Kaipara District Council

Environmental Scan

August 2013

Kaipara te Oranganui

KAIPARA DISTRICT

Two Oceans Two Harbours

Intentional Blank

A. Executive Summary

This Environmental Scan was completed in July 2013.

At the time of compiling this information, results of the 2013 Census were not yet available so a large amount of information and analysis is unavailable or deemed to be out of date. It is hoped that information from the 2013 Census will be available for inclusion in the next issue of the Environmental Scan. The purpose of this document is to provide a quick overview of the legal, social, economic, physical and technical environment in which the Council operates. This second issue of the environmental scan is to be followed by later editions which will ensure up to date information on key indicators is always available.

The key findings which are highlighted within this Environmental Scan are:

Legal

- Central government is presently reforming the local government sector. The next round of reforms will focus on Councils' regulatory functions;
- The Local Government Commission is currently considering reorganisation of local government across the whole of Northland. This may involve amalgamation of Kaipara into one or more of the other local authorities;
- Auckland Council is developing its Unitary Plan. The Draft Unitary Plan allows for much greater intensification of Auckland and will create more intensified housing around transport and shopping nodes. Central Government is questioning this approach, suggesting that the plan allow more greenfield developments (urban sprawl). The availability and nature of housing in Auckland will have flow on effects for Kaipara.

Social

- Most of the District's towns have declining or stable school rolls. Notable exceptions are Mangawhai and Matakohe which have increasing school rolls.
- The District has a population of 19,100 (June 2012 estimate), of whom about 4,450 live in Dargaville**;**
- The population is largely rural, living in small settlements dotted in amongst the rolling hills;
- The District's population is expected to grow by 3 per cent over the next 10 years;
- Most growth is expected to occur in the south of the District around Mangawhai, Kaiwaka and the three villages of Matakohe, Paparoa and Maungaturoto. By contrast population in the remainder of the District is predicted to decrease. Dargaville's population is expected to decline by 10% over the next ten years;
- Young people, particularly in the 20 – 30 age group, are presently and are becoming increasingly under-represented in the District.

Economic

- Kaipara's economic success is based on its primary industries, particularly dairy and forestry. In years when growing conditions are favourable, the District's economy is capable of higher performance than in most other districts;
- The two greatest limitations on industry in Northland are limitations in transport networks (Roads, and of particular importance for heavy freight Rail), electricity generation and security of electricity supply;
- Kaipara's level of GDP was $349 million (95/96 prices) during the year to March 2013. This put the District's economic growth at a robust 3.4%, well above growth in the national economy of 2.8%. Growth was also greater than in the Far North (3.1%) and Whangarei (3.1%);
- Housing is more affordable in Kaipara than in the country as a whole. Since the year 2000, housing in Kaipara has become more affordable relative to the national average level;
- Annual house sales in Kaipara increased by 37.5% compared with the previous 12 months. Growth was higher than in the Northland region (27.7%) and higher than in New Zealand (16.7%).

Customer Expectations

- The Kaipara district has a large percentage of absentee ratepayers compared to other districts. 37% of our ratepayers are non resident.
- 63% of properties in Kaipara are owned by people living in Kaipara and 24% by people living in Auckland.
- The percentage of Kaipara property owners with an Auckland postal address is greater in southern areas. The extreme example of this is Mangawhai where just 24% of properties refer to a Mangawhai postal address and 50% of rateable properties refer to an Auckland postal address.
- Kaipara is working to develop shared services with other councils.
- Kaipara District Council is also exploring with other Northland Councils the possibility of developing a One Plan. The aim of the One Plan would be to combine regional and district plans, thereby simplifying the resource consent process for the community.

Physical

- The Kaipara District has a large roading network (1,570 km), with a large proportion of these roads being unsealed (1,124 km). This network includes 353 bridges.
- Roading presently comprises the majority of Kaipara District Council's annual budget;
- Heavy vehicle movements on the District's roads are anticipated to continue increasing in response to more plantation forests reaching maturity (ready to harvest) and increased freight volumes passing through Northport.

- Northland's roads are made of a softer roading aggregate than elsewhere in the country meaning that they degrade faster.
- The District's rail network is underutilised and threatened with closure;
- Auckland Council has fast tracked the Pūhoi to Wellsford motorway extension by declaring the project a proposal of "national significance". This means it can be fast-tracked through the Environmental Protection Authority, instead of going through the normal Council consent processes, and then the Environment Court.
- There is potential for Kaipara to be the centre of large scale electricity generation using renewable sources such as wind and tidal power. Development projects being considered could supply a significant portion of the nation's energy and bringing security of supply to the Northland Region. These developments are on hold until national demand for electricity increases.

B. Contents

A. Executive Summary 1

B. Contents 4

C. The Kaipara District 6

1 Population 6

D. Overview of Environmental Scan 9

2 Introduction 9

3 Environmental Scan Process 9

3.1 Legal 10

3.2 Social 17

3.3 Economic 22

3.4 Customer Expectations 33

3.5 Physical 36

3.6 Technical 43

Intentional Blank

C. The Kaipara District

Kaipara District Council is one of the few councils that stretch from the west coast to the east coast. From the wilds of the west coast to the water sports of the east coast and rural New Zealand in between.

Kaipara District is located in the low hills around the northern shores of the Kaipara Harbour; a large natural harbour which opens to the Tasman Sea. Kaipara District Council shares management of the harbour with various other organisations, most notably Auckland Council in the south of the harbour.

The roughly triangular District stretches from a thinning of the North Auckland Peninsula south of Maungaturoto in the southeast to the Waipoua Forest in the northwest, from there extending down the west coast to the Kaipara Harbour entrance. The region is bisected by the Northern Wairoa River and its tributaries, which flow into the northern end of the Kaipara Harbour.

1 Population

The District consists of the towns of Dargaville, Ruawai, Matakohe, Paparoa, Maungaturoto, Kaiwaka and Mangawhai, as well as the rural area which surrounds them. It has a population of

19,100 (June 2012 estimate), of whom about 4450 live in Dargaville, the seat of the District Council.

The population is largely rural, living in small settlements scattered amongst the rolling hills or nestled on the shores of the harbour.

The nearest city is Whangarei, 45 kilometres northeast of Dargaville.

Population Growth: Statistics New Zealand is predicting static growth for Kaipara with little to no growth over the next 10 years. Areas which are predicted to have some growth between 2011 and 2021 as stated from Statistics New Zealand are Mangawhai (12%), Rehia-Oneriri (8%), Kaiwaka (5%) and Maungaturoto (2%). These are taken in the medium scenario. Statistics from between the 2001 and 2006 census showed Mangawhai with an increase of 34.28%, Kaiwaka 0.37% and Maungaturoto 11.6%. An average growth assumption of 1.36% has been taken for a district-wide approach from year 1 to 4 (i.e. 2011 – 2014).

Source: Statistics New Zealand – February 2012

The average "medium" annual growth rate for the Kaipara's population from 2006 – 2031 is 0.3%. The average "medium" annual growth rate from 2011 – 2021 is also 0.3%
Source: Statistics New Zealand – November 2012

Apart from peak holiday periods, demands on the Council infrastructure and facilities are moderated by a relatively slow growth resident population.

Any significant increase in population growth above projections will place greater demands on some Council services and facilities (such as libraries, solid waste and sewerage services) and raise expected operating costs. Careful planning is needed to ensure increased costs relating to growth are balanced by increased revenue from development contributions and growth in the rating base.

The growth rate for Mangawhai is now expected to be less than was predicted at the start of 2012. This may reflect the persistence of the global economic crisis which is preventing people from purchasing coastal real estate.

The statistics show that most growth will be experienced in the south of our District around the Maungaturoto/Paparoa/Matakohe area, Kaiwaka, and Mangawhai. The remainder of the District's population is expected to shrink; Dargaville by 10%, Te Kopuru 7%, Maungaru 3% and Ruawai 11%. This decline in the rural population is in line with the rest of rural New Zealand and reflects a national move towards centralisation. [Note that these projections are based on data from the 2006 census, hence it is possible that population decline may not be realised to the extent predicted.]

Growth in the southern part of the District may be driven by roading improvements which allow people to live in the country and work in Auckland. Since the above estimates were calculated, Auckland Council has fast tracked the Pūhoi to Wellsford motorway extension by declaring the project a proposal of "national significance". This may result in greater growth in the south of the District than is suggested by the above projections.

