2: Unconfirmed CDEM Group Meeting Minutes - 4 December 2018 [↓](#)

Attachment 3: Unconfirmed Regional Transport Committee Meeting Minutes - 5 December 2018 [↓](#)

Attachment 4: Unconfirmed Property Subcommittee Minutes - 5 December 2018 [↓](#)

Authorised by Group Manager

Name: Chris Taylor
Title: Governance Support Manager
Date: 12 February 2019

Investment Subcommittee
28 November 2018

Investment Subcommittee Minutes

Meeting held in the Whale Bay Room
36 Water Street, Whangārei
on Wednesday 28 November 2018, commencing at 8.30am

Present:	Cr John Bain	(Chair)
	Cr Bill Shepherd	
	Cr Penny Smart	
	Geoff Copstick	(Independent Financial Member)
In Attendance:	Full Meeting	NRC Chief Executive GM, Corporate Excellence Finance Manager Accounting Assistant, Treasury & Projects PA, Corporate Excellence (minutes)
	Part Meeting	Jonathan Eriksen, EriksensGlobal (via phone)

The Chair declared the meeting open at 8.30am

1.0 APOLOGIES

Nil

Secretarial Note: The apology from Cr Rick Stolwerk for non-attendance was noted

2.0 DECLARATIONS OF CONFLICTS OF INTEREST

It was advised that committee members should make any declarations item-by-item as the meeting progressed.

3.0 CONFIRMATION OF MINUTES

3.1 Confirmation of Minutes

ID: A1127642

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Shepherd / Smart)

That the minutes of the Investment Subcommittee meeting held on 24 October 2018 be confirmed as a true and correct record.

Carried

Secretarial Note: The order of the agenda items was rearranged to allow for other commitments by attendees

ID: A1134089

1

Investment Subcommittee
28 November 2018

8.38am - Jonathan Eriksen joined the meeting

4.0 REPORTS

4.2 Supplementary Item: Performance of council's externally managed funds to October 2018

ID: A1132797

Report from Simon Crabb, Finance Manager

Moved (Bain / Shepherd)

1. That, as permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987, the following supplementary report be received:
 - Performance of council's externally managed funds to October 2018 (incorporating the EriksensGlobal report 'Northland Regional Council Externally Managed Investment Funds – dated 26 November 2018)
2. That the rate payment due in December 2018 be put onto term deposit, not managed funds, staggered over the periods of 30, 60 and 90 days, and weighted to 90 days.

Carried

Summary of Discussion

- Markets are showing the beginning of a correction, council funds are positioned defensively and EriksensGlobal do not recommend any changes at this time
- EriksensGlobal are comfortable with the performance of the portfolio at present - funds are still returning 1 - 2% more than term deposits and things are expected to improve by the end of the council's financial year
- EriksensGlobal advise council to meet cash needs as they arise, rather than withdrawing cash now and crystallising losses

9.00am - Jonathan Eriksen left the meeting

4.1 Responsible Investment Report

ID: A1127607

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Shepherd / Smart)

That the report 'Responsible Investment Report' by Dave Tams, Group Manager, Corporate Excellence and dated 12 November 2018, be received.

Carried

Summary of Discussion

- Gambling (1.06%) and Armaments (0.02%), although very minor, are still something council does not wish to be involved with
- Wording needs to be changed to reflect that council's preference is for these percentages to be reduced to zero over time

Investment Subcommittee
28 November 2018

Agreed Actions

- | | | |
|----|---|------------------|
| 1. | Send a copy of the expected returns for each fund through to DT for distribution with the minutes | Jonathan Eriksen |
| 2. | Report on how achievable it is for council's exposure to be reduced to zero in the areas of gambling and armaments, and over what timeframe, to the February workshop | Jonathan Eriksen |
| 3. | Send FMG Report on ethical investing to DT for distribution with the minutes | Geoff Copstick |

The meeting closed at 9.31am

UNCONFIRMED

Civil Defence Emergency Management Group Meeting
4 December 2018

Civil Defence Emergency Management Group Meeting Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 4 December 2018, commencing at 11.00am

Present:

Chairman, FNDC Councillor Colin Kitchen
KDC Councillor Anna Curnow
NZ Police Representative Inspector Marty Ruth
WDC Mayor Sheryl Mai
FENZ Representative Myles Taylor
NRC Councillor Paul Dimery

In Attendance:

Full Meeting

Northland Regional Council – Tony Phipps
Northland Regional Council – Tegan Capp
Northland CDEM Group – Graeme MacDonald
Northland CDEM Group – Shona Morgan
Northland CDEM Group – Claire Nyberg
Northland CDEM Group – Bill Hutchinson
Northland CDEM Group – Sharon Douglas
Northland CDEM Group – Victoria Harwood
Northland CDEM Group – Jenny Calder
Northland CDEM Group – Kim Abbott
Northland CDEM Group – Murray Soljak
FNDC - Glenn Rainham

The Chair declared the meeting open at 11.05am.

