

AGENDA

**Extraordinary Council Meeting
Annual Plan Deliberations
Tuesday 24 May 2022 at 1.00pm**

Northland Regional Extraordinary Council Meeting Agenda Annual Plan Deliberations

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 24 May 2022, commencing at 1.00pm

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

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1.0 NGĀ MAHI WHAKAPAI (HOUSEKEEPING)	
<i>Key Health and Safety points to note:</i>	
<ul style="list-style-type: none"><i>If the fire alarm goes off – exit down the stairwell to the assembly point which is the visitor carpark.</i><i>Earthquakes – drop, cover and hold</i><i>Visitors please make sure you have signed in at reception, and that you sign out when you leave. Please wear your name sticker.</i><i>The toilets are on the opposite side of the stairwell.</i><i>Please adhere to the recommended Covid alert guidance that applies.</i>	
2.0 KARAKIA TIMATANGA – TAUĀKI Ā ROTO (OPENING KARAKIA)	
3.0 NGĀ WHAKAPAHĀ (APOLOGIES)	
4.0 NGĀ WHAKAPUAKANGA (DECLARATIONS OF CONFLICTS OF INTEREST)	
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TITLE: Council Deliberations on the Annual Plan 2022/23
Consultation Document and Supporting Information

From: Nicola Hartwell, Corporate Planner and Kyla Carlier, Corporate Strategy Manager

Authorised by Group Manager/s: Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 18 May 2022

Executive summary/Whakarāpopototanga

The purpose of this report is to provide background information and present staff advice and recommendations, as part of council's deliberation on the submissions received on the Annual Plan 2022/23 Consultation Document and supporting information, and final considerations presented as part of the development of the Annual Plan 2022/23.

This is the first annual plan process carried out following the adoption of the Long Term Plan 2021-2031 last year, and is an opportunity to make any adjustments required to the budget. The annual plan is focussed on any changes from the Long Term Plan.

Recommendations

1. That the report 'Council Deliberations on the Annual Plan 2022/23 Consultation Document and Supporting Information' by Nicola Hartwell, Corporate Planner and Kyla Carlier, Corporate Strategy Manager dated 26 April 2022, be received.
2. That council support the provision of an additional \$1.7M toward design and build of a maritime vessel to replace the current vessel (the Waikare), for a total cost of \$3.3M, as proposed in the Annual Plan 2022/23 supporting information.
3. That council support borrowing the full amount of \$3.3M required to design and build a maritime vessel that will replace the current vessel (the Waikare), and repay it over 15 years via the Council Services Rate beginning in 2023/24, as proposed in the Annual Plan 2022/23 supporting information.
4. That council support the \$1.6M set aside for the design and build of the maritime vessel be placed in council's Long Term Fund, as proposed in the Annual Plan 2022/23 supporting information.
5. That council supports the reallocation of CityLink funds set aside in 2022/23 year for T2 lanes (now delayed), and an increase to the targeted Whangārei transport rate of \$188,216 per year from 2022/23, to maintain and improve the services provided by the Whangārei CityLink, as proposed in the Annual Plan 2022/23 supporting information.
6. That council supports an increase in total rates revenue from the 13.79% stated in the Long Term Plan 2021/31 to 13.89% (0.1%) for 2022/23.
7. That Bruce Howse, Group Manager – Corporate Services be given delegated authority to approve any consequential amendments to the final Annual Plan 2022/23 as a result of council decisions on submissions and any minor accuracy and grammatical amendments.
8. That council notes that the amounts set out in the report are based on best estimate forecasts at the time of writing, and that the CEO be given delegated authority to approve changes required to revise the financial statement and rating information

within the final Annual Plan 2022/23 to give effect to the council's deliberations, with final amounts presented for council approval in June 2022.

9. That council does not make any changes to the Annual Plan 2022/23 as a result of the submissions received on these topics: Genetically modified organism/engineering; marine biosecurity fee.