Population Fluctuations: The resident population fluctuates during the year in some areas of the District, with a significant increase in the summer holiday period. Many visitors are in residence during the summer period and bring with them increased demands on infrastructure and services, for example roads, water supply, wastewater and solid waste disposal.

It is expected that population fluctuations will continue into the future and increase as roading improvements make the area a more accessible holiday destination.
Source: Statistics New Zealand – February 2012.

Population fluctuations have implications when planning for peak demand particularly for infrastructure and services which are under used for much of the year. This can place pressure on capital and operating budgets.

It is expected that peak demand can be managed and funded for the foreseeable future.

D. Overview of Environmental Scan

2 Introduction

Environmental scanning is the process of continually updating or acquiring information on events occurring outside the organisation to identify and interpret potential trends. An Environmental Scan looks at what changes are likely to affect the future internal and external operating environment for the Kaipara District Council. The Environmental Scan can occur by evaluating and highlighting medium and long term trends and anticipating what might transpire in the future, this foresight can then be used in strategic planning.

3 Environmental Scan Process

We experience changes in a large number of areas. Environmental trends typically arise from the sources listed below. Providing an explanation for the trend and assessing its implications is also an important part of environment scanning

- Legal;
- Social;
- Economic;
- Customer Expectations ;
- Physical; and
- Technical.

3.1 Legal

Local Government Reorganisation

Following Far North District Council's application to become a unitary authority, the Local Government Commission has decided that this reorganisation proposal affects the whole of Northland. This means that the local government structure of Northland as a whole is now being reconsidered. The Local Government Commission called for alternative local government structures to be submitted. During this submission phase, Northland Regional Council (NRC) undertook public consultation and came to the conclusion that while NRC still supports a whole of Northland unitary authority, it must be noted that there was strong public support for retention of the status quo. The public were also in favour of more shared services between the existing territorial authorities. The Local Government Commission is now considering the different options for Northland. The Commission will in time prepare a preferred option which will then be notified for public submission. Following submissions, the proposal will be revised and formally implemented unless a poll on the proposal is requested within 60 working days by 10 per cent of the electors in any one of the affected districts. This gives a degree of control to smaller districts such as Kaipara that might face 'takeover' by larger councils. If a poll is demanded then the final reorganisation can only proceed if more than 50 per cent of the votes cast in that poll support the reorganisation. If the 50 per cent threshold is not reached then the reorganisation cannot proceed.

Kaipara District Council needs to monitor this situation as it develops and advocate for its own position on how local government in Northland should be reformed, remembering that the status quo is a valid option.

Local Government Act 2002 Amendments: Better Local Government Reform

The central government's programme for reform of the local government sector aims to improve the operation of local government. This will have implications for the way Council operates, what activities it engages in and how it delivers its services.

The Minister of Local Government, Hon Chris Tremain, has stated that:

> *"Phase two of the Better Local Government programme includes both legislative and non-legislative changes. Work has been progressing to consider:*
>
> - *changes to the consultation, decision-making and long-term/annual planning requirements in the Local Government Act 2002 (LGA02);*
> - *options for achieving the benefits of a "two-tier" (governing body and local boards) governance system;*
> - *changes to improve the development contributions provisions of the LGA02; and*
> - *options for a performance monitoring framework to build capability in councils, identify excellence, share best practice, and develop a culture of performance improvement across the local government system."*
>
> *"The Better Local Government work programme incorporates the Government's response to the recommendations from the reports of the Expert Advisory Group on*

Local Government Infrastructure Efficiency and the New Zealand Productivity Commission's inquiry into local government regulatory performance."

The second phase of the reform programme will also develop a framework for the interface between central and local government regulatory roles, investigate the efficiency of local government infrastructure provision and review the use of development contributions.

Other Legislation Changes –Bills currently before Parliament

The following bills were before Parliament as at 12 July 2013:

Kaipara District Council (Validation of Rates and Other Matters) Bill: First Reading

- The bill seeks to address a number of irregularities that occurred in the way in which the Kaipara District Council purported to comply with certain provisions of the Local Government (Rating) Act 2002.

Building Amendment Bill (No 4): Second Reading

- This Bill aims to introduce enhanced and more comprehensive consumer protection measures; clarify the exemptions from building consent requirements; provide a new power for territorial authorities to deal with buildings at risk because they are near or adjacent to dangerous buildings; increase the infringement fee for doing work without a building consent from $750 to $1000; clarify the powers of the Chief Executive of the Department of Building and Housing to review the performance of territorial authorities, regional authorities and building consent authorities under the Act; introduce the concept of a "classifiable dam" and "referable dam" and give regional authorities the discretion to investigate and refer a "referable dam" for classification; improve the administration efficiency of the Dam Safety Scheme; and to make a number of other minor and technical amendments.

When this Bill gains assent it is likely to have some administration impact for the building team. It is not seen as having a significant impact on Councils operations.

Human Rights Amendment Bill: Introduction

- This Bill amends the Human Rights Act 1993 to enable the establishment of the position of a full-time Disability Rights Commissioner within the Human Rights Commission. The Bill also looks to make other changes to the roles, and structure of the Commission. The Bill gives additional functions to the Commission.

This does not have direct implications on how Council functions, however the Bill of Rights is a consideration which Council needs to be aware of when undertaking certain projects, i.e. Bylaws. It may also have some employment implications for the Organisation (e.g. equal employment opportunities). This should be monitored to ensure that up to date legislation is used when reviewing policies and contracts.

Local Electoral Amendment Bill (No2): Assent 28/06/2013

- This bill seeks to amend the Local Electoral Act 2001 and the Local Electoral Regulations 2001 in order to improve consistency with the Electoral Act 1993 regarding

electoral donations and expenses and improve transparency regarding anonymous donations. The bill also increases flexibility for territorial authorities to balance “fair” and “effective” representation requirements, address the issue of candidates withdrawing for tactical advantage and provides additional exceptions to the fair representation rule.

- The Local Electoral Act provides the framework for the conduct of triennial local authority elections and by-elections. Local authority elections include the election of members to regional councils, territorial authorities, local and community boards, district health boards, and licensing trusts.

This sets the framework for candidates to abide by for local elections.

Land Transport Management Amendment Bill: Assent 12/06/2013

- The Transport and Industrial Relations Select Committee recently reported back on the Land Transport Management Amendment Bill with a majority recommendation that it be passed with amendments. The Bill proposes three main changes to the Land Transport Management Act 2003: Changing the planning and funding framework for Central Government funding of land transport activities including roading, public transport and road safety: Laying the legislative foundation for a new policy framework for a long-term partnership between regional councils and public transport operators (the Public Transport Operating Model).

This will have implications on how transport activities, including roading is funded.

Ngati whatua o Kaipara Claims Settlement Bill: Assent12/06/2013

Ngati Whatua o Kaipara has an interest in the management of the Kaipara Harbour. They are part of the Kaipara Harbour Political Committee.

Public Health Bill: Select Committee Report

Council has powers and duties under the Health Act. There are some changes proposed around planning and construction of sanitary services and definition of the 'word nuisance'.

Resource Management Reform Bill: Second Reading

- The object of this Bill is to further streamline the resource consent regime; streamline the delivery of Auckland's first combined plan; improve the quality of local-decision making; improve the workability of the RMA through minor and technical amendments.

These changes will have implications on how Council administers the District Plan. This is particularly around resource consent timeframes.

Electronic Transactions (Contract Formation) Amendment Bill: First Reading

- This Bill clarifies the legal position on the time at which a contract is formed if the acceptance of the offer is sent by electronic communication.

Council issues a number of contracts throughout any given year. This can clarify the status of acceptance of contracts via electronic communication.

Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill: First Reading Negatived - 10/07/2013

- This bill amends the Employment Relations Act 2000 to insert new Part 6E to provide minimum statutory entitlements for employees in the event of dismissal for redundancy.

If this Bill is passed into law, Council would need to keep this in mind if any more restructures were to occur and redundancies were to result.

Gambling (Gambling Harm Reduction) Amendment Bill: Second Reading

- The aim of this Bill is to enable "local authorities, in consultation with their communities, to reduce the number of, or even eliminate, pokies from those suburbs and towns where they are particularly concentrated or doing particular harm". The Bill also changes the responsibility for distributing pokie funds and "proposes to give gamblers more ability to limit and control their own gambling behaviour through player tracking and pre-commit cards"

There will be implications on what needs to be considered when Council reviews the Class 4 Venues Policy and how some licences are to be managed.