Apologies (Item 1.0)

Moved (Curnow/Mai)

That the apologies from Councillor Rick Stolwerk, Commander Brad Mosby, Superintendent Tony Hill, Mr John Titmus and Councillor Sue Glenn for non-attendance be received.

Carried

Declarations of Conflicts of Interest (Item 2.0)

It was advised that councillors should make declarations item-by-item as the meeting progressed.

Civil Defence Emergency Management Group Meeting
4 December 2018

Confirmation of Minutes - CDEM Group Meeting 4 September 2018 (Item 3.1)

ID: A1133539

Report from Tegan Capp, Executive Assistant Customer Services - Community Resilience

Moved (Kitchen/Curnow)

That the minutes of the CDEM Group Meeting held on 4 September 2018, be confirmed as a true and correct record.

Carried

MCDEM Update (Item 4.1)

ID: A1130741

Report from Graeme MacDonald, Civil Defence Emergency Management Manager

Moved (Curnow/Dimery)

That the report 'MCDEM Update' by Graeme MacDonald, Civil Defence Emergency Management Manager and dated 20 November 2018, be received.

Carried

Emergency Management System Reforms (Item 4.2)

ID: A1131004

Report from Graeme MacDonald, Civil Defence Emergency Management Manager

Moved (Kitchen/Curnow)

That the report 'Emergency Management System Reforms' by Graeme MacDonald, Civil Defence Emergency Management Manager and dated 20 November 2018, be received.

Carried

Proposed National Disaster Resilience Strategy (Item 4.3)

ID: A1133012

Report from Graeme MacDonald, Civil Defence Emergency Management Manager

Moved (Curnow/Mai)

That the report 'Proposed National Disaster Resilience Strategy' by Graeme MacDonald, Civil Defence Emergency Management Manager and dated 27 November 2018, be received.

Carried

CEG Chairs Report (Item 5.1)

ID: A1133038

Report from Graeme MacDonald, Civil Defence Emergency Management Manager

Moved (Curnow/Dimery)

That the report 'CEG Chairs Report' by Graeme MacDonald, Civil Defence Emergency Management Manager and dated 27 November 2018, be received.

Carried

Secretarial Note: Mayor Sheryl Mai wished to acknowledge the contribution made to the group by Susan Botting.

ID: A1135195

2

Civil Defence Emergency Management Group Meeting
4 December 2018

Northland CDEM Group Work Programme (Item 5.2)

ID: A1129158

Report from Graeme MacDonald, Civil Defence Emergency Management Manager

Moved (Mai/Kitchen)

That the report 'Northland CDEM Group Work Programme' by Graeme MacDonald, Civil Defence Emergency Management Manager and dated 14 November 2018, be received.

Carried

Secretarial Note: It was agreed that the 'traffic light' action progress classification system will be applied to this programme.

Professional Development and Training (Item 5.3)

ID: A1133517

Report from Kim Abbott, Civil Defence Emergency Management Officer

Moved (Mai/Kitchen)

That the report 'Professional Development and Training' by Kim Abbott, Civil Defence Emergency Management Officer and dated 28 November 2018, be received.

Carried

Northland Welfare Coordination Group Update (Item 5.4)

ID: A1132276

Report from Claire Nyberg, Civil Defence Emergency Management - Welfare

Moved (Curnow/Dimery)

That the report 'Northland Welfare Coordination Group Update' by Claire Nyberg, Civil Defence Emergency Management - Welfare and dated 23 November 2018, be received.

Carried

Public Information Management (PIM) Update (Item 5.5)

ID: A1128012

Report from Murray Soljak, Public Information Manager

Moved (Kitchen/Mai)

That the report 'Public Information Management (PIM) Update' by Murray Soljak, Public Information Manager and dated 13 November 2018, be received.

