



Moving On

Consultation Document for Annual Plan 2016/2017

Year Two - Long Term Plan 2015/2025

Tell us what you think

Do it online at

www.kaipara.govt.nz/annualplan2016/2017

come to our round table sessions or
fill in a feedback form at the back of this
document and return it to us by

4.30pm Friday 13 May 2016

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Message from the Commissioners

Welcome to our discussion on our plans for 2016/2017.

We are very pleased to be able to confirm that the Council is in good shape for facing our future together, with a stable financial base, and many of the historical problems put behind us. This means we can continue to focus on building a great future for those who live here, holiday here or do business here.

Last year we adopted the Long Term Plan for 2015 to 2025. This is year two of that plan - an update for 2016/2017 to reflect the current situation. The changes from the second year of the Long Term Plan 2015/2025 are minor. For example, a more refined capital expenditure programme is available. The actual costs and spending and interest rates from the 2015/2016 year can also be used to update the year two figures and work programme. We have also been able to reduce our debt by \$10.1 million due to the settlement with the Office of the Auditor-General and the permanent release of funds. As a result of this we have been able to reinvest to address more of the backlog in our water supply, stormwater and wastewater infrastructure, move closer towards fully funding depreciation in some areas and to support the organisation without needing to increase rates or debt further.

Our policies and direction have not changed. We want it to be “easy” to live and do business in Kaipara – for this, we want rates to remain affordable, people and business to have access to necessary services, our regulatory framework to let the right things happen in the right way, and where we keep the high quality of our environment.

To balance our budgets, we continue to keep our core services at a relatively basic level and only invest modestly in community activities. We retained a small rates increase for most people across the 10 years. The increase of revenue we collect from rates is around 3.5% each year for the 10 year period. Last year the rates increase, excluding the forestry targeted rate, averaged 3.47%; this year it is projected to be 2.94%. Our debt is projected to be \$64.5 million by June 2017 compared with the Long Term Plan 2015/2025 level of \$72.5 million.

We invite you to note the variations, comment on our capital expenditure plan and provide feedback to us about the year ahead.



John Robertson



John Robertson QSO



Richard Booth



Peter Winder

Community Feedback

Explaining some changes to Council requirements for Annual Plans

The Local Government Act 2002 was amended in 2014. The amendment changed the way councils engaged with their communities on their 10 year plans (Long Term Plans). The requirements for the Annual Plan consultation have also changed.

The Long Term Plan 2015/2025 was adopted in June 2015 after a formal consultation using the special consultative procedure set out in the Local Government Act 2002. The big decisions on policy and direction were made last year. The Annual Plan sits within the context of the adopted Long Term Plan.

Consultation for an Annual Plan is less formal than that required for a Long Term Plan. We do not have any material or significant changes for the Annual Plan 2016/2017 compared to the Long Term Plan 2015/2025 for the same year. There will not be a hearing process. However, we wish to provide the opportunity for the community to see the updates and variations and to provide feedback if they wish.

This document is our consultation document for the 2016/2017 year. The information contained in this consultation document comes from what we call source documents. These documents contain the detail and were approved by Council at Council meetings during 2014, 2015 and 2016. This consultation document provides the overview of the updates and key information for the community.

The source documents for this document are set out in the next section. These source documents can be found on our website www.kaipara.govt.nz or you can obtain hard copies of the document(s) that interest you by contacting our Customer Service Centre at council@kaipara.govt.nz or telephoning 0800 727 059 or (09) 439 3123.

Engaging with Council

Council has organised the following round table meetings for you to meet with Commissioners and Council's expert staff to engage with us on this Plan.

Place	Venue	Date	Time
Dargaville	Mana Whenua Forum Annual Plan Hui - Northern Wairoa War Memorial Hall (Dargaville Town Hall) – Hokianga Road	Thursday 14 April 2016	noon
Maungaturoto	Maungaturoto Centennial Hall - View Street	Monday 02 May 2016	6.00pm

Place	Venue	Date	Time
Dargaville	Northern Wairoa War Memorial Hall (Dargaville Town Hall) - Hokianga Road	Tuesday 03 May 2016	6.00pm
Mangawhai	Mangawhai Domain – 73 Moir Street	Sunday 08 May 2016	2.00pm
Kaiwaka	Kaiwaka Sports Complex - Gibbons Road	Monday 09 May 2016	6.00pm
Paparoa	Paparoa War Memorial Hall – State Highway 12	Tuesday 10 May 2016	6.00pm

You are also able to provide written feedback, either by post, email or by filling in the feedback form that you can find on our website. We need to receive this feedback by **4.30pm on Friday 13 May 2016.**

Online feedback form: www.kaipara.govt.nz/annualplan2016

Email to: council@kaipara.govt.nz

Post to: Kaipara District Council
Private Bag 1001
Dargaville 0340



Source Documents

Long Term Plan 2015/2025 ([Part One](#), [Part Two](#)) includes information about our district, our aspirations for the district, community outcomes and includes the following documents:

- [Financial Strategy 2015](#);
- [Infrastructure Strategy 2015](#), and
- [Revenue and Financing Policy 2015](#), and
- [Rates Policies 2015](#)

Treasury Policy 2016

Annual Plan source documents report to Council Meeting 26 April 2016 and 8 attachments (as listed below)

- [Proposed statements of financial and capital performance](#)
- [Prospective financial statements 2016](#)
- [Proposed capital expenditure programme for 2016/2017 - summary](#)
- [Proposed capital expenditure programme for 2016/2017 detail](#)
- [Proposed rates summary](#)
- [Rates summary](#)
- [Proposed rating sample properties](#)
- [Draft funding impact statement \(including rating tools\) 2016](#)
- [Draft funding impact statement \(including rating tools\) 2016 maps](#)

Draft Fees and Charges 2016/2017

Asset Management Plans for [water supply](#), [stormwater](#), [wastewater](#) and [roads and footpaths 2015](#)

Activity profiles for [community activities](#), [district leadership](#), [emergency management and rural fire](#), [flood protection and land drainage](#), [regulatory management](#), [the provision of roads and footpaths](#), [solid waste](#), [water supply](#), [stormwater](#) and [wastewater](#) 2015

Reserve Contributions Policy 2014

Community Assistance Policy 2014

Context and Summary

The big decisions were made in the Long Term Plan 2015/2025 adopted in June 2015. Our policies and direction have not changed.

We want to be a district where it is easy to live because it's easy to do business, easy to join in and easy to enjoy nature. The Financial Strategy, as set out in the Long Term Plan 2015/2025, brings the things we want to life. The biggest challenges to “easy” are how to remain affordable, how to keep it simple and how to deal with the uncertainty that the future brings.

Council continues with the simple approach to sustainable financial management:

- We will cap rates revenue increases;
- We will run a balanced budget;
- We will reduce our debt year on year;
- We will live within our means;
- We will have a rating system that is easier to understand based on simplicity, community support, equity, stability/durability, affordability and fair distribution; and
- We will treat the district more evenly, reducing local variations in services and costs where this is sensible and affordable to do.

Our approach to sustainable management has not changed however it will be a challenge for Council to keep rates affordable when we have falling populations in some towns, and a growing need to address infrastructure issues where our assets are old and need to be replaced.