Gambling Amendment Bill (No.2): SOP - N0 84

- The Gambling Amendment Bill (No 2) makes several policy amendments and a number of technical amendments to the Gambling Act 2003. This bill has four parts, addressing the following areas in respect of the Act: Amendments to preliminary provisions; amendments relating to classes of gambling and institutions; amendments to provisions relating to harm prevention and minimisation, enforcement, and other matters; repeals and other matters.

The Gambling Act 2003 requires Council to have a policy on class 4 gambling. When/if this is passed changes proposed may affect what Council is to consider when this policy is reviewed.

Health and Safety (Pike River Implementation) Bill: First Reading

The part of this Bill of interest to Council is the formation of Worksafe New Zealand. Traditionally the Health and Safety has fallen under the Department of Labour a Government Department. The idea is to have a crown agency which is independent as much as possible from government.

Holidays (Full Recognition of Waitangi Day and ANZAC Day) Amendment Bill: Passed

From now on if Waitangi Day and/or ANZAC Day fall on a weekend they will now be observed on a Monday.

Parental Leave and Employment Protection (Six Months Paid Leave) Amendment Bill: First Reading

- This bill extends paid parental leave from the current entitlement of 14 weeks to 26 weeks. This Bill recognises the fiscal implications of this additional entitlement, by

staging the implementation of 26 weeks paid parental leave over the course of 3 years, adding an additional entitlement of 4 weeks from 2012–2014.

Council needs to be aware of this employment mater and give effect to.

Prohibition of Gang Insignia in Government Premises Bill: SOP – 253

- This bill seeks to restrict the display of gang insignia in the premises of departments of the public service, statutory entities, and local authorities in New Zealand. It would make the display of gang insignia on government premises an offence, and empower the police to arrest any person who contravenes this prohibition and seize the offending insignia.

This Bill will apply to the whole or part of any structure that is owned by, or is under the control of, a local authority.

Resource Management (Restricted Duration of Certain Discharge and Coastal Permits) Amendment Bill: First Reading

- The purpose of this Bill is to amend section 107 of the Resource Management Act, relating to granting discharge permits and coastal permits. The current law allows for virtually unlimited pollution of waterways because "exceptional circumstances" has not been defined or limited and consents may currently be issued for a period of up to 35 years. This has resulted in consents being granted for long-term pollution of waterways under a provision which was clearly not intended by Parliament to apply this way. As noted by the Environment Court (Decision No. Al62/2003), exceptional circumstances "connotes something out of the ordinary". Yet the current law has allowed permits for normal or regular discharges to be readily granted as "exceptional circumstances". It effectively grants rights to pollute, which is contrary to the principles of sustainable management that guide the Resource Management Act.

Council has at least two discharge consents to discharge to the Kaipara Harbour from Council's wastewater treatment plants. This Bill may affect the duration of Councils consents (From 35 years to 5 years).

Employment Relations Amendment Bill: First Reading

- This Bill amends the Employment Relations Act 2000 to make changes in the following areas: collective bargaining, including removing the requirement to conclude a collective agreement and introducing an ability for employers to reduce employees' pay in response to partial strikes: flexible working arrangements, to extend the right to make a request to all employees: Part 6A of the Act, in particular, introducing an exemption from certain requirements for small to medium enterprises: good faith, to clarify the requirements for disclosure of information: rest break and meal break provisions, to reduce prescription and allow for flexibility, including compensatory measures where there is a failure to provide a break: the Employment Relations Authority, to set time frames for release of determinations.

- The Bill implements Government policy that is aimed at creating an employment relations framework that increases flexibility and choice, ensures a balance of fairness for employers and employees, and reduces compliance costs, particularly for genuine small to medium-sized enterprises. It also reduces unnecessary regulation. The Bill will help create an environment where employers can grow their business while ensuring the rights of employees are well protected.

Council is an employer so they need to be aware of any employment law changes.

Housing Accords and Special Housing Areas Bill: First Reading

- The purpose of this Bill is to enhance housing affordability by facilitating an increase in land and housing supply in regions or districts with significant housing supply or affordability issues. It provides a mechanism for central government to work together with territorial authorities to address housing supply and affordability issues, through the negotiation of housing accords.

Kaipara needs to be aware of this as fluctuations in the Auckland housing market will have flow on effects for surrounding districts. If Auckland Housing is too expensive, people may seek to live in southern areas of the Kaipara and commute to work in the city. This trend may increase as roading improvements increase.

Auckland Council Unitary Plan

The Auckland Council have approved the draft unitary plan that sets out to change residents' behaviour and expectations when it comes to their love affair with housing and private cars. This allows for much greater intensification of Auckland and will create more intensified housing around transport and shopping nodes. The plan aims to reduce urban sprawl while increasing the viability of public transport and preventing the need for seemingly endless roading developments. The plan has been criticised by some as not being bold enough in addressing these issues. Alternatively, others have criticised it for not allowing enough greenfield developments and there has been a NIMBY (Not In My Back Yard) response to intensification proposals.

Desperate to improve Auckland housing affordability, central government is pushing for Auckland planners to allow for more extensive areas of greenfield developments. This would satisfy the public demand for low intensity housing but planners fear this approach would also exasperate the urban sprawl and roading issues already faced by the city.

Feedback on the draft Unitary Plan closed on 31 May, 2013. Thousands of submissions have been received and Auckland Council staff are currently working to process these.

This feedback will be used to develop the proposed Auckland Unitary Plan, which will be notified later this year. On notification, the public will have an opportunity to make submissions and present them to a hearings panel. For updates on the Unitary Plan, you can visit www.shapeauckland.co.nz

Northland Regional Policy Statement

The Regional Policy Statement is one of the most important planning tools for Northland. It provides a broad direction and framework for managing Northland's natural and physical resources. These include land, water, air, soil, minerals, plants, animals and all built structures.

About 1000 submissions on the Regional Policy Statement were received. Common themes included genetic engineering, mining and the mapping process identifying the region's outstanding natural areas and coastal land.

Hearings have been completed and the independent commissioners' panel will deliberate and then make its final recommendations to the Northland Regional Council. These recommendations are expected by September.

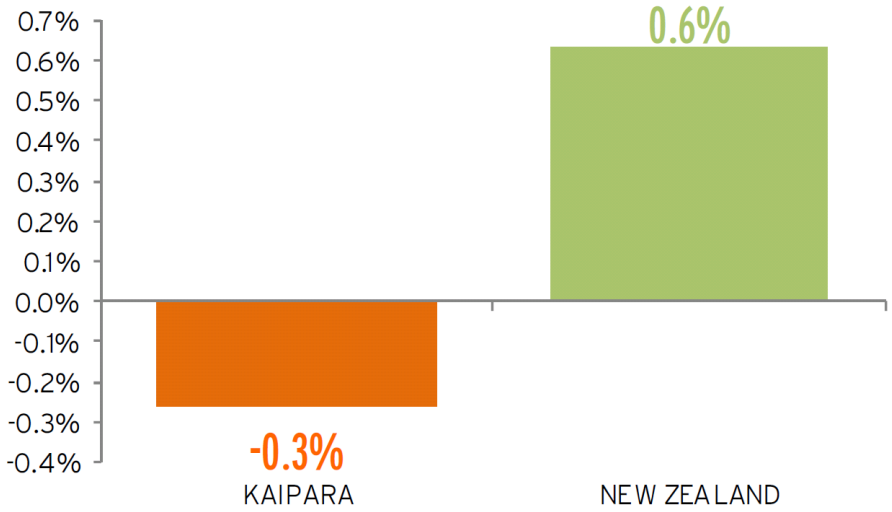
3.2 Social

Population growth

New Zealand's population reached 4.4 million in June 2012. The population increased by 0.6% in the June year, which was the lowest growth rate since 2001. The growth slowdown was due to a fall in net migration, with more people leaving New Zealand on a permanent or long term basis than arriving.

Population growth is an indicator of a region's attractiveness as a place to live and work. A strong regional economy with plentiful job opportunities will help a region retain its population and attract new residents from other regions and abroad. This section compares Kaipara's population growth with other districts and the country as a whole.