Carried

Northland Lifelines Group Update (Item 5.6)

ID: A1133341

Report from Kim Abbott, Civil Defence Emergency Management Officer

Moved (Dimery/Curnow)

ID: A1135195

3

Civil Defence Emergency Management Group Meeting
4 December 2018

That the report 'Northland Lifelines Group Update' by Kim Abbott, Civil Defence Emergency Management Officer and dated 28 November 2018, be received.

Carried

Northland Joint Agency Emergency Coordinating Centre Scope (Item 5.7)

ID: A1133496

Report from Victoria Harwood, Civil Defence Emergency Management Officer

Moved (Mai/Dimery)

That the report 'Northland Joint Agency Emergency Coordinating Centre Scope' by Victoria Harwood, Civil Defence Emergency Management Officer and dated 28 November 2018, be received.

Carried

Northland Tsunami Siren Network Update (Item 5.8)

ID: A1133505

Report from Victoria Harwood, Civil Defence Emergency Management Officer

Moved (Kitchen/Mai)

That the report 'Northland Tsunami Siren Network Update' by Victoria Harwood, Civil Defence Emergency Management Officer and dated 28 November 2018, be received.

Carried

Recovery Update (Item 5.9)

ID: A1132084

Report from Jenny Calder, CDEM Group Recovery Manager

Moved (Curnow/Dimery)

That the report 'Recovery Update' by Jenny Calder, CDEM Group Recovery Manager and dated 22 November 2018, be received.

Carried

Community Resilience Projects (Item 5.10)

ID: A1132308

Report from Shona Morgan, Civil Defence Emergency Management Officer - Community Resilience

Moved (Kitchen/Curnow)

That the report 'Community Resilience Projects' by Shona Morgan, Civil Defence Emergency Management Officer - Community Resilience and dated 23 November 2018, be received.

Carried

Civil Defence Emergency Management Group Meeting
4 December 2018

Meetings Calendar 2019 (Item 5.11)

ID: A1133093

Report from Tegan Capp, Executive Assistant Customer Services - Community Resilience

Moved (Kitchen/Dimery)

1. That the report 'Meetings Calendar 2019' by Tegan Capp, Executive Assistant Customer Services - Community Resilience and dated 27 November 2018, be received.
2. That the schedule of meetings for 2019, as recommended, be adopted.

Carried

CDEM, CEG & Group Appointments (Item 5.12)

ID: A1129052

Report from Graeme MacDonald, Civil Defence Emergency Management Manager

Moved (Kitchen/Curnow)

1. That the report 'CDEM, CEG & Group Appointments' by Graeme MacDonald, Civil Defence Emergency Management Manager and dated 14 November 2018, be received.
2. That Sandra Boardman is appointed as a Group Controller, pursuant to Section 26(1), Civil Defence Emergency Management Act 2002.

Carried

Action: It was raised that there are no formally appointed alternate representatives from FENZ and the Police. The CDEM Group will write to each of these organisations and request that they appoint an alternate representative for this Group.

Kaipara District Update (Item 6.1)

ID: A1133511

Report from Sharon Douglas, Civil Defence Emergency Management Officer

Moved (Kitchen/Curnow)

That the report 'Kaipara District Update' by Sharon Douglas, Civil Defence Emergency Management Officer and dated 28 November 2018, be received.

Carried

Far North District Update (Item 6.2)

ID: A1130384

Report from Bill Hutchinson, Civil Defence Emergency Management Officer

Moved (Kitchen/Mai)

That the report 'Far North District Update' by Bill Hutchinson, Civil Defence Emergency Management Officer and dated 19 November 2018, be received.

Carried

ID: A1135195

5

Civil Defence Emergency Management Group Meeting
4 December 2018

Whangarei District Update (Item 6.3)

ID: A1133515

Report from Victoria Harwood, Civil Defence Emergency Management Officer

Moved (Mai/Dimery)

That the report 'Whangarei District Update' by Victoria Harwood, Civil Defence Emergency Management Officer and dated 28 November 2018, be received.

Carried

Verbal Update on Meningococcal-W Outbreak in Northland

Report from Graeme MacDonald, Northland CDEM Group Manager

Moved (Kitchen/Dimery)

Graeme MacDonald briefed the Group on the presentation delivered to the earlier CEG meeting by the Ministry of Health and Northland District Health Board. In response to the Meningococcal-W outbreak in Northland, the MOH and NDHB expect to vaccinate a large number of children aged between 9 months - 5 years old and 13 - 20 years old over the next three week period. The Northland CDEM Group have received a request for, and will provide for assistance with this.