- The basis of our Long Term Plan is our Financial Strategy. The aim of our Financial Strategy is to limit rate increases while still reducing debt. We will limit rate increases to the Local Government Cost Index increase levels +2% maximum except for 2015/2016 where there is a new forestry targeted rate for roads impacted by forestry traffic proposed; and
- We will continue to apply targeted rates to those communities that benefit from a specific activity.

Our vision is to be a place where it is easy to live – easy to enjoy nature, easy to join in and easy to do business. To be “easy” we believe we need to:

- Make sure rates remain affordable;
- Make sure people and business have access to necessary services;
- Make sure our regulatory framework helps the right things to happen in the right way; and
- Make sure that we keep the quality of our environment.

We need to replace a lot of our infrastructure and this comes at a cost.

The key changes to the proposed Annual Plan for 2016/2017 from the Long Term Plan 2015/2025 for the 2016/2017 year reflect the updates of the last 12 months. We set these out together with the proposed adjustments for the 2016/2017 year. The reduced debt and interest costs mean that Council has more financial resilience and capacity, leaving an opportunity to invest in organisational efficiencies and capacity. There has also been an opportunity to address more of the backlog of renewal works and to begin fully funding depreciation in some areas. The capital expenditure programme has been rationalised, substituting higher priority expenditure and deferring some works across the first three years of the Long Term Plan. The higher level of expenditure in roading has come with higher levels of NZ Transport Agency (NZTA) subsidy.

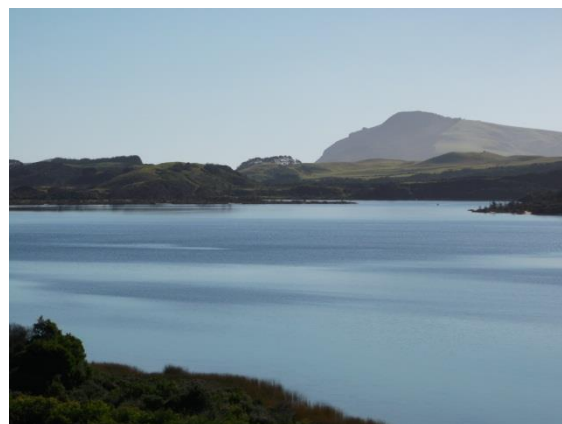
Overall for 2016/2017 we are projecting \$44.4 million for operational expenditure (compared with \$44.8 million for the same year of the Long Term Plan), \$15.9 million for capital expenditure (compared with \$12.3 million for the same year of the Long Term Plan) and a rates increase of 2.94% (compared with 3.45% for the same year of the Long Term Plan). The rates increase of 2.94% is made up of a 2.36% increase in the general rate and a 4.61% increase in targeted rates (which in turn reflects the funding of expenditure on network infrastructure).

The minor variations between the Long Term Plan 2015/2025 and the Annual Plan for 2016/2017 as indicated in this document will not have any significant consequences for the policy or direction for the Long Term Plan 2015/2025, including either the Financial Strategy or the Infrastructure Strategy. The next major review of policy and direction is scheduled for the Long Term Plan 2018/2028 review.

Financial Parameters

Within the 10 years set out in the Long Term Plan 2015/2025, this Annual Plan represents the second year. Set out in the table below are key financial parameters for the Annual Plan 2016/2017 compared with the original year in the Long Term Plan 2015/2025.

Financial Parameters	Long Term Plan 2015/2025: 2016/2017	Annual Plan 2016/2017	Variance
Total rates (000's)	\$28,811	\$28,671	\$140 reduction
Rates increase	3.45%	2.94%	0.51% reduction
Total revenue (000's)	\$47,618	\$49,530	\$1,912 increase
Total operating expenditure	\$44,795	\$44,401	\$394 reduction
Total capital expenditure	\$12,291	\$15,865	\$3,574 increase
Debt	\$72,550	\$64,548	\$8,002 reduction



Spending on infrastructure

Operating and capital expenditure for the 2016/2017 year in the Long Term Plan compared with the proposed Annual Plan are set out in the tables below:

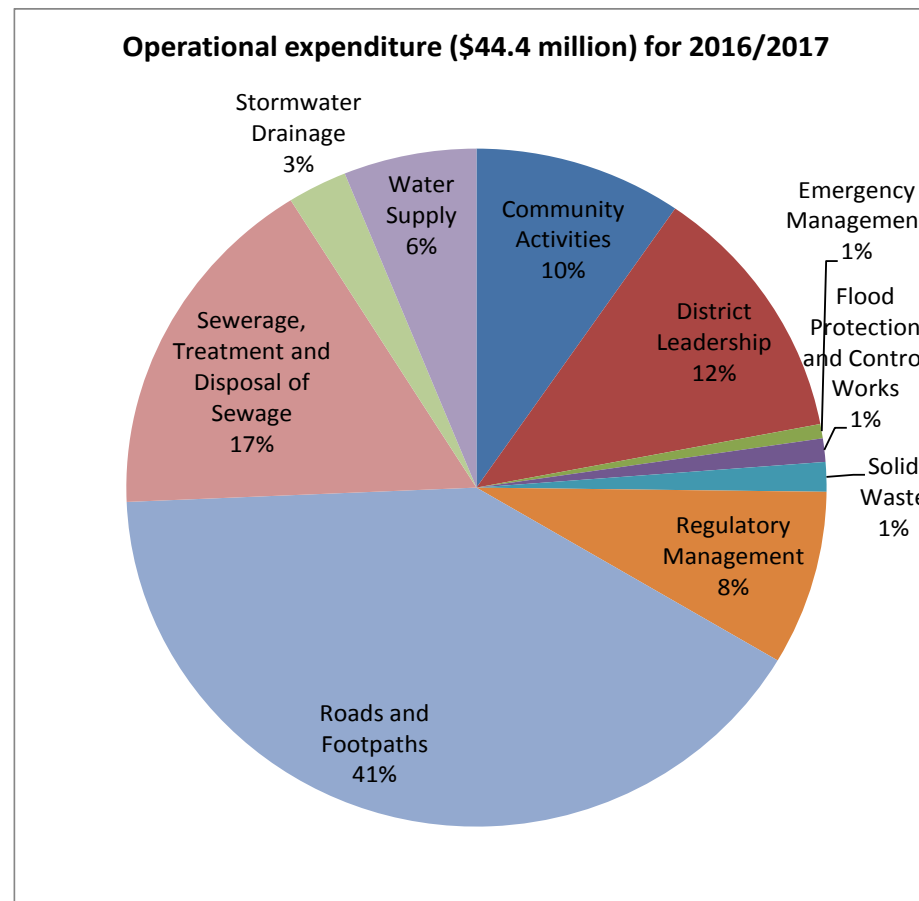
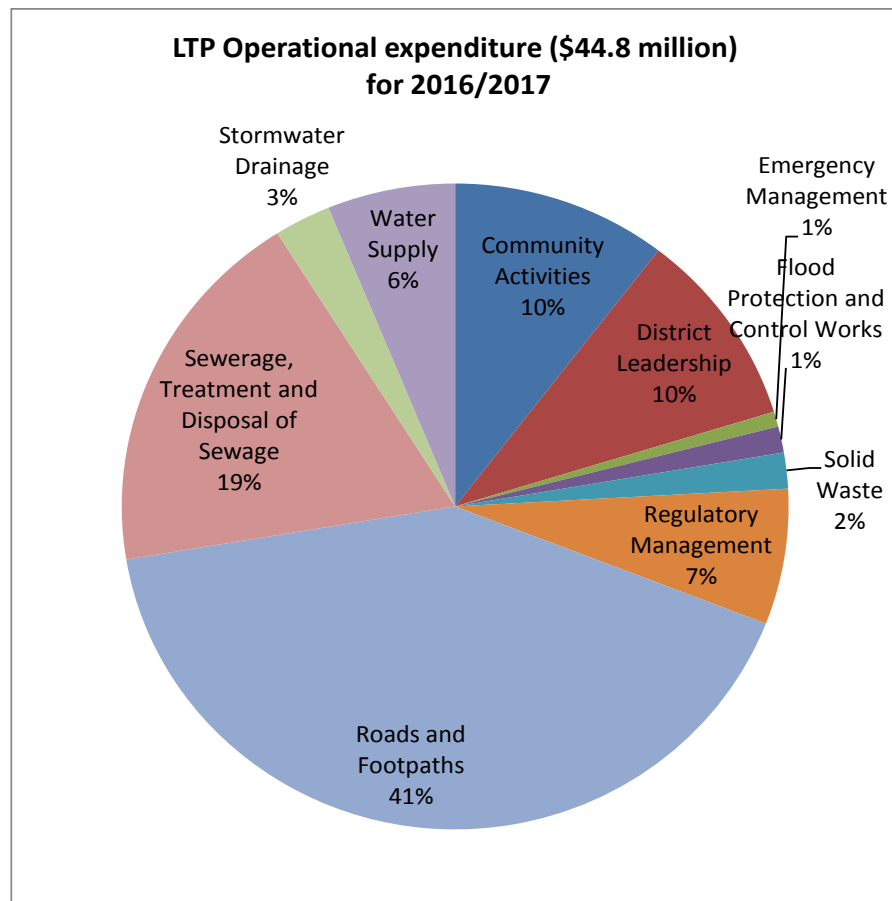
Operating expenditure	Long Term Plan 2015/2025: 2016/2017 (\$000's)	Annual Plan 2016/2017 (\$000's)	Variance \$
Water supply	2,779	2,726	53 reduction
Stormwater	1,232	1,226	6 reduction
Wastewater	8,364	7,452	912 reduction
Flood protection and land drainage	585	496	89 reduction
Roads and footpaths	18,571	18,122	449 reduction
Total	31,531	30,022	1,509 reduction