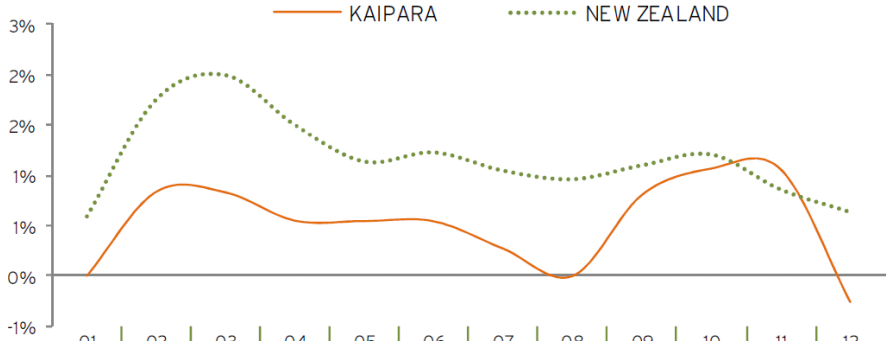
Population Growth (Year to June 2012)



Source: Infometrics 2011 Annual Economic Profile: Kaipara

Kaipara's population was 19,100 in 2012, down 0.3% from the previous year. New Zealand's total population grew by 0.6% over the same period. Population growth in Kaipara averaged 0.5%pa since 2000 compared with 1.2%pa in the national economy. Since 2000 growth in Kaipara reached a high of 1.1% in 2010 and a low of -0.3%pa in 2012.

Annual Population growth (June Years)

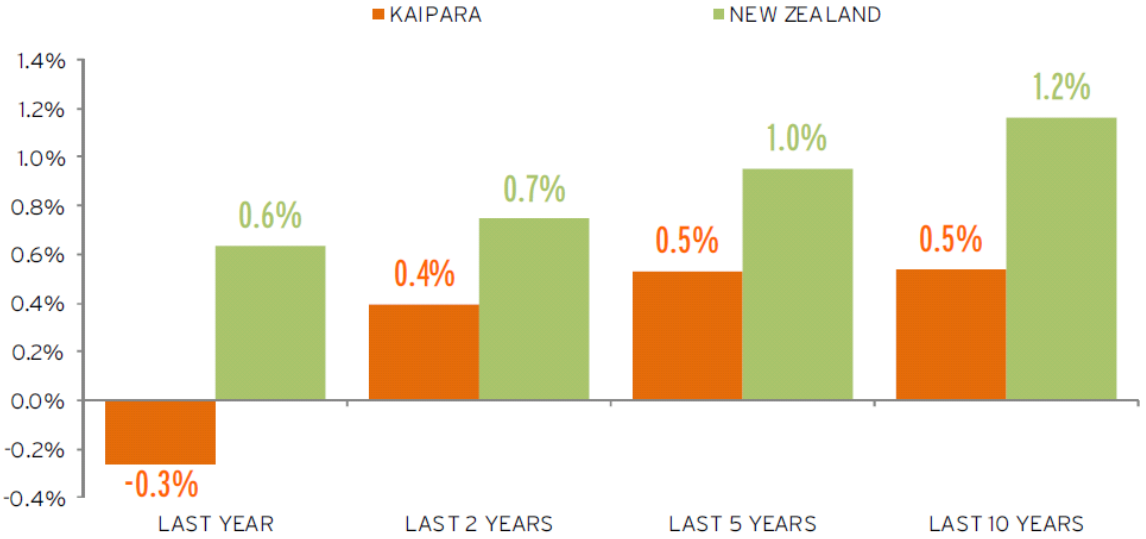


	01	02	03	04	05	06	07	08	09	10	11	12
KAIPARA	0.0%	0.8%	0.8%	0.5%	0.5%	0.5%	0.3%	0.0%	0.8%	1.1%	1.1%	-0.3%
NEW ZEALAND	0.6%	1.8%	2.0%	1.5%	1.1%	1.2%	1.0%	1.0%	1.1%	1.2%	0.9%	0.6%

Source: Infometrics 2011 Annual Economic Profile: Kaipara

Kaipara's population decrease between 2011 and 2012 ranked it number 46 among the 66 districts for rate of growth nationally. The highest ranking district was Selwyn which grew by 2.9% followed by Hamilton City (1.8 percentage points). Over the two years till 2012 Kaipara ranked number 32 with total population increasing by 0.4%pa between 2010 and 2012. Kaipara ranked number 29 over the previous five years (till 2012), with its population increasing by 0.5%pa between 2007 and 2012. Over a ten year period Kaipara ranked number 30 with its population increasing by 0.5%pa.

Population growth over the last year, two years, five years and ten year periods ending 2012

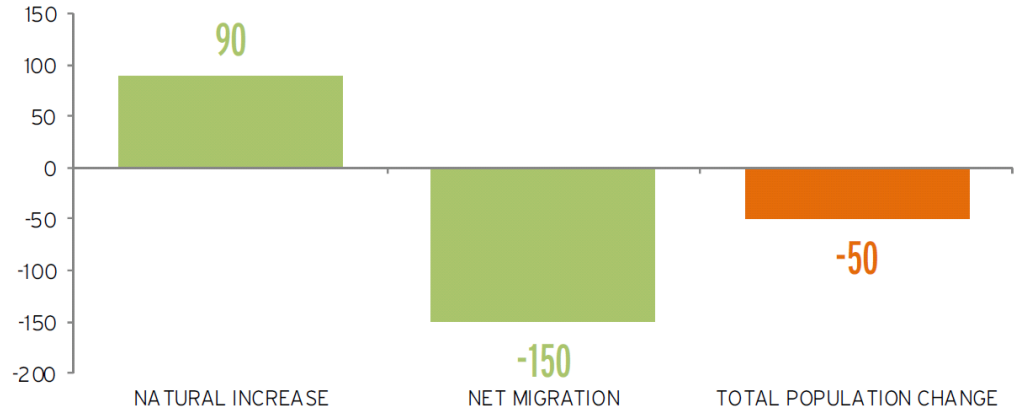


Source: Infometrics 2011 Annual Economic Profile: Kaipara

Source of Kaipara's population growth

A region's population can grow through natural growth (births less deaths) and net migration (arrivals less departures). This section describes the relative contributions of these to population growth in Kaipara. Kaipara's population decreased by 50 people in the year to June 2012. This net decrease was made up of net migration of -150 and natural increase of 90.

Source of population growth (year to June 2012)



Source: Infometrics 2011 Annual Economic Profile: Kaipara

The population of the Kaipara District will reflect both economic and social drivers. Fewer jobs in the District will obviously force people to leave in search of work. Reduced economic opportunities will also prevent people moving into or returning to the District. This is likely to

have its greatest affect on youth who leave the District to attain a tertiary education and may find it difficult to return.

Ongoing moves towards centralisation over the past few decades have seen many services and related jobs move to the larger centres. A recent example is the decision by New Zealand Post to move all mail processing to Auckland, Manawatu and Christchurch. This will result in the loss of about 500 jobs nation wide, including some in Dargaville, and will create a further 380 new roles in the three centralised processing sites.

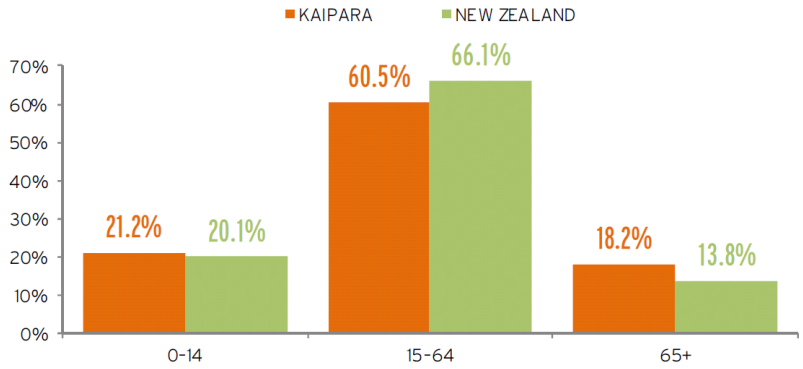
Net migration gains to Kaipara may increase in response to roading improvements between Wellsford and Auckland. These will increase the desirability of the southern part of our District to those who wish to live rurally but still enjoy the services of the big city close by. Auckland Council's decision to fast track the Pūhoi to Wellsford motorway extension is likely to increase the desirability of the Southern Kaipara as a holiday and lifestyle destination.

There has also been an increase in boutique farming (such as organic growing) in the District in recent years. The growing popularity of small holdings for such purposes allows for the increase of Kaipara's rural population.

Age structure of Kaipara's population

Kaipara's median age of 43.3 years in 2012 was significantly higher than the median age of the national population (37.0). In 2012, 60.5% of Kaipara's population was of working age (15-64). This was significantly lower than the proportion of the national population (66.1%). Kaipara had a significantly higher proportion (21.2%) of children (0-14) than the country as a whole (20.1%) and a significantly higher proportion (18.2%) of people 65 years and older compared with the national (13.8%). Overall the dependency ratio in Kaipara (65.1%) was higher than in the national economy (51.3%). The dependency ratio expresses the number of persons outside of the working age as a proportion of the number of persons of working age (15 to 64 years).