Considerations

1. Environmental Impact

The initiatives presented as part of this annual plan will enable more efficient delivery of services, and reduced vehicle emissions, with otherwise minimal environmental impact.

2. Community views

A process of consultation has been carried out to inform the recommendations set out in this report. A summary of this consultation and the feedback received is included in this report, and in **attachment 1** to this report. Consultation was sought to inform council's decisions on a specific set of proposals. A total of 13 written submissions and one verbal submission were received. Māori impact statement

The implementation of the plan change has the potential for positive effects for all local people, including Māori. There are no known particular impacts on Māori which are different from general ratepayers or users associated with the proposals.

3. Financial implications

Financial impacts or implementation issues are addressed in recommendations included within this report. Implementation issues

4. Significance and engagement

Section 76AA of the Local Government Act 2002 (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.

The proposals set out in the Annual Plan 2022/23 Consultation Document triggered council's significance and engagement policy, and the process of consultation and engagement has now been carried out. The results of this engagement have been summarised in this document to inform council's deliberations and decision-making process. The process of deliberations assists council in achieving compliance with sections 77 of the LGA.

5. Policy, risk management and legislative compliance

Consultation on the annual plan proposals has been carried out pursuant to sections 95 and 95A of the LGA and in accordance with the principles of consultation (section 82 LGA) Consideration of submissions through the process of deliberations will achieve compliance with section 77 of the LGA (Requirements in relation to decisions) and 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'.

A decision by council to include a new proposal in this annual plan that has not been through the process of consultation would require assessment against council's Significance and Engagement policy. If it were determined under that policy that consultation was required, it is unlikely that this would be achievable in a timeframe that would allow adoption of the plan

before the end of the financial year, resulting in high risk of breach of Section 95(1) of the LGA. Failure to consult in such an instance would also require consideration of Section 80 of the LGA (Identification of inconsistent decisions).

If the new proposals are not supported by council for inclusion in the plan during the process of deliberations, further public consultation will likely be required, which would not be achievable before the end of the financial year.

Background/Tuhinga

The purpose of this annual plan is to set out any differences from what was proposed in the Long Term Plan 2021-2031, and to highlight the impact on council's budget and regional rates. Annual plan consultation processes focus on these proposed changes. The proposals add an extra \$1.7 million in capital expenditure funded by lending from the Local Government Funding Agency, and \$188,216 of additional operating expenditure. This will increase the total region-wide rate in 2022/23 from the 13.79% approved in the LTP 2021/31, to 13.89% (0.1%).

The Whangārei transport rate will increase by approximately \$4.80 per Whangārei ratepayer, for a year-on-year average increase of just over approximately \$65 for Whangārei ratepayers. There will be an increase in the region-wide rate of approximately \$0.80 per ratepayer beginning 2023/24.

Consultation overview

Council invited feedback on proposals for the Annual Plan 2022/23 and User Fees and Charges during a month-long period running from 26 March to 29 April 2022. The consultation processes for both documents were carried out in tandem. This is the usual process for these annual reviews and offers synergies in terms of resources as well as producing a complete budget.

An annual plan consultation document was produced that summarised the proposals, with more detailed information and financials to support the proposals included in a supporting information document. Thirteen submissions were received during the consultation period, which included feedback on both consulted and non-consulted topics.

Members of the community were offered an opportunity to talk to councillors about the proposals during the consultation period, which occurred on 13 April 2022, and at which council received one oral submission.

Consulted Topics

Replacing the Waikare – Capex \$1.7M for a total spend of \$3.3M, to be borrowed and repaid

There were six submissions (five written, one oral) received on additional expenditure for the construction of a new vessel. Four were in favour of the proposal, and two against. One submitter in favour requested council keep a close eye on the feasibility of having an electric or hybrid vessel while another suggested council delay the project until supply chains can allow for more efficient production. One submission made against the proposal commented that the costs were nearly double, and there was nothing to indicate the total cost of construction or life expectancy of the vessel. The other submission against the proposal suggest council should not accept the increased cost and look at other options.