The variances are largely attributable to interest cost reductions and, in the case of roading, a reduction which is the combined impact of the new business unit, including a reduction of consultants, and a reclassification of operational expenditure to capital expenditure.

Capital expenditure	Long Term Plan 2015/2025:2016/2017 (\$000's)	Annual Plan 2016/2017 (\$000's)	Variance \$
Water supply	989	983	6 reduction
Stormwater	111	258	147 increase
Wastewater	589	1,246	657 increase
Flood protection and land drainage	0	604	604 increase
Roads and footpaths	9,589	10,621	1,032 increase
Total	11,278	13,712	2,434 increase

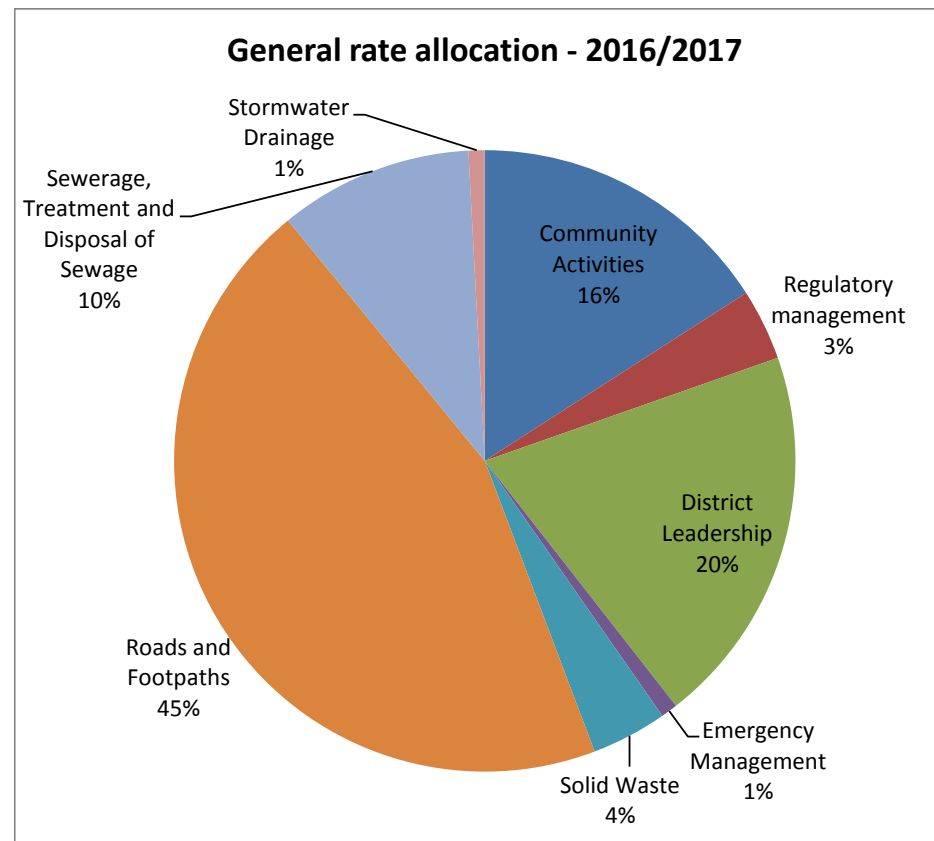
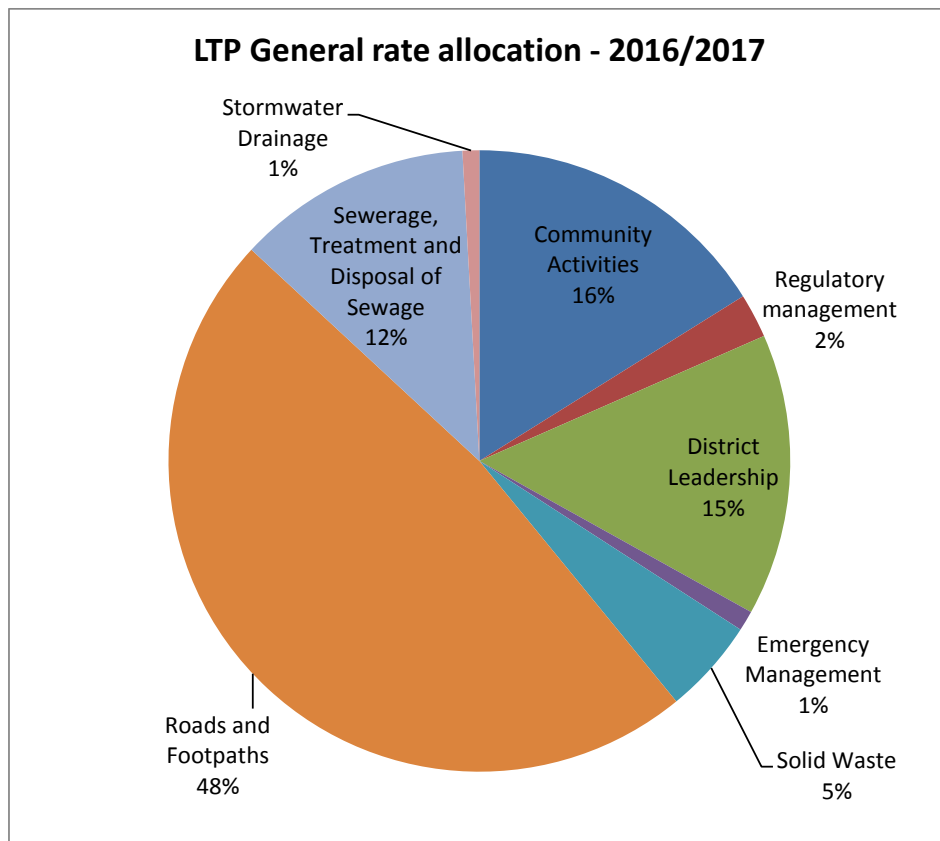
The variances are largely attributable to reprioritisation and timing issues and, in addition, in the case of roading, a reclassification of operational expenditure to capital expenditure.