Age composition of the population (year to June 2012)



Source: Infometrics 2011 Annual Economic Profile: Kaipara

School Rolls as an indication of demographic trends

The following table shows changes to school rolls in the District from 2004 till 2012 and where possible, projected till 2017. It should be noted that this excludes the many children in the District who are homeschooled or enrolled with the New Zealand Correspondence School (435 Northland wide as at 1 July 2012). It should also be noted that declining school roles do not

necessarily relate to a declining population as an area's population may be increased by weekenders, holiday makers and people in their post reproductive years (retirees and lifestylers). The table shows that most of the District's towns have declining or stable school rolls. Notable exceptions are Mangawhai and Matakohe which have increasing school rolls. The greatest declines are Aranga (a rural area north of Kaihu) and Paparoa (a short distance from the growing Matakohe School, indicating that students from Paparoa may be changing schools to Matakohe).

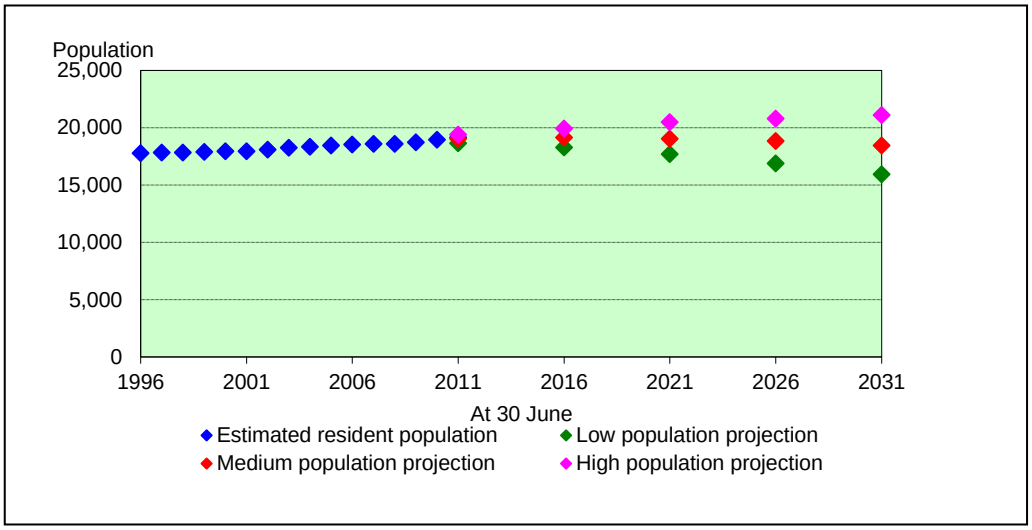
	July Roll Year									Projections				
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Kaiwaka														
Kaiwaka School	97	98	110	90	89	82	82	96	79					
Maungaturoto														
Maungaturoto School	186	188	192	206	214	207	185	179	205					
Otamatea Christian School	43	45	42	39	41	29	31	40	38					
Otamatea High School	524	483	517	528	526	523	509	484	441					
West Mt Kaipara Campus	76	?	100	142	155	157	163	168	173	188	193	194	202	195
Total	**829**	**716**	**851**	**915**	**936**	**916**	**888**	**871**	**857**					
Paparoa														
Paparoa School	84	72	67	72	57	44	41	41	28					
Ruawai														
Ruawai College	205	149	157	171	159	166	175	186	199					
Ruawai Primary School	124	135	145	128	125	108	128	116	109					
Total	**329**	**284**	**302**	**299**	**284**	**274**	**303**	**302**	**308**					
Aranga														
Aranga School	59	70	70	52	54	47	35	36	31					
Dargaville														
Dargaville High School	551	520	519	528	520	505	531	529	479					
Dargaville Intermediate	181	173	173	166	177	200	184	168	175					
Dargaville Primary School	368	392	380	401	372	354	333	335	364					
St Joseph's School (Dargaville)	106	98	93	114	106	115	126	113	57					
West Mt Dargaville Satalite Campus	?	?	?	20	28	33	34	29	30	24	25	21	17	17
Total	**1206**	**1183**	**1165**	**1229**	**1203**	**1207**	**1208**	**1174**	**1105**					
Matakohe														
Matakohe School	57	60	63	84	82	85	103	95	92					
Te Kopuru														
Te Kopuru School	171	175	172	160	131	146	153	159	172					
Mangawhai														
Mangawhai Beach School	269	291	301	285	315	314	325	293	316					

The previous edition of the Environmental Scan included detailed information on population trends in the Kaipara and New Zealand based on data from the 2006 census. It has been decided not to repeat all of this information below as it is still available in the previous edition. Furthermore, as results from the 2013 census are not yet available, this data cannot be updated. The main findings from the previous edition are included bellow.

Estimated and projected population – Kaipara District				
At 30 June	Estimated resident population	Projected population		
		Low series	Medium series	High series
1996	17,800			
1997	17,850			
1998	17,850			
1999	17,900			
2000	17,950			
2001	17,950			
2002	18,100			
2003	18,250			
2004	18,350			
2005	18,450			

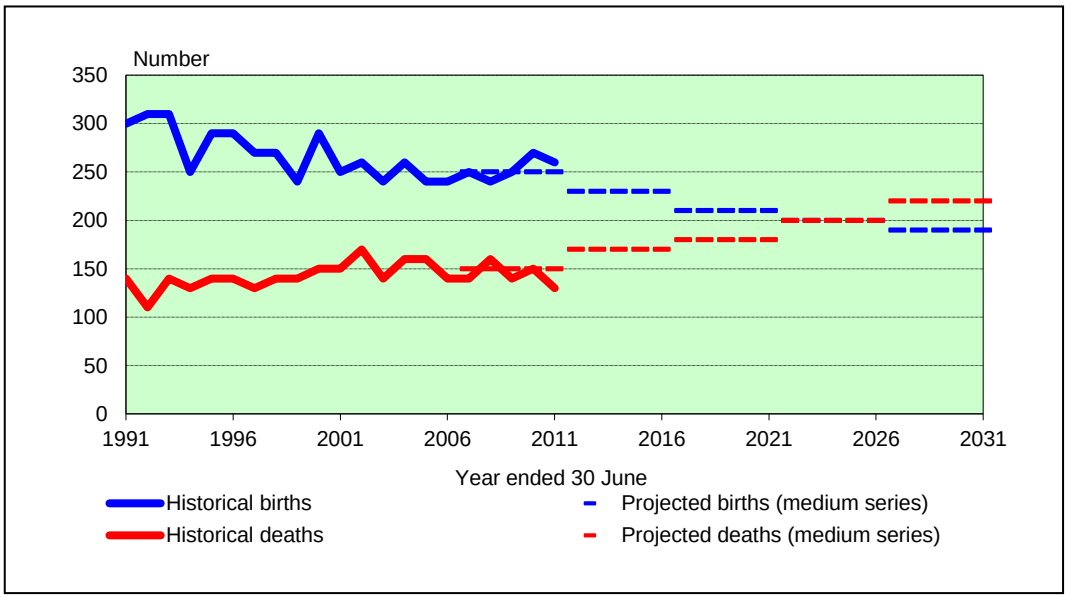
2006	18,550			
2007	18,600			
2008	18,600			
2009	18,750			
2010	18,950			
2011	19,150	18,650	19,050	19,400
2016		18,300	19,150	19,950
2021		17,700	19,050	20,500
2026		16,900	18,850	20,800
2031		15,950	18,450	21,100

Estimated and projected population – Kaipara District



Demographic projections should not be confused with economic forecasts. Changes in the number of people, families and households do not necessarily relate to the social and economic well-being of an area. The number of people, families and households may change independently of local economic factors.