No submissions made comment on the proposed change to the funding model for the vessel, where council proposed to invest the original \$1.6M set aside for the vessel, borrow the full \$3.3M cost of the design and build, and repay this from the Council Services Rate.

Council has entered into a design contract for the construction of the vessel, with funds already set aside and invested in the project. The total construction cost is fixed by the contract, with life expectancy of the vessel in excess of 20 years.

Assessment of an electric/hybrid vessel was carried out and it has been determined that this is not yet feasible in terms of cost and fitness for purpose, however the new vessel will have emission reducing technology where achievable. Delaying the project may result in further increased cost, and delay delivery of service. Council may choose to adopt new technology once readily available.

Staff recommend that council proceed as proposed.

Whangārei CityLink – Opex \$188k

There were six submissions received on the proposed increased operational spend for CityLink bus services. One submitter supported the proposal. Three submitters had no objection to the additional spend, but questioned the rate being targeted to all Whangārei District ratepayers, and requested the rate be targeted to ratepayers who live within walking distance of the bus service/urban ratepayers. One submitter recommended park and ride facilities and utilising rail corridors in rural areas to create a rail trail/commute pathways to the city. One submitter requested a regular Whangārei to Kaikohe service.

While ratepayers living in close proximity to bus routes may derive direct benefit from the CityLink service, there are indirect benefits to the wider Whangārei district including lower demand for parking, reduced emissions and provision of basic services to those without other means of transport. The Whangārei transport rate does not distinguish between urban and rural ratepayers, and a new rating model would be required if a more geographically targeted approach was taken, making the rate administratively inefficient.

Staff recommend that council proceed as proposed.

Other Comments

Other submissions were received on topics that were outside of the scope of the annual plan consultation topics. Out of those submissions, two related to topics under the jurisdiction of the Whangārei District Council, three related to genetically modified organisms, one related to the marine biosecurity fee, and one raised a number of miscellaneous items.¹ These topics are summarised in the Summary of Submissions report, attached. Where appropriate, submitter comments have been passed on to the Whangārei District Council and/or relevant staff members for follow up.

Attachments/Ngā tapirihanga

Attachment 1: Annual Plan 2022/23 and User Fees and Charges summary of submissions [↓](#) 

Attachment 2: Annual Plan 2022/23 and User Fees and Charges full submission book [↓](#) 

¹ There is a lack of facilities for indoor bowls and table tennis. • Fog and topography would compromise the proposed future airport sites in Ruatangata. • Did not support daylight savings and stressed the detrimental impacts it had on people and wildlife. • Did not support fencing off creeks and rivers. • Suggested a relationship between the use of fire bans and droughts.



Summary of submissions

Annual Plan 2022 and User Fees and Charges 2022/23

Updated: 06 May 2022

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Introduction

This document is a short summary of the submissions received on the Annual Plan 2022 and the User Fees and Charges 2022/23. Consultation opened on Saturday 26 March 2022 and closed on Friday 29 April 2022, allowing 22 working days for submissions, or one calendar month as per the requirements of consulting under the Local Government Act.

We received a total of 13 written submissions and one oral submission during this time.

This summary has been undertaken by staff with the purpose of providing an overview of the main points raised in submissions. It is not intended to be a comprehensive capture of all points made by submitters. In addition to the summary of submissions, the following information is also available to help inform deliberations and decisions:

- the full submissions; and
- staff recommendations.