Carried

Conclusion

The meeting concluded at 12.15pm.

Regional Transport Committee
5 December 2018

Regional Transport Committee Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Wednesday 5 December 2018, commencing at 10.00am

Present:

Chairman, Councillor John Bain
Deputy Chairman, Councillor Paul Dimery
FNDC Councillor Ann Court
KDC Councillor Julie Geange
WDC Councillor Greg Martin
NZTA Representative Mr Steve Mutton

In Attendance:

Full Meeting

NRC Chairman – Councillor Bill Shepherd
NRC GM - Customer Service/ Community Resilience – Tony Phipps
NRC EA – Customer Service/Community Resilience – Tegan Capp
(Minutes)
KDC Mayor - Dr Jason Smith
KDC – Curt Martin
KDC – Bernard Petersen
WDC – Jeff Devine
NRC/NTA – Chris Powell
NRC/NTA – Ian Crayton-Brown
FNDC – Wil Pille
NZ Police – Sergeant Ian Row
NRST – Gillian Archer
Northern Advocate – Kristin Edge
Cameron Maclean – Northland Resident
Alex Wright – Northland Resident

Part Meeting

NRC CEO – Malcolm Nicolson
NRC/NTA – Sharlene Selkirk
NZTA – Jim Sephton
NZTA – Nairy Yaghobian

The Chair declared the meeting open at 10.02am.

Apologies (Item 1.0)

That the apology from Jacqui Hori-Hoult for non-attendance be received.

Regional Transport Committee
5 December 2018

Declarations of Conflicts of Interest (Item 2.0)

It was advised that councillors should make declarations item-by-item as the meeting progressed.

Confirmation of Minutes - Regional Transport Committee Meeting - 3 October 2018 (Item 3.1)

ID: A1110324

Report from Tegan Capp, Executive Assistant Customer Services - Community Resilience

Moved (Dimery/Court)

1. That the minutes of the Regional Transport Committee meeting held on 3 October 2018 be confirmed as a true and correct record.

Carried

Northland Regional Land Transport Plan 2018 - 2021 Funding Uptake (Item 4.1)

ID: A1130328

Report from Chris Powell, Transport Manager

Moved (Martin/Dimery)

1. That the report 'Northland Regional Land Transport Plan 2018 - 2021 Funding Uptake' by Chris Powell, Transport Manager and dated 19 November 2018, be received.

Carried

ACTION: Chris Powell will provide a report to the next Regional Transport Committee Meeting that outlines the planned survey of total mobility/disability transportation service in the region.

New Zealand Transport Agency Report to Regional Transport Committee (Item 5.1)

ID: A1130386

Report from Chris Powell, Transport Manager

Moved (Mutton/Bain)

1. That the report 'New Zealand Transport Agency Report to Regional Transport Committee' by Chris Powell, Transport Manager and dated 19 November 2018, be received.

Carried

Northland Regional Land Transport Plan 2015/21 - Three Year Review - Lessons Learnt (Item 5.2)

ID: A1131662

Report from Chris Powell, Transport Manager

Moved (Martin/Geange)

That the report 'Northland Regional Land Transport Plan 2015/21 - Three Year Review - Lessons Learnt' by Chris Powell, Transport Manager and dated 22 November 2018, be received.

Carried

ID: A1135574

2

Regional Transport Committee
5 December 2018

Northland Regional Road Safety Update (Item 5.3)

ID: A1132641

Report from Ian Crayton-Brown, Transport Projects Officer

Moved (Dimery/Geange)

That the report 'Northland Regional Road Safety Update' by Ian Crayton-Brown, Transport Projects Officer, Trish Rudolph, NZTA Regional Road Safety Advisor and the Northland Road Policing Manager Inspector Wayne Ewers, New Zealand Police and dated 26 November 2018, be received.