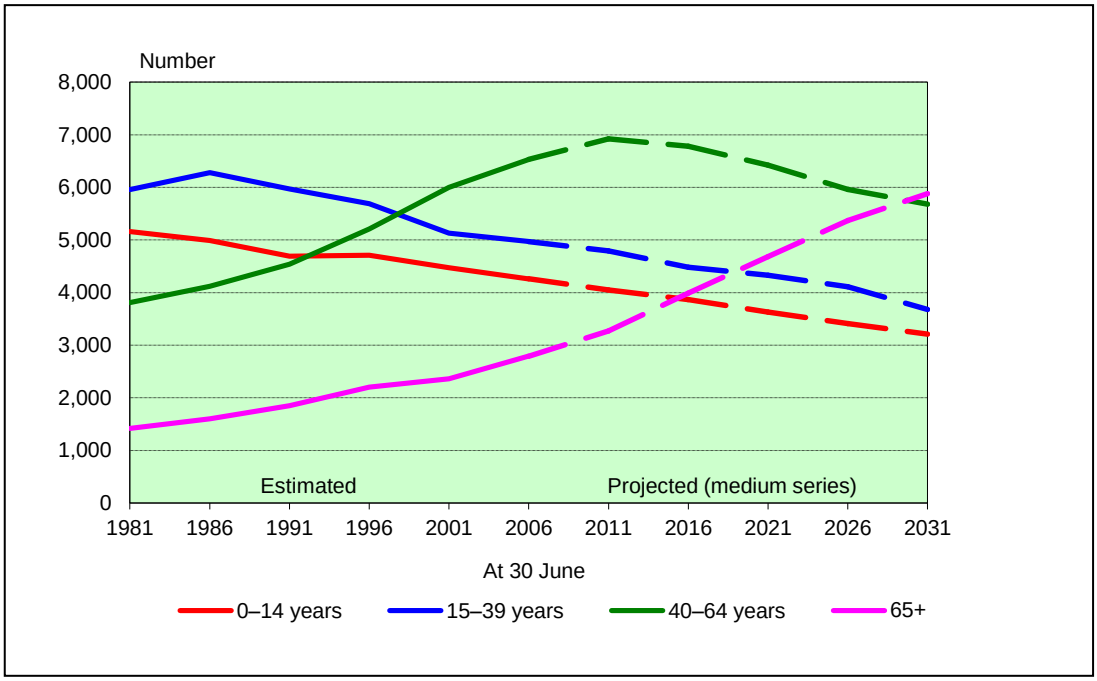
Births and deaths – Kaipara District



Natural increase (births minus deaths) is projected to decline in all territorial authority and regional council areas, reflecting the transition to an older population.

The transition to an older population may be more pronounced in Kaipara compared to other districts due to youth leaving the area and not returning, coupled with the District's attractiveness as a lifestyle or retirement destination.

Population by broad age group - Kaipara District



Population change has not been, and will not be, constant across age. The population aged over 65 years and the older working ages (40-64 years) is likely to increase in the short term in most parts of the District. Conversely, the number of children (0-14 years) and the younger working age population (15-39 years) is expected to remain stable or decline in most parts of the District.

Reduction in the number of children in the District will likely be due to the growing trend in developed countries towards smaller families, as well as the trend of young people and therefore young families to settle outside the District after leaving for work opportunities or to attain tertiary qualifications.

Projections are not predictions. The projections should be used as an indication of the overall trend, rather than as exact forecasts.

3.3 Economic

Kaipara Economic Indicators

Table 1. Regional growth indicators (year to March 2013 compared with previous 12 months)

Indicator (annual average % change)	Kaipara	Northland	New Zealand
GDP	3.4%	3.1%	2.8%
Unemployment beneficiaries*	-5.8%	4.2%	10.6%
Unemployment rate* (% point change)	-1.1%	-1.3%	0.5%
Residential consents	-26.2%	-3.4%	19.2%
Non-residential consents	-10.4%	-0.7%	4.1%
Retail sales	4.5%	5.1%	2.0%
House sales	37.5%	27.7%	16.7%
House prices	-2.7%	-1.2%	1.9%
Guest nights	4.3%	-3.1%	0.2%
Car registrations	-10.3%	0.8%	8.4%
Commercial vehicle registrations	13.0%	43.8%	28.8%

Source: Infometrics, Statistics New Zealand, Ministry of Social Development, REINZ, QV and NZTA

* An increase in the number of registered job seekers and the unemployment rate is shown as a negative.

Kaipara's economy grew by a robust 3.4% over the year to March, well above growth in the national economy of 2.8%. Growth in Kaipara was also greater than in the Far North (3.1%) and Whangarei (3.1%). The level of GDP was $349 million (95/96 prices) in Kaipara during the year to March 2013. Not only has Kaipara's forestry industry been enjoying good returns, but dairy production was also growing strongly before the drought. Over the coming quarters, it is anticipated that the effects of the drought will reflect negatively on the economy.

Although economic growth in Kaipara has been healthy, the fact that this growth has been concentrated on a few industries has meant that underlying labour market conditions have not yet improved. In this environment, it may seem surprising that retail sales are growing. However, given how far retail sales have declined over recent years, sales still remain 14% below their March 2010 level. Car registrations eased 10% over the past year. Against the backdrop of a weak labour market, households' willingness to invest in housing is low.

Total guest nights in Kaipara increased by 4.3% during the year to March 2013 compared with the previous 12 months. The change in Kaipara was higher than in the Northland region (-3.1%) and higher than in the country as a whole (0.2%). Visitors stayed 96,700 guest nights in Kaipara during the year to March 2013.

In the year to March 2013 annual retail spending in Kaipara increased by 4.5% compared to the previous 12 months. Its growth was lower than in the Northland region (5.1%). Core (non-automotive) retail sales measured $41 million in Kaipara during the March 2013 quarter. Annual retail spending in Kaipara peaked at $172 million in the year to March 2010. Spending in the current year was 14.4% lower than at the peak.

According to the Infometrics "*2012 Annual Economic Profile: Kaipara*", Kaipara's GDP growth of 9.6% in the year to March 2012 ranked it number 14 among the 66 territorial authorities in New Zealand.

This ranking put it in the third growth decile (decile one = fastest 10% of TAs, decile ten = slowest 10%).

Decile	2012	2011-2012	2007-2012	2002-201
1 Fastest 10%				
2		Kaipara		
3	Kaipara			
4				
5				
6				
7			Kaipara	Kaipara
8				
9				
10 Slowest 10%				

Source: Infometrics 2011 Annual Economic Profile: Kaipara

According to the Infometrics "*2012 Annual Economic Profile: Kaipara*", Agriculture, Forestry and Fishing was the largest industry in Kaipara in 2012 accounting for 38.1% of total GDP. The second largest industry was manufacturing (10.9%) followed by rental, hiring and real estate services (5.5%). The industry most highly represented in Kaipara relative to the national economy is agriculture, forestry and fishing. This industry contributes 38.1% to the district's economy compared with 5.9% to the national economy.

Breaking this down further; agriculture was the largest industry in Kaipara in 2012 accounting for 29.1% of total GDP. The second largest industry was forestry and logging (6.4%). The following table shows how the different, industry groups contributed to overall GDP in the Kaipara District in 2012.

GDP by industry

		Kaipara		New Zealand
Rank	Industry	GDP ($m)	% of total	% of total
1	Dairy Cattle Farming	79	23.0%	2.4%
2	Forestry and Logging	22	6.4%	1.0%
3	Sheep, Beef Cattle and Grain Farming	21	6.0%	1.2%
4	Dairy Product Manufacturing	18	5.1%	1.3%
5	Property Operators and Real Estate Services	17	5.1%	4.3%
6	Wholesale Trade	13	3.6%	5.5%
7	Education and Training	11	3.1%	3.2%
8	Other Store-Based Retailing and Non Store Retailing	10	2.8%	3.3%
9	Telecommunications, Internet and Library Services	9	2.7%	5.2%
10	Health Care and Social Assistance	8	2.3%	5.2%
11	Meat and Meat Product Manufacturing	8	2.2%	1.0%
12	Road Transport	7	2.1%	1.6%
13	Construction Services	6	1.6%	2.4%
14	Professional, Scientific and Technical Services	5	1.6%	6.3%
15	Central Government Administration, Defence and Public Safety	5	1.6%	3.6%
16	Wood Product Manufacturing	5	1.5%	0.8%
17	Horticulture and Fruit Growing	5	1.5%	0.4%
18	Supermarket, Grocery Stores and Specialised Food Retailing	4	1.1%	1.1%
19	Motor Vehicle and Motor Vehicle Parts and Fuel Retailing	4	1.1%	0.7%
20	Agriculture, Forestry and Fishing Support Services and Hunting	4	1.1%	0.6%
21	Finance	4	1.1%	3.3%
22	Local Government Administration	3	1.0%	0.5%
23	Other Services	3	0.9%	1.9%
24	Heavy and Civil Engineering Construction	3	0.9%	1.2%

Source: Infometrics 2012 Annual Economic Profile: Kaipara

Dairy farming made the largest contribution to growth in Kaipara in the year to March 2012. The industry grew by 57.6% over the year and contributed 9.2 percentage points to the District's total growth of 9.6%. The next largest contributor was sheep, beef and grain farming which contributed 0.9 percentage points followed by wholesale trade (0.6 percentage points) (Infometrics, *2012 Annual Economic Profile: Kaipara*).