Operational expenditure



Operational expenditure indicated in the Long Term Plan (LTP) (graph on the left-hand side) is fundamentally similar to the proposed Annual Plan operational expenditure (graph on the righthand side).

Rates funding



Rates funding indicated in the LTP (graph on the left-hand side) is fundamentally similar to the proposed Annual Plan rates funding (graph on the right-hand side). The difference is largely attributable to the reduction of debt in the sewerage treatment and disposal of sewage area and reinvestment in Information Technology, and increasing in-house staffing.

In the following sections we discuss the updated Annual Plan for 2016/2017 and illustrate the differences between the 2016/2017 year in the Long Term Plan 2015/2025 and the updated Annual Plan. The comparison between the capital expenditure programme for each activity in the updated Annual Plan for 2016/2017 and the Long Term Plan 2015/2025 is available in Part Two of this document.

Please tell us what you think

- What do you think of the capital works programme for each of the activities?
- What do you think of the changes we are proposing to use the savings from the reduction in our debt to:
 - catch up on some maintenance backlogs sooner;
 - saving up money to spend in later years on pending big capital works;
 - increase in-house staffing, to improve our customer service;
 - reducing the planned rates increase from 3.45% to 2.94%; and
 - keeping the uniform annual general charge (UAGC) at \$708 for 2016/2017 rather than the planned increase to \$734 or some other level;
- Anything else you would like to give us feedback on.

Feedback on the Mangawhai Town Plan, Dargaville and Kaiwaka Placemaking and other general issues can be given at our round table meetings. Council's expert staff will be available for you to talk to.



Managing our infrastructure

The Provision of Roads and Footpaths

Council manages 1,571 kilometres of roads, of which 72% is unsealed.

Our plans for the care of these roads remain constant:

- Continue with the rehabilitation programme of the sealed network;
- Continue with the heavy metalling programme of the unsealed network including forestry routes.

As part of the three-year seal extension programme, using financial and development contributions collected in past years, we will undertake a seal extension of Black Swamp Road up to and including the intersection with Raymond Bull Road.

The Northland councils have resolved in principle to progress a Transportation Hub in Whangarei with satellite offices across the region. While professional staff will be co-located, including the NZ Transport Agency (NZTA), customer contact will remain with each Council and local field officers will be based in the satellite offices to retain the current customer interface.

Each Council will still determine budgets for their respective district spend, and will set their own priorities. There will be no cross-subsidisation.

The key points to note are:

- We plan to continue with business as usual;
- A regional co-located business unit will be set up.

There is no change to funding sources for this activity. Funding is predominantly from NZTA with Council's share coming mainly from general rates. A targeted rate was introduced for roads used for the forestry industry in 2015/2016 and this continues for the 2016/2017 year.

Operational expenditure for the 2016/2017 year of the Long Term Plan was \$18.6 million and for the proposed Annual Plan it is \$18.1 million. The reduction of \$0.5 million is the combined impact of the new business unit, including a reduction of consultants, and a reclassification of operational expenditure to capital expenditure. Once up and running the new business unit is expected to save \$0.2 million per annum.

The capital expenditure programme for this activity comparing the 2016/2017 year of the Long Term Plan 2015/2025 and the Annual Plan is set out on pages 26 to 29 of Part Two of this document. Capital expenditure for the 2016/2017 year of the Long Term Plan was \$9.6 million and for the proposed Annual Plan it is \$10.6 million, a net difference of \$1.0 million. This has been a result of reviewing the programme and in light of NZTA funding, across the next two years.



Three Waters –Water Supply, Stormwater and Wastewater

Water Supply

Council owns and runs five water supply schemes. They vary in age and standard. This is reflected in the level of maintenance and renewals each scheme needs. This year we will:

- Continue with the renewals programme;
- Continue with minor upgrades of the water treatment plants;
- Continue with the asset condition assessment programme to find out more about the state of our pipes and other assets.

There are no changes in the plans for management of our water schemes

The water supply capital expenditure programme is set out on page 30 in Part Two of this document. There is little change from the Long Term Plan at \$1.0 million (similarly there is little change in operational expenditure at \$2.78 million and \$2.73 million for LTP and Annual Plan respectively). Water is funded by targeted rates and is based on volume or the amount used. The impact will vary from scheme to scheme.

The volumetric charges and total revenue for water for the 2016/2017 year of the Long Term Plan compared with the updated Annual Plan are set out in the tables below.

Water	Long Term Plan Y2 2016/2017		Annual Plan 2016/2017	
Volumetric charge	Up to 1st m3	Beyond 1st m3	Up to 1st m3	Beyond 1st m3
Dargaville	84.43	2.64	85.51	2.59
Glinks Gully	276.66	1.03	222.82	1.05
Mangawhai	84.43	1.68	85.51	1.21
Maungaturoto (Station Village)	186.16	2.82	181.09	2.73
Maungaturoto (Township)	185.62	2.40	180.58	2.33
Ruawai	141.26	3.12	134.35	2.84

Stormwater

Council owns and managed three stormwater networks – where public drains are piped.

This year we intend to:

- Continue with the renewals programme;
- Continue with the asset condition assessment programme;
- Progress stormwater catchment management plans.

There are no changes planned for our management of stormwater networks. There is little change in operating expenditure for the 2016/2017 year of the Long Term Plan compared with the proposed Annual Plan.

The stormwater capital expenditure programme is set out on page 31 in Part Two of this document.