Replacing the Waikere

Six of 13 submitters responded to this question as follows:

ID	Name/Organisation	Comments
AP22_23	Oliver Krollmann	I support the changed funding model for the replacement vessel. Although it saddens me to learn that not even a hybrid vessel is feasible at this time, I understand that we're still early in the process of electrifying maritime vessels, so I appreciate that you will keep a close eye on this. I guess the fact that Ports of Auckland will soon get their first fully electric tugboat made me hopeful, but of course your vessel has a very different travel profile.
AP22_24	Rolf Mueller-Glodde	agree
AP22_26	Jude de Angulo	well overdue
AP22_29	Graham MacPherson	Nearly double the cost to replace vessel. There is nothing indicating whether the final forecast cost is total in reality. Also nothing indicating the life expectancy of the replacement vessel.
AP22_38	Federated Farmers of New Zealand	This funding is accepted by Federated Farmers. If costs are related to supply issues, we would question whether this project should be delayed until the impacts of covid on the supply chain is resolved. It may be reasonable to delay this project until supply chains allow for more efficient production.
Oral submission	Alan Agnew	Council should not accept the increase in the cost to replace the maritime navigational vessel and look at other options.

Whangārei transport rate

Seven of 13 submitters responded to this question as follows:

ID	Name/Organisation	Comments
AP22_23	Oliver Krollmann	I have no objections. Anything to improve public transport.
AP22_24	Rolf Mueller-Glodde	not relevant for me in Kerikeri
AP22_25	Nathan Read	NRC puts a targeted rate on all landowners in the Whangarei District, rather than all landowners in Northland on the basis that the bus service is provided in the Whangarei District. As this is a targeted rate why not target it correctly and rate only those within a reasonable walking distance of a bus route? Rural residents in the Whangarei District get as much benefit from the urban bus service in Whangarei as the residents of Kaipara and the Far North, yet for some reason have to pay for it. My submission is that the rate be correctly targeted only on those who are able to benefit from the bus service, ie who live within reasonable walking distance of a bus route.
AP22_26	Jude de Angulo	a regular whangerei to kaikohe service please
AP22_29	Graham MacPherson	What is proposed to maximise use of the public transport. The buses need to be full which would mean less subsidisation. More thought to park and ride options.
AP22_35	Public Feedback	I agree that with increased running costs, you do need to increase the transport rate. However, I disagree with the transport rate being charged to all district ratepayers when over 45,400 people or 46% of the districts population are not serviced by public transport. It is unfair to charge these residents for a service that is not accessible to them or for a service that they would need to travel over 20kms to be able to access. The annual plan states that you are working to increase and improve the CityLink bus service, to make sure it is accessible and used. Will the rate increase ensure it is accessible to the 46% of the districts non-urban residents? If not, then they should not be charged for a service that is not accessible to them. I recommend a targeted transport rate for all urban ratepayers instead. Urban ratepayers benefit the most from the CityLink service. Urban ratepayers will also will benefit the most with improvements to the CityLink service. I also recommend providing park and ride facilities, that all residents of the district can benefit from. Once you do this, then a district wide transport rate may be justified. I also recommend utilising the rail corridor in rural areas, to create a rail trail and commuting pathways to the city. This will be a great asset to the region in terms of tourism, as well as reducing vehicles in the urban area, and also for commuting to work for those who live 10-20km away.
AP22_38	Federated Farmers of New Zealand	<ul style="list-style-type: none"> • Federated is in support of targeted rating those who benefit from the service that council provides. This is a transparent way of funding such services and placing the costs on those who benefit from the rate. • One question we wish to pose to council is whether this rate should be allocated equally throughout the district or based on the demographic that uses such services. Rural Whangarei would utilise this service substantially less than their urban counterparts. Federated Farmers would recommend establishing a differing rate for both urban and rural Whangarei ratepayers which would acknowledge the benefit that each group receives from the service.

User Fees and Charges 2022/2023

Six of 13 submitters responded to this question as follows:

ID	Name/Organisation	Comments
AP22_23	Oliver Krollmann	No objections.
AP22_24	Rolf Mueller-Glodde	I wished you would have simply and clearly listed the proposed changes item by item indicating each change. The provided lengthy document, which is mostly unchanged, is not user-friendly for this purpose. Thus I refrain from agreeing or disagreeing.
AP22_26	Jude de Angulo	user pays: higher dog fees, introduce cat fees.
AP22_29	Graham MacPherson	OK
AP22_37	Kerikeri Cruising Club	Submitter understands that the biosecurity fee is charged 35% general rates and 65% targeted rates, and that only registered mooring owners, marina berths and boat sheds are charged this targeted fee. Submitter considers this is unfair considering the beneficiaries of biosecurity work extends to a much wider set of users within the general community. Submitter requests the biosecurity fee be scrapped. Alternatively, submitter requests council: incorporate the marine biosecurity fee into the general rates in line with other biosecurity and biodiversity activity funding, encourage Central Government to accept that Biosecurity incursion is not caused locally and therefore identification and any subsequent eradication should not be funded by a subset of the local maritime users, is active in FNDC's review of their maritime bylaws and particularly when considering ways of identifying maritime users under the review. Submitter comments on the navigation bylaw charge (which is also levied against mooring owners) as being inequitable, particularly considering the numbers of trailer boats significantly outweighs moored recreational vessels. {Staff summary; please see original submission}
AP22_38	Federated Farmers of New Zealand	<ul style="list-style-type: none"> Federated Farmers supports a high proportion of fees and charges funding council services to reduce the reliance on rates. Federated Farmers is in support of maintaining the current compliance monitoring costs associated with Dairy farm monitoring which incentivises farmers to have fully compliant systems which are charged lower under the charging schedule. We do question when there is a need for one or two officers to attend and where both costs will be recovered. We ask that this is amended to provide some more clarity with regards to situations where two officers would be necessary. Under inspection and monitoring charges 3.6 we would assume dairy farmers have been given a set charge for their type of inspection. It is also not common for other regional councils to charge for a second staff member. Our organisation has not seen this before and would not support this clause added on top of a set monitoring fee. We suggest that this clause is removed from the Fees and Charges 2022 which will ensure that Dairy inspection fees are reflective of the listed set charges.

TITLE: Council deliberations on the User Fees and Charges
2022/23

From: Robyn Broadhurst, Policy Specialist

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 17
Group Manager/s: May 2022

Executive summary/Whakarāpopototanga

This report provides background information and presents staff advice and recommendations to inform council's deliberation on the Draft User Fees and Charges 2022/23 and Statement of Proposal.

Staff recommend council support the Draft User Fees and Charges 2022/23 as consulted on, inclusive of the increased Pilotage and Shipping Navigation and Safety Services Fees and a 2.4% inflationary increase, and the addition of the removal of a note under both tables 3.6.2 and 3.6.4 relating to the number of staff attending a site visit.

Recommendations

1. That the report 'Council deliberations on the User Fees and Charges 2022/23' by Robyn Broadhurst, Policy Specialist and dated 27 April 2022, be received.
 2. That council supports the inflationary increase of 2.4% to fees and charges contained in the User Fees and Charges 2022/23, as set out in the schedule.
 3. That council supports the Draft User Fees and Charges 2022/23 as consulted and with the additional amendment set out in recommendation 4, and direct staff to prepare the final user fees and charges for council adoption in June 2022.
 4. That council supports the removal of the notes relating to tables 3.6.2 and 3.6.4 'Where there is a need for two officers to attend, the costs of both officers will be recovered'.
 5. That Bruce Howse, Group Manager – Corporate Services be given delegated authority to approve any consequential amendments as a result of council decisions on submissions and any minor accuracy and grammatical amendments.
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Considerations

1. Significance and engagement

Section 76AA of the Local Government Act 2002 (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.

Engagement with the community has now been carried out. The process of deliberations assists council in achieving compliance with section 77 of the LGA.

2. Policy, risk management and legislative compliance

Consultation on the Draft User Fees and Charges 2022/23 has been carried out pursuant to section 150 of the LGA and in accordance with section 83 of the LGA.

Consideration of submissions through the process of deliberations will achieve compliance with section 77 of the LGA – Requirements in relation to decisions – and 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'.