According to the Infometrics "*2012 Annual Economic Profile: Kaipara,*" the industries in which are most represented in Kaipara are dairy farming, forestry/logging, and other agriculture. Horticulture also featured highly as did manufacturing.

The Infometrics "*2012 Annual Economic Profile: Kaipara*" shows that Kaipara's economy has very little diversity. Kaipara had a Herfindahl–Hirschman Index (diversity rating) of 81.8 in 2012 which ranks it number 52 among all 66 territorial authorities ranked from most to least diverse. This means that 14 districts had a less diversified economy than Kaipara. Since 2001 Kaipara's Herfindahl–Hirschman Index has decreased from 113.2 indicating a more diverse industrial structure. During the same period the national economy has become less diversified with the Herfindahl–Hirschman Index increasing from 34.4 to 38.9.

From the above it is evident that Kaipara's economy is based on primary industries, particularly dairy and forestry. It is evident that in good growing seasons the District as a whole is able to prosper. It could be argued therefore, that Council should support initiatives that enhance the resilience of these industries to threats such as drought. Such initiatives may include advocating to Northland Regional Council to allow more farmers to construct farm reservoirs with out the need for resource consent.

Employment

Total employment in Kaipara averaged 7,326 in the March 2012 year, which was unchanged from a year earlier. The primary sector (agriculture, forestry and fishing) was the largest employer in Kaipara in 2012, accounting for 29.7% of total employment (dairy farming alone accounted for 13.4%, beef farming 4.3%, vegetable growing 3.8%, logging 1.2% and other agriculture and fishing 2.3%). The second largest employer was manufacturing at 10.1% of total employment followed by construction at 9.4%.

The following table shows of how people in Kaipara are employed across the various industry groupings compared to New Zealand as a whole.

Rank	Industry	Kaipara Employment	Kaipara % of total	New Zealand % of total
1	Agriculture, Forestry and Fishing	2,176	29.7%	6.3%
2	Manufacturing	740	10.1%	10.2%
3	Construction	692	9.4%	7.8%
4	Retail Trade	665	9.1%	9.5%
5	Education and Training	505	6.9%	8.3%
6	Health Care and Social Assistance	364	5.0%	9.9%
7	Wholesale Trade	342	4.7%	5.2%
8	Accommodation and Food Services	313	4.3%	6.2%
9	Other Services	254	3.5%	3.8%
10	Rental, Hiring and Real Estate Services	239	3.3%	2.3%
11	Transport, Postal and Warehousing	233	3.2%	4.3%
12	Professional, Scientific and Technical Services	210	2.9%	9.0%
13	Public Administration and Safety	164	2.2%	4.7%
14	Administrative and Support Services	128	1.7%	4.9%
15	Arts and Recreation Services	98	1.3%	1.9%
16	Financial and Insurance Services	63	0.9%	2.8%
17	Mining	58	0.8%	0.3%
18	Electricity, Gas, Water and Waste Services	42	0.6%	0.6%
19	Information Media and Telecommunications	41	0.6%	2.0%
	Total	**7,326**	**100%**	**100%**

Source: Infometrics 2012 Annual Economic Profile: Kaipara

The following table gives a more detailed breakdown of which industry categories employ the most people in Kaipara.

Rank	Industry	Kaipara Jobs	Kaipara % of total	New Zealand % of total
1	Dairy Cattle Farming	980	13.4%	1.7%
2	Beef Cattle Farming (Specialised)	315	4.3%	0.4%
3	Vegetable Growing (Outdoors)	276	3.8%	0.2%
4	Primary Education	254	3.5%	2.2%
5	Meat Processing	204	2.8%	0.8%
6	House Construction	186	2.5%	1.4%
7	Other Agriculture and Fishing Support Services	165	2.3%	0.8%
8	Supermarket and Grocery Stores	164	2.2%	2.5%
9	Cafes and Restaurants	150	2.0%	2.5%
10	Sheep-Beef Cattle Farming	143	1.9%	0.6%
11	Non-Residential Property Operators	133	1.8%	0.6%
12	Fruit and Vegetable Wholesaling	117	1.6%	0.1%
13	Secondary Education	114	1.6%	1.8%
14	Cheese and Other Dairy Product Manufacturing	106	1.4%	0.4%
15	Road Freight Transport	96	1.3%	1.3%
16	Aged Care Residential Services	96	1.3%	1.4%
17	Logging	91	1.2%	0.2%
18	Local Government Administration	85	1.2%	0.9%
19	Log Sawmilling	81	1.1%	0.3%
20	Site Preparation Services	80	1.1%	0.4%
21	Urban Bus Transport (Including Tramway)	80	1.1%	0.3%
22	Hardware and Building Supplies Retailing	78	1.1%	0.8%
23	Accommodation	76	1.0%	1.4%
24	Other Automotive Repair and Maintenance	72	1.0%	0.7%
25	Wooden Furniture and Upholstered Seat Manufacturing	71	1.0%	0.2%
26	Hospitals (except Psychiatric Hospitals)	68	0.9%	2.9%
27	Real Estate Services	67	0.9%	0.9%
28	Electrical Services	66	0.9%	0.8%
29	Road and Bridge Construction	66	0.9%	0.6%
30	Fuel Retailing	58	0.8%	0.4%
31	General Practice Medical Services	58	0.8%	0.7%

Source: Infometrics 2012 Annual Economic Profile: Kaipara

The following table shows which broad industries have created or lost the most jobs over the year to March 2012.

Rank		Employment 2011	Employment 2012	Jobs created	Annual % growth
1	Agriculture, Forestry and Fishing	2,119	2,176	57	2.7%
2	Wholesale Trade	313	342	30	9.4%
3	Rental, Hiring and Real Estate Services	214	239	25	11.4%
4	Transport, Postal and Warehousing	213	233	20	9.5%
5	Construction	672	692	20	2.9%
6	Information Media and Telecommunications	31	41	10	32.5%
7	Electricity, Gas, Water and Waste Services	34	42	8	23.4%
8	Administrative and Support Services	121	128	7	5.6%
9	Public Administration and Safety	158	164	6	4.0%
10	Mining	54	58	5	8.9%
11	Other Services	251	254	3	1.3%
12	Health Care and Social Assistance	361	364	3	0.8%
13	Financial and Insurance Services	65	63	-2	-2.3%
14	Arts and Recreation Services	105	98	-6	-6.0%
15	Accommodation and Food Services	327	313	-14	-4.3%
16	Retail Trade	683	665	-18	-2.6%
17	Professional, Scientific and Technical Services	232	210	-22	-9.5%
18	Education and Training	554	505	-49	-8.8%
19	Manufacturing	821	740	-82	-9.9%
	Total	**7,325**	**7,326**	**1**	**0.0%**

Source: Infometrics 2012 Annual Economic Profile: Kaipara

Agriculture, Forestry and Fishing made the largest contribution to employment growth in Kaipara between 2011 and 2012 with the industry adding 57 jobs. The loss in manufacturing jobs is a concern as manufacturing currently accounts for 10.1% of total employment in Kaipara. Over the past 10 years, manufacturing in Kaipara has experienced a decline of 120 jobs while the agricultural, forestry and fishing sector has declined by 429 jobs. This has likely contributed to the population decline in many areas of the District.

Unemployment

A total of 293 persons received an unemployment benefit in Kaipara during the March 2013 quarter. The number was up from 277 twelve months earlier, an increase of 5.8%. This compares with change at the national level of -10.6%. The seasonally adjusted unemployment rate in Kaipara was 7.4% in the March 2013 quarter, up from 6.2% twelve months earlier. The unemployment rate peaked at 7.4% in the June 2012 quarter. The rate in Kaipara was lower than in Northland region (9.9%) and Whangarei District (9.3) and higher than the national rate (6.2%). (*Source: Infometrics Quarterly Economic Monitor March 2013)*

Obstacles to Industry

A lack of transport infrastructure (road and rail) to service heavy industry and provide fast business links acts to discourage the establishment of industry in the region. This is particularly the case for the forestry industry and Northport at Marsden Point. The reliable supply of electricity is also an issue for industry in the region with much of the region's energy demands being met by sources south of Auckland. Hence local electricity generation, together with greater investment in road and rail, is needed to promote the expansion of heavy industry in Northland.