Capital expenditure for the 2016/2017 year of the Long Term Plan was \$0.1 million and for the proposed Annual Plan it is \$0.3 million, an increase of \$0.2 million. This is a carried over project from 2015/2016 and is funded by prior years' funds.

There is no change to the way stormwater is funded; primarily by targeted rates (90%) with general rates funding the balance (10%). The impact on rates will vary from scheme to scheme. Overall, the targeted rate requirement for this activity for 2016/2017 is proposed to be \$1.093 million compared with \$1.077 million for the same year in the Long Term Plan.

Wastewater

Council owns and manages five wastewater schemes. Because they include some older schemes, there is a backlog of maintenance and renewals needed.

This year we plan to:

- Continue with the renewals programme;
- Continue with the asset condition assessment programme;
- During last year, a community advisory panel worked with Council staff and experts to assess the future development of the Mangawhai Community Wastewater Scheme (MCWWS). We were all reminded that the scheme's intent remains true – to protect the Mangawhai Harbour and



groundwater from pollution from human waste. The scheme has adequate capacity for some years to come at which time there will be a pinch point for a few days at summer peak. This peak will be managed without significant upgrades to the plant. There is also capacity on the farm to extend disposal. The decisions for any significant extensions will need to be made in the next five years, however are not needed now. We will:

- Extend the MCWWS's land irrigation system to provide additional capacity to accommodate growth;
- Undertake an assessment of environmental effects and apply to vary the MCWWS's resource consents authorising the discharge of treated effluent to land to maximise the ultimate capacity of the Council-owned land and the treatment plant.

All schemes will continue to be maintained to meet resource consent environmental conditions.

Two key points to note are:

- The Mangawhai scheme has sufficient capacity for some years as long as the disposal system on the farm is increased.
- Otherwise, no changes are planned for wastewater this year. It will be business as usual.

Operational expenditure for the 2016/2017 year of the Long Term Plan was \$8.4 million and for the proposed Annual Plan it is \$7.5 million, a difference of \$0.90 million which is attributable to the lower interest costs in the wastewater area. However, \$7.5 million is still an increase on the expenditure for 2015/2016.

The wastewater capital expenditure programme is set out on page 32 in Part Two of this document. Capital expenditure for the 2016/2017 year of the Long Term Plan was \$0.6 million and for the proposed Annual Plan it is \$1.3 million, a difference of \$0.7 million. Most of this has been carried over from the 2015/2016 year and is funded by prior years' funds and development contributions.

Targeted rates account for 75% of wastewater with the balance of 25% coming from general rates (to fund the district portion of the Mangawhai Community Wastewater Scheme (MCWWS)). This has reduced from the projected 69% and 31% for targeted rates and general rates respectively as for the 2016/2017 year of the Long Term Plan as a result of the reduction of the MCWWS debt that is paid by all ratepayers across the district. The impact of targeted rates will vary from scheme to scheme.

The Long Term Plan 2015/2025 rates for 2016/2017 and the Annual Plan rates for 2016/2017 are set out below.

Wastewater	Long Term Plan Y2 2016/2017 Charge per rating unit \$	Annual Plan 2016/2017
Dargaville		
<i>Connected</i>	985.80	954.80
<i>Capable to be connected</i>	739.35	716.10
Glinks Gully		
<i>Connected</i>	1,189.50	1,110.90
<i>Capable to be connected</i>	892.13	833.20
Kaiwaka		
<i>Connected</i>	939.10	910.60
<i>Capable to be connected</i>	704.33	683.00
Mangawhai		
<i>Connected</i>	1,266.50	1,110.90
<i>Capable to be connected</i>	949.88	833.20
Maungaturoto		
<i>Connected</i>	1,266.50	1,110.90
<i>Capable to be connected</i>	949.88	833.20
Te Kopuru		
<i>Connected</i>	694.80	615.80
<i>Capable to be connected</i>	521.10	461.90

The increases from the 2016/2017 year in the Long Term Plan compared to the Annual Plan are from capital costs increases that are allocated on an individual scheme basis.

Flood protection and land drainage (including Raupo and the 28 defined land drainage schemes)

Council works with the community to help manage 28 drainage schemes. The largest of these is Raupo, which is managed by its own Committee of Council. There is work needed to understand the condition and future requirements of drainage assets. This year we will:

- Continue with the renewal programme of floodgate structures;
- Develop asset management plans for the land drainage schemes.

The key points to note are:

- Asset management plans will be developed for drainage areas, taking into account the potential for rising sea levels and for more, or higher intensity, storms;
- Otherwise, there are no changes planned this year. It will be business as usual.

The flood protection and land drainage capital expenditure programme is set out on page 33 in Part Two of this document. There were no projects listed in the Long Term Plan, however as part of this year's review and a reclassification of expenditure type, projects amounting to \$0.6 million have been included for the proposed Annual Plan. They are to be funded from accumulated funds. Operational expenditure is reduced marginally.

Flood protection is funded by targeted rates. The impact on rates will vary from scheme to scheme depending on the agreements with the constituent groups reached.

For the 2016/2017 year, total charges were \$0.63 million (excluding GST) for the 2016/2017 Long Term Plan compared with \$0.68 million for the Annual Plan.

Developing our communities

Community Activities

Council looks after about 165 parks and reserves. The emphasis for maintenance and development is on the parkland that abuts our coastline, and three premier parks; Mangawhai Community Park, Harding Park/Pou Tu O Te Rangi and Taharoa Domain.

We have one library; in Dargaville. It is a well-used space and this year we plan to redesign it so make it easier to use. Our support for community libraries will continue.

We have transferred the management of our community housing in Ruawai and Dargaville to the Dargaville Community Development Trust. The tenants are enjoying the new arrangements, where they receive more wrap-around care from the Trust than Council was able to give. Council continues to own these units.

Place making in Dargaville and Kaiwaka continues. In both places we are working with Community Advisory Panels. In Dargaville, we are working to enliven the main street and waterfront. In Kaiwaka, our current emphasis is working with the NZTA to make it safer for pedestrians.

Mangawhai is experiencing rapid growth. Our investment in infrastructure has not always kept up. A Town Plan is in the early stages of being developed to guide infrastructure investment in the area to cater for the growth being experienced there. When we have a good base of information, we will work with the Mangawhai community to consider options. We welcome community input into our place making activities.

The community activities capital expenditure programme is set out on page 34 in Part Two of this document. The investment in parks and reserves has increased. This is particularly so for the three premier parks, mentioned above. Capital expenditure for the 2016/2017 year of the Long Term Plan was \$0.7 million and for the proposed Annual Plan it is \$1.4 million, a difference of \$0.7 million. Of this \$0.1 million has been carried over from 2015/2016 and all of it is funded from reserve contributions collected from fees charged for consents for subdivisions across the district.

Operational expenditure has reduced for the 2016/2017 of the Long Term Plan compared with the proposed Annual Plan by \$0.4 million as a result of reduced activity revenue.

Community activities are largely funded by general rates. The funding from general rates for the 2016/2017 year of the Long Term Plan and in the proposed Annual Plan is \$3.3 million.