Background/Tuhinga

Consultation was carried out on council's Draft User Fees and Charges 2022/23 in conjunction with the process of consultation for the Annual Plan 2022/23. This is the usual process for these annual reviews and offers efficiencies in terms of staff resources and public participation as well as producing a complete budget. Consultation involved the production of a full draft user fees and charges schedule, complete with a statement of proposal that listed all proposed changes, including increases to Pilotage and Shipping Navigation and Safety Services Fees and a 2.4% inflationary increase.

Feedback on the proposals was sought during a month-long period from 26 March – 29 April 2022. A total of thirteen written submissions and one oral submission were received during the consultation period, with six directly commenting on the draft user fees and charges. The feedback is summarised in the summary of submissions document included as an attachment to the item titled "Council Deliberations on the Annual Plan 2022/23 Consultation Document and Supporting Information", in this agenda. For completeness, a full submissions book is also included as an attachment to the item above-mentioned.

The annual review of user fees and charges ensures that changes can be made regularly so that the charges do not become outdated. The draft schedule for 2022/23 proposed:

- Increasing the Pilotage and Shipping Navigation and Safety Services Fees;
- Inflationary increase of 2.4%; and
- Several minor amendments for clarity.

For a full list of amendments, please see the Statement of Proposal – Draft User Fees and Charges 2022/23 included as an Attachment 1 to this item.

Feedback received

The submission process allowed feedback in an open question rather than directed to the proposed changes. This was due to the fact the main proposed change, being the increase to Pilotage and Shipping Navigation and Safety Services Fees, only directly affected a handful of stakeholders.

No comments were received on the increase to Pilotage and Shipping Navigation and Safety Services Fees, nor the inflationary increase.

The six submissions received commented on the user fees and charges in general as follows:

- One individual submitter commented that they wished we would have clearly and simply listed all proposed changes item by item to save having to go through the document to find them and therefore refrained from either agreeing or disagreeing;
- One individual submitter commented that user pays: higher dog fees, introduce cat fees;
- Two individual submitters commented "OK" and "No objections" respectively;
- One submitter acting on behalf of the Kerikeri Cruising Club commented on the 35/65 split for the biosecurity fee stating that it was unfair and should ideally be scrapped, however they provided alternative solutions (please see full submission for details). Submitter also commented on the navigation bylaw charge as being inequitable, particularly considering the numbers of trailer boats significantly outweighs moored recreational vessels.
- One submitter acting on behalf of Federated Farmers commented that they support a high proportion of fees and charges funding council services to reduce the reliance on rates, and

that they were in support of maintaining the current compliance monitoring costs associated with dairy farm monitoring, which incentivises farmers to have fully compliant systems that are charged lower under the charging schedule. However, submitter questioned the need for one or two officers to attend and where both costs will be recovered, asking for an amendment to provide some more clarity with regards to situations where two officers would be necessary. Submitter further commented that they suggest this clause (relating to a second officer) is removed from the schedule to ensure that dairy inspection fees are reflective of the listed set charges.

It is noted that the Statement of Proposal, which provided the basis for consultation, clearly listed all proposed changes and the reasons for these changes, including the section the change related to, and that dog/cats fees are outside of the jurisdiction of council.

Submissions relating to the split of the biosecurity fee and the navigation bylaw charge are considered out-of-scope of this consultation and have been addressed and decided upon through previous processes. Any changes to these specific topics would require additional workshopping and subsequent consultation and would not be achievable this late in the process.

Regarding the submission relating to additional staff members attending dairy site visits, the clause 'Where there is a need for two officers to attend, the costs of both officers will be recovered' under both tables 3.6.2 and 3.6.4 was originally included as a Health and Safety measure for staff. However, this is not common practice and can therefore be removed as requested with no material change to charges resulting, or impact on council's Health and Safety obligations.

Staff recommend that council supports the user fees and charges as consulted on, with the additional amendment of removing the note 'Where there is a need for two officers to attend, the costs of both officers will be recovered' under both tables 3.6.2 and 3.6.4, resulting from these submissions.

Attachments/Ngā tapirihanga

Attachment 1: Draft User Fees and Charges 2022 [↓](#) 