Carried

Request to Vary the Northland Regional Land Transport Plan 2015/21 - Northland Transport Alliance Provincial Growth Fund Projects (Item 6.1)

ID: A1132531

Report from Chris Powell, Transport Manager

Moved (Bain/Martin)

1. That the report 'Request to Vary the Northland Regional Land Transport Plan 2015/21 - Northland Transport Alliance Provincial Growth Fund Projects' by Neil Cook – Acting Northland Transport Alliance Manager, and dated 26 November 2018, be received.
2. That the Regional Transport Committee approves the request to vary the Regional Land Transport Plan 2015/21 to include the following projects:

Far North District Council

- ☐ Far North District Bridges 50MAX HPMV Network Extension (12 Bridges)
- ☐ Unsealed Network Strengthening (multiple roads)
- ☐ Te Karuwha Parade Bridge Upgrade 2-lanes (Waitangi Bridge)
- ☐ Totara North School Road

Kaipara District Council

- ☐ 50MAX, HPMV Network Extensions (7 Bridges)
- ☐ Pouto Road Productivity & Safety Seal Extension
- ☐ Kaiwaka Mangawhai Road Bridge Two Laning
- ☐ Waipoua River Road

Whangarei District Council

- ☐ Whangarei Bridges 50MAX, HPMV Network Extension (8 Bridges)
- ☐ Cove Road Detour Route – Bridge Two Laning and Curve Improvements (3 Bridges)
- ☐ Twin Coast Discovery Highway – Whangarei Improvements
- ☐ Forestry Road Seal Extensions (4 Roads)
- ☐ Waipu Trail

Carried

Conclusion

The meeting concluded at 11.53am.

ID: A1135574

3

Property Subcommittee
5 December 2018

Property Subcommittee Minutes

Meeting held in the Committee Room
on Wednesday 5 December 2018, commencing at 2.00pm

Present:

Chair, Councillor Penny Smart
Councillor John Bain
Councillor Bill Shepherd (Ex-Officio)
Councillor David Sinclair

In Attendance:

Full Meeting

NRC Chief Executive
Property Officer

Part Meeting

Strategic Projects Manager
Ian Jenkins – Jenksmax Consulting Limited

The Chair declared the meeting open at 2.05pm.

Apologies (Item 1.0)

Moved (Shepherd/Sinclair)

That the apology from Councillor Stolwerk for non-attendance be received.

Carried

Declarations of Conflicts of Interest (Item 2.0)

It was advised that councillors should make declarations item-by-item as the meeting progressed.

Confirmation of Minutes - 3 October 2018 (Item 3.1)

ID: A1132388

Report from Nicole Inger, Property Officer

Moved (Bain/Sinclair)

That the minutes of the Property Subcommittee meeting held on 3 October 2018 be confirmed as a true and correct record.

Carried

Property Subcommittee
5 December 2018

Port Nikau - Buffer Zone Easement (Item 4.1)

ID: A1132572

Report from Phil Heatley, Strategic Projects Manager

Moved (Shepherd/Sinclair)

That the report 'Port Nikau - Buffer Zone Easement' by Phil Heatley, Strategic Projects Manager and dated 26 November 2018, be received.

Carried

Business with Public Excluded (Item 5.0)

Moved (Bain/Sindair)

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
5.1	Confirmation of Confidential Minutes - 3 October 2018	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
5.2	Harvesting of the 1991 Mount Tiger Forestry Block	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.3	Leasing Out a Dargaville Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.4	Waipapa Investment Opportunity	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
5.5	Receipt of Action Sheet	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

ID: A1137078

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Property Subcommittee
5 December 2018

Carried

Conclusion

The meeting concluded at 3.30pm.

UNCONFIRMED

TITLE: Business with the Public Excluded

Executive Summary

The purpose of this report is to recommend that the public be excluded from the proceedings of this meeting to consider the confidential matters detailed below for the reasons given.

Recommendations

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
9.1	Confirmation of Confidential Minutes - 11 December 2018	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.2	Receipt of Confidential Committee Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.3	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
9.4	Sale of Council's Lessor's Interest in a CBD Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).
9.5	Remission Policy	The public conduct of the proceedings would be likely to result in disclosure of information, free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(f)(i) and the withholding of which is necessary to maintain legal professional privilege s7(2)(g).

3. That the Independent Financial Advisor be permitted to stay during business with the public excluded.
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Considerations

1. Options

Not applicable. This is an administrative procedure.

2. Significance and Engagement

This is a procedural matter required by law. Hence when assessed against council policy is deemed to be of low significance.

3. Policy and Legislative Compliance

The report complies with the provisions to exclude the public from the whole or any part of the proceedings of any meeting as detailed in sections 47 and 48 of the Local Government Official Information Act 1987.

4. Other Considerations

Being a purely administrative matter; Community Views, Māori Impact Statement, Financial Implications, and Implementation Issues are not applicable.