Regulatory Management

We have legislated responsibilities to manage regulation of building, land use, subdivision, alcohol supply, excessive noise, bylaw monitoring, parking, dogs and other animal management and food premises licensing. The work in this area has increased substantially over the last few years because of:

- Growth in the number of sections and houses in the east of the district, which has meant that we have needed to take on more staff to keep up with the workload;
- New legislation governing the way we manage alcohol regulations and food outlets.

We have also changed the way we manage this area of our work. In the past we have used contractors and consultants to carry out some of our resource consenting, environmental health activities and alcohol management. These functions have all been bought in-house and are now delivered by Council staff. The exception is animal control, excessive noise and parking enforcement which are still contracted out.

Overall, operational expenditure for the 2016/2017 year of the Long Term Plan was \$3.0 million and for the proposed Annual Plan it is \$3.7 million, a net difference of \$0.7 million which is attributable to increased activity, reduced consultant costs in some areas and demands for improved service. The difference is funded partly by increased fees and charges and rates.

Emergency Management

Council has responsibilities for local emergency management. While we hope we never have an emergency we need to be prepared in case we do. Each year we have a local exercise to test our readiness. This year's exercise will be based on a tsunami. We rely heavily on communities to help us manage emergencies. The district has good involvement with most areas having a Community Response Plan for volunteers to action in an emergency event.

There is a marginal decrease in operational costs for 2016/2017 in the Long Term Plan compared with the proposed Annual Plan. There is one capital project (see page 35 of Part Two) for a fire appliance, \$0.15 million. Funding is from prior years' funds and subsidy.

District Leadership

The Commissioners end their term at October this year, when a new elected Council will begin. Transition activities are in place to ensure this change happens smoothly.

The Council organisation is in good shape. While there are more staff working here, there is significantly less reliance on contractors and consultants. There is always room for continual improvement, and a culture of improving services every day is now well-embedded in the organisation. Investment in technology forms part of these improvement efforts.

The key points to note are:

- The return to democracy at the October local government elections is eagerly anticipated. It will bring with it some small additional costs;
- Council is also investing in new information technology. A lack of past investment has meant that we are often operating with out-of-date equipment and software, some no longer served by the manufacturer. Our priorities for new investment are where it improved customer service, and where the current technology is no longer reliable or serviced.

District Leadership is also where responsibility for financial management and policy and rates policy sits. The reduced debt and interest costs means that Council has more financial resilience and capacity, leaving an opportunity to progress organisational efficiencies and capability. We propose to reinvest the interest cost and other savings in order to advance our backlog work, increase our capability and preserve funding levels for the future. We also propose to release a portion of the savings to keep rates lower than they otherwise would have been (at 2.94% rather than 3.45% as indicated in the 2016/2017 year of the Long Term Plan).

In addition to the proposed drop in the rates increase, we have considered the level of the uniform annual general charge (UAGC). In 2015/2016 it was \$708; Council's policy is that the level should be set at close to the maximum allowable under the Local Government (Rating) Act 2002. This was slightly less than the maximum. In the ordinary course of events the UAGC for 2016/2017 would be set at \$734. However, it is proposed that for 2016/2017 it remains at \$708, being a balance between different ratepayer groups and recognising that the district-wide funded debt for the Mangawhai Community Wastewater Scheme (MCWWS) has reduced. In 2015/2016 \$237 of the UAGC was attributable to district-wide funding of the MCWWS debt, for 2016/2017 the figure is \$183.

Overall, operational expenditure for the 2016/2017 year of the Long Term Plan was \$4.4 million and for the proposed Annual Plan it is \$5.5 million. The difference of \$1.1 million is attributable to amounts set aside for increases in funded depreciation to assist with renewal (approximately \$0.2 million), IT investment to support the organisation efficiency and capacity (\$0.2 million), dedicated Iwi funding and requirements to implement the new Health and Safety legislation (\$0.1 million) and for legal compliance and a base level of litigation (\$0.3 million). The balance represents reallocations in and out of the activity, such as employment benefits and internal charges. The increase is largely rate funded utilising savings from other areas.

The District Leadership capital expenditure programme is set out on page 36 in Part Two of this document. Capital expenditure for the 2016/2017 year of the Long Term Plan was \$0.3 million and for the proposed Annual Plan it is \$0.6 million. The increase of \$0.3 million is for investment in IT and will be loan funded.

Rating Information

Rating summary of indicative average properties

The following table calculates the impact of Council's rating policy on indicative averages for properties in different locations within the district and for different land uses (residential, dairy, commercial etcetera).

Effect of changes to Rating by Category

Rates levied (incl GST)	2015/2016 \$	2016/2017 Long Term Plan Y2			2016/2017 Proposed Annual Plan		
		Movement \$	%	Total \$	Movement \$	%	Total \$
Commercial	872,554	60,106	6.89%	932,660	32,999	3.78%	905,553
Dairy	4,002,905	-14,608	-0.36%	3,988,298	141,189	3.53%	4,144,095
Forestry exotic	777,671	9,362	1.20%	787,033	14,396	1.85%	792,068
Forestry indigenous	28,639	165	0.57%	28,803	384	1.34%	29,022
Horticultural	338,382	4,124	1.22%	342,506	11,466	3.39%	349,848
Industrial	413,165	8,834	2.14%	421,999	-754	-0.18%	412,411
Lifestyle <2 ha	2,416,684	101,475	4.20%	2,518,158	84,513	3.50%	2,501,197
Lifestyle >=2 ha	3,806,906	21,716	0.57%	3,828,622	68,816	1.81%	3,875,723
Mining	17,993	253	1.41%	18,246	256	1.42%	18,249
Other	418,794	50,296	12.01%	469,090	31,235	7.46%	450,029
Pastoral	5,349,022	-123,093	-2.30%	5,225,929	75,239	1.41%	5,424,261
Residential	13,509,145	983,881	7.28%	14,493,026	481,107	3.56%	13,990,252
Specialty	27,424	-58	-0.21%	27,366	648	2.36%	28,072
Utilities	49,366	2,697	5.46%	52,063	1,327	2.69%	50,693
Total incl GST	32,028,650	1,105,150	3.45%	33,133,800	942,823	2.94%	32,971,473
Total excl GST	27,851,000			28,812,000			28,670,846

Effect of changes to rating by average property

Rates levied (incl GST)	2015/2016 \$	Long Term Plan Y2 2016/2017			proposed Annual Plan 2016/2017		
		Movement \$	%	Total \$	Movement \$	%	Total \$
Residential							
Mangawhai	2,937	176	5.99%	3,112	33	1.13%	2,970
Dargaville	1,893	155	8.20%	2,049	97	5.14%	1,991
Maungaturoto	1,799	198	11.00%	1,997	180	10.01%	1,979
Baylys	1,183	5	0.45%	1,189	-8	-0.66%	1,176
Te Kopuru	1,394	188	13.45%	1,582	85	6.07%	1,479
Ruawai	950	33	3.48%	983	7	0.78%	957
Tinopai	1,045	23	2.15%	1,067	11	1.02%	1,055
Paparoa	931	25	2.69%	956	7	0.76%	938
Kaiwaka	1,987	9	0.44%	1,995	-42	-2.14%	1,944
Pahi	998	24	2.36%	1,022	9	0.92%	1,007
Glinks Gully	2,445	135	5.53%	2,580	63	2.56%	2,507

Part Two: Proposed capital expenditure programmes

The Provision of Roads and Footpaths

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
The Provision of Roads and Footpaths			
Bridges and Structures			
272 Tangowahine Valley Road Bridge No.03 2016/17		165,000	165,000
276 Tangowahine Valley Road Bridge No.07 2016/17	180,000	165,000	-15,000
Minor projects - Bridges 2016/2017	162,000	73,267	-88,733
NZTA Reallocation	94,267		-94,267
Emergency Works and Preventative Maintenance			
Baldrock Road Underslip	75,000	69,375	-5,625
Garbolino Road Slip 1	130,000		-130,000
Kaiwaka - Mangawhai Road Slip	45,000	0	-45,000
Potential Future Sites (storm damage)		32,875	32,875
Tara Road flooding investigation	65,000	65,000	0
Footpaths and Berms			
Logan Street	60,000	60,000	0
Road Works - Drainage			
NZTA Reallocation	112,802		-112,802
Various - Major Drainage	297,050	109,852	-187,198
Road Works - Minor Improvements			
Arapohue Road culvert replacement 2016/17		242,450	242,450
Black Swamp Road - in association with seal extension		20,000	20,000
Black Swamp Road - intersection improvements		138,750	138,750
Bridge Approaches 2016/17	130,000	121,030	-8,970
Bridge Guardrail 2016/17	121,940	113,540	-8,400

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Estuary Drive	20,000		-20,000
Kaiwaka-Mangawhai seal widening		16,200	16,200
Mangawhai Road seal widening 2		32,000	32,000
Miscellaneous 2016/17 unforeseen		1,336,608	1,336,608
Moir Point Road	20,000		-20,000
Moir Point Road/Estuary Drive Intersection (safety)	73,000		-73,000
Mt Wesley Coast Road	9,800	9,800	0
Opanake Road - full length		290,000	290,000
Paparoa-Oakleigh Road corner easing 2016/17		225,900	225,900
Parore West Road/Waihue Road intersection 2016/17		93,100	93,100
Pukehuia Road/John Wilson Road intersection	120,000	50,000	-70,000
Pukehuia Road Bridge 234 approaches	160,000	0	-160,000
River Road Guardrail		35,000	35,000
Robertson Road RP 5620 - 5820		20,000	20,000
Tangowahine Valley Road slump		101,000	101,000
Tinopai Road seal widening	77,700	156,600	78,900
Turkey Flat Road/Tatarariki Spur Road	144,000	144,000	0
Waihue Road slump		101,750	101,750
Wairere/Causer/Paparoa Station Road intersection/bridge approach 2016/17	176,000	163,850	-12,150
Road Works - sealed			
Aranga Coast Road	40,000	0	-40,000
Arapohue Road	268,000		-268,000
Ararua Road	97,000		-97,000
Dunn Road 2016/17	316,800	571,691	254,891
Hoanga Road 2016/17		518,902	518,902
Mangawhai Road 2016/17	180,000	185,500	5,500
Mititai Wharf Road	18,500		-18,500
NZTA Reallocation	-643,205		643,205
Omamari Road (West)	232,200		-232,200

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Oneriri Road 2016/17		113,000	113,000
Robertson Road 2016/17	281,800	92,500	-189,300
Tangowahine Valley Road	226,000	224,500	-1,500
Te Kowhai Road	461,200		-461,200
Tinopai Road 2016/17	373,800	485,497	111,697
Waihue Road 2016/17	249,600	245,000	-4,600
West Coast Road	480,500		-480,500
Whitcombe Road/Whenuanui Reserve Road		155,105	155,105
Wintle Street	17,000		-17,000
Road Works - sealed resurfacing			
NZTA Reallocation	15,554		-15,554
Sealed Resurfacing	1,148,699	1,164,253	15,554
Road Works - unsealed			
Avoca East Road		0	0
Black Swamp Road		100,000	100,000
Bull Road	525,000	60,000	-465,000
Estuary Drive	61,500		-61,500
Ford Road		250,000	250,000
FR Kirikopuni Valley Road		220,000	220,000
FR Opuna Road		138,000	138,000
FR Ounuwahao Road		180,000	180,000
FR Pukemiro Road		16,500	16,500
Golden Stairs Road		150,000	150,000
Heavy metalling - various roads		104,180	104,180
Kirikopuni Valley Road	897,800		-897,800
Maropiu Road	351,960	25,000	-326,960
Mititai Road		184,320	184,320
NZTA Reallocation	-554,697		554,697
Road renewal - forestry related	723,333		-723,333
Tokatoka Road		370,000	370,000

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Tramline Road		270,000	270,000
Roading Community Programmes and Road Safety			
Road Safety Promotion (Roadsafe Northland)	125,000	125,000	0
Roading Infrastructure - unsubsidised			
Black Swamp Road - seal extension	250,000	250,000	0
Moir Point/Estuary Drive - seal extension	830,000		-830,000
Seal widening	20,000	20,000	0
Settlement Road - seal extension		60,000	60,000
Traffic Services			
NZTA Reallocation	189,572	189,572	0
The Provision of Roads and Footpaths Total	9,456,475	10,620,467	1,163,992

Three Waters – Water Supply, Stormwater and Wastewater

Water Supply

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Water Supply			
Dargaville Water Supply			
Baylys trunk main Stage 1: Replace 3km of 8km 150mm AC	520,000	520,000	0
Compliance Drinking water standards	2,500	2,500	0
P4: AC 100mm Renewal - Lorne Street, Montgomery Avenue, Parore Street, Pirika Street- 1700m	230,000	230,000	0
Take consent compliance	2,500	2,500	0
Glinks Gully Water Supply			
Water take consent compliance	1,500	1,500	0
Mangawhai Water Supply			
Water take consent compliance	1,500	1,500	0
WTP upgrade to meet DWS - Provision		30,000	30,000
Maungaturoto Water Supply			
AC 200mm Renewal - raw water main - 400m of 8Km	150,000	150,000	0
NZDWS compliance	1,500	1,500	0
Water take consent compliance	1,500	1,500	0
Ruawai Water Supply			
NZDWS compliance	1,500	1,500	0
Replace balance (3rd Stage) of 2.3km retic of 100-150mm dia to meet fire flow	40,000	40,000	0
Water Supply Total	952,500	982,500	30,000

Stormwater

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Stormwater			
Baylys Stormwater Scheme			
All asset groups	10,000	10,000	0
Dargaville Stormwater Scheme			
P1: Conc Pipe Renewal -Stage 2		150,000	150,000
P2 - 1: Conc Pipe (no joint) Renewal from CCTV - Carrington/Gordon Streets /McKay Crescent; length 200m	50,000	50,000	0
Mangawhai Stormwater Scheme			
Additional capacity for growth - Council contribution	37,500	37,500	0
All asset groups renewal and consent related projects (LoS)	10,000	10,000	0
Stormwater Drainage Total	107,500	257,500	150,000

Sewerage and the Treatment and Disposal of Sewage

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Sewerage and the Treatment and Disposal of Sewage			
Dargaville Wastewater Scheme			
P5: AC 150mm renewal – Cobham Avenue, Haimona, Lorne and Plunket Streets, Hokianga Road, Logan Street - 340m	60,000	60,000	0
P6: AC 150mm renewal - First, Second and Third Avenues and Ranfurly Street - 995m	170,000	170,000	0
P7: AC 150mm renewal - Finlayson Park Avenue, Victoria, Mako, Jervois Streets - 850m	150,000	150,000	0
Pump stations renewal - pumps, electrical and mechanical	50,000	50,000	0
Safety grills on pump stations		13,000	13,000
Kaiwaka Wastewater Scheme			
Environmental compliance	2,500	2,500	0
Pond curtain	40,000	40,000	0
Safety grills on pump station		1,000	1,000
Mangawhai Wastewater Scheme			
Additional capacity for growth - Council contribution	40,000	40,000	0
Effluent discharge options		445,000	445,000
MCWWS resource consent variation 2016/17		150,000	150,000
WW Mangawhai disposal option		69,500	69,500
Maungaturoto Wastewater Scheme			
Environmental compliance	2,500	2,500	0
Treatment Plant, pump stations electrical renewal	50,000	50,000	0
Te Kopuru Wastewater Scheme			
Environmental compliance	2,500	2,500	0
Sewerage and the Treatment and Disposal of Sewage Total	567,500	1,246,000	678,500

Flood protection and land drainage (including Raupo and the 28 defined land drainage schemes)

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Flood Protection and Control Works			
Land Drainage - District Wide			
Floodgate Replacements		30,000	30,000
Raupo Land Drainage Scheme			
Floodgate 1 - replace wing walls		30,000	30,000
Floodgate 53 - replacement		102,000	102,000
Floodgate 54 - replacement		102,000	102,000
Floodgate replacement		160,000	160,000
Floodgate replacement 2016/17 - rates funded		40,000	40,000
Replacement Murphy/Bowers stopbank		130,000	130,000
Stop bank improvements		40,000	40,000
Flood Protection and Control Works Total		634,000	634,000

Community Activities

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Community Activities			
Dargaville Halls			
Building Renewal and Earthquake stabilisation	50,000	50,000	0
Dargaville Parks and Reserves			
Community Infrastructure - Dargaville		30,000	30,000
Cycleway/Walkway - develop and implement strategy		60,000	60,000
Harding Park/Pou Tu o Te Rangi		100,000	100,000
Memorial Park Changing Sheds		100,000	100,000
District Parks and Reserves			
Community Infrastructure - District		30,000	30,000
Park Improvements (furniture/carpark/lighting/paths)		110,000	110,000
Playgrounds New - Kaiwaka	25,000	25,000	0
Playgrounds renewals	25,000	25,000	0
Reserves acquisitions	100,000		-100,000
Taharoa Domain - implement Reserve Management Plan	100,000	100,000	0
Tinopai Playground		40,000	40,000
District Public Toilet Amenities			
Public Toilets new	120,000		-120,000
Public Toilets Renewals - Kelly's Bay	60,000	60,000	0
Elderly Housing General			
Elderly Housing Renewals	15,000	15,000	0
Kai Iwi Lakes - Camp Ground			
Kai Iwi facilities	150,000	150,000	0
Libraries			
Library Book replacements	62,500	62,500	0
Library redevelopment - digital growth		80,000	80,000

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Mangawhai Parks and Reserves			
Community Infrastructure - Mangawhai		30,000	30,000
Mangawhai Coastal Tracks - links to existing network	70,000	70,000	0
Mangawhai Community Park - implement Master Plan		100,000	100,000
Mangawhai Public Toilet Amenities			
Public Toilets - Alamar Crescent		120,000	120,000
Community Activities Total	777,500	1,357,500	580,000

Emergency Management

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
Emergency Management			
Rural Fire			
New Fire Appliance		153,000	153,000
Emergency Management Total		153,000	153,000

District Leadership

Capital expenditure programme	Long Term Plan 2016/2017 \$	Annual Plan 2016/2017 \$	Variance to Long Term Plan \$
District Leadership			
Chief Executive			
Fleet Executive Additions		80,000	80,000
Fleet Replacement	100,000	100,000	0
Communications and Customer Services			
Replaced equipment	21,012	21,012	0
Website redesign	6,000	6,000	0
Council Offices - Dargaville			
Additional office space Dargaville		68,000	68,000
Civic buildings renewals	40,000	40,000	0
Dargaville Offices equipment renewal	10,000	10,000	0
Information Services			
Contact Centre		119,400	119,400
Contract Management / Project Accounting	30,000	30,000	0
Core Financial and Council Services system improvements	57,750	57,750	0
Customer Relationship Management	111,200	111,200	0
Electronic Agenda Management	27,000	27,000	0
Electronic Document and Records Management (EDRM)		150,000	150,000
less Allowance for Opex (Licence fees and implementation)	-168,700	-315,700	-147,000
New Equipment		21,500	21,500
Purchasing	27,200	27,200	0
Replaced equipment	48,539	48,539	0
Upgrade Data Link Dargaville / Mangawhai		40,000	40,000
District Leadership Total	310,001	641,901	331,900

Part Three: Feedback form

Kaipara District Council wants to hear your views about the Annual Plan 2016/2017. Because there are no material or significant changes for this Plan, there will not be a hearing process.

However, the consultation document provides you with information about the updates and variations, so you can let us know what you think.

Details are on our website www.kaipara.govt.nz where you can also access the source documents. You can also obtain hard copies through our Customer Service Centre at council@kaipara.govt.nz or by telephoning 0800 727 059 or (09) 429 3123. You can also call at our offices at:

42 Hokianga Road, Dargaville; or
Unit 6, The Hub, 6 Molesworth Drive, Mangawhai.

Please send your feedback to:

"Annual Plan"
Kaipara District Council
Private Bag 1001
Dargaville 0340

Or by email at council@kaipara.govt.nz or go online to
www.kaipara.govt.nz

Your feedback is due by 4.30pm Friday 13 May 2016

Once feedback is considered, the Plan will be finalised and adopted at the 28 June 2016 Council meeting.

DETAILS

☐ Organisation

☐ Individual

Title

First name*

Last name*

Email*

Primary phone*

Alternate phone

Postal
Address

Please add your comments on the following pages.

You can also attend one of our round table sessions at:

- Maungaturoto Centennial Hall (View Street) - Monday 02 May 6.00pm
- Northern Wairoa War Memorial Hall - Dargaville Town Hall (Hokianga Road)
- Tuesday 03 May 6.00pm
- Mangawhai Domain Hall (73 Moir Street) - Sunday 08 May 6.00pm
- Kaiwaka Sports Complex (Gibbons Road) - Monday 09 May 6.00pm
- Paparoa War Memorial Hall (State Highway 12) - Tuesday 10 May 6.00pm

Do you have any feedback on:

1. Our capital expenditure programme?
2. Our proposal to use savings?
3. Reducing our planned rates increase from 3.45% to 2.94%?
4. Our proposal to hold the uniform annual general charge (UAGC) at \$708 rather than \$734 or some other level?
5. Any other issue/s?

Please write your comments in the space below