Upper North Island Freight Story

The *Upper North Island Freight Story* is a 50-plus page summary of critical issues facing the area in its bid to try to deliver freight efficiencies. It has been prepared by the Upper North Island Strategic Alliance which includes the mayors or chairs of the Whangarei District, Northland Regional, Bay of Plenty and Waikato Regional Councils, the Auckland Council and the Hamilton and Tauranga City Councils.

The summary identifies seven critical issues (based on feedback from representatives of multiple sectors) across a range of areas which it believes need to be addressed to deliver freight efficiencies.

The critical issues range from strategic road and rail networks to a lack of shared and accurate data and complex local and central government funding structures it believes are impeding smart investment decisions.

No.	Critical Issue
1	**Strategic Road and Rail Network Constraints** There are a number of constraints on the upper North Island strategic freight road and rail network that are limiting our ability to enhance economic performance and reduce the cost to do business in New Zealand.
2	**Delivery of the High Productivity Motor Vehicle (HPMV) programme** There is a need to develop a more coordinated approach to the implementation and communication of the upper North Island HPMV programme. Freight operators require a fast and seamless permitting process, appropriate rules and enforcement, consistent coordination between agencies and regular communication on the status of routes ('whole of journey' network approach).
3	**Utilisation of industrial land** There is a need to understand the likely supply and demand for industrial land (amount, type and location) across the upper North Island so that land and public investment can be provided and staged at appropriate times.
4	**Lack of strategic, integrated land use and transport planning and investment** There is a lack of a comprehensive, integrated approach to current and future land use and land transport (road and rail) planning and investment at an upper North Island scale. A more strategic approach would increase certainty for industry and public sector agencies and support effective industry, local government and central government planning and investment.
5	**Lack of shared and accurate data** A lack of shared and accurate data (e.g. freight flows, commodities, origins and destinations for both road and rail) means it is difficult for public agencies to make well-informed, collective decisions about land use and transport planning and investment that will increase efficiencies for business and public investment.
6	**Need to understand costs of freight supply chains for critical industries in the**

	upper North Island There is a need to better understand the costs of the freight supply chain for the upper North Island's key economic industries in order to support development / alignment of initiatives by industry and the public sector to reduce the cost to do business.
7	**Challenging local government and central government funding structures** The current range of central and local government funding structures and requirements (i.e. legislation, policy and application) are hindering 'smart investment' decisions due to their multitude and complexity.

Meanwhile, Northland Regional Council Chairman Craig Brown says as well as the critical issues, the summary also contains a one-page regional wrap up for Northland identifying its current and emerging significant industries and infrastructure as they relate to freight.

Forestry (wood, timber and processing) is the most significant current regional industry, followed by agriculture/horticulture (dairy, beef, avocado and kumara) as both current and/or emerging current industries. Manufacturing (including fuel, cement and clay) rounds out the third place, again as both current and/or emerging industries.

Mr Brown says infrastructurally, a nationally strategic road and rail network is the most significant current regional infrastructure on a freight basis, followed by Northport, the Marsden Point oil refinery and its associated pipeline.

More than 55 percent of the nation's freight currently travels through the Northland, Auckland, Waikato and Bay of Plenty regions which collectively generate more than 50% of New Zealand's gross domestic product (GDP).

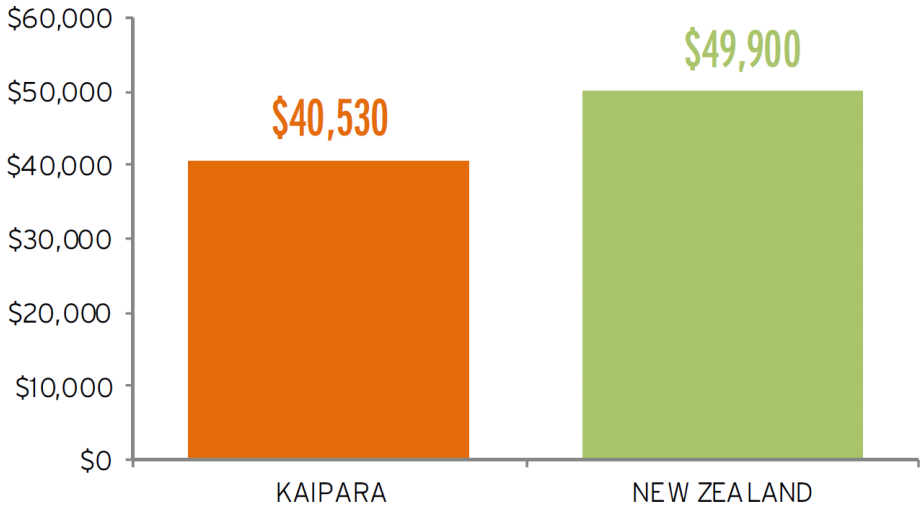
The combined freight volume in those areas is expected to double by 2035.

Copies of the *'Upper North Island Freight Story'* are available from the 'transport publications' section of the regional council's website via: www.nrc.govt.nz/transport

Income

Income earned in the labour market is an important source of household income. The figure below contrasts Kaipara's median annual earnings with the country as a whole.

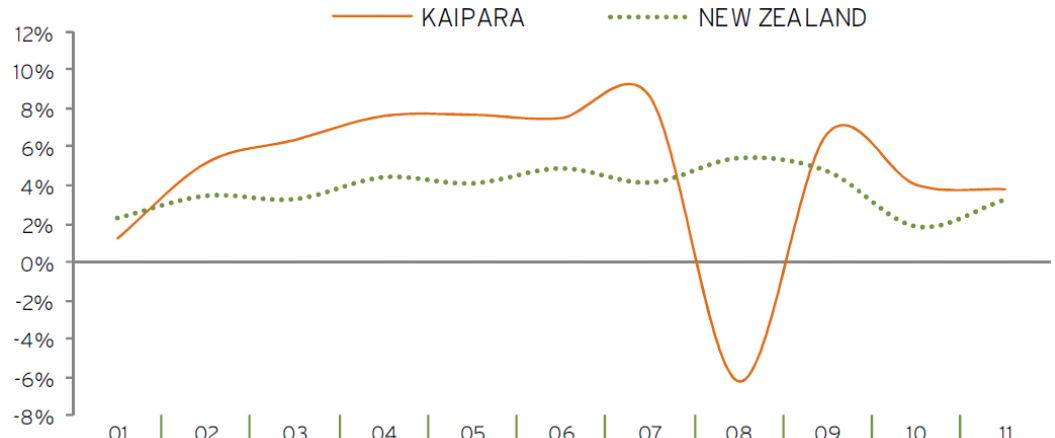
Median annual earnings for Kaipara (year to March 2011)



Source: Infometrics 2012 Annual Economic Profile: Kaipara

The median annual earnings in Kaipara was $40,530 in the year to March 2011, which was lower than the national median of $49,900. Median earnings in Kaipara increased by 3.8% over the year to March 2011 compared with an increase of 3.2% at the national level. Since 2001 earnings growth in Kaipara reached a maximum of 8.6% in 2007 and a minimum of -6.2% in 2008.

Earnings growth (2001-2011)



	01	02	03	04	05	06	07	08	09	10	11
KAIPARA	1.2%	5.2%	6.4%	7.6%	7.7%	7.5%	8.6%	-6.2%	6.7%	4.0%	3.8%
NEW ZEALAND	2.3%	3.5%	3.3%	4.4%	4.1%	4.9%	4.1%	5.4%	4.7%	1.9%	3.2%

Source: Infometrics 2012 Annual Economic Profile: Kaipara

The following table sets out the median weekly earnings for the Northland Region as a whole. When using this information for Kaipara be aware that low incomes in the Far North often drag down the Northland wide figures. Hence the above annual incomes are recommended as a better indication of Kaipara earnings.

Median weekly earnings for those in paid employment

By regional council area, June quarter 2008 - 2012

	Median weekly income (June quarter)				
Regional council area	2008 $	2009 $	2010 $	2011 $	2012 $
Northland	633	700	698	660	693

Auckland	767	786	800	840	863
Waikato	700	720	736	750	783
Bay of Plenty	680	672	716	693	740
Gisborne/Hawke's Bay	700	720	718	698	720
Taranaki	707	750	725	767	800
Manawatu-Wanganui	669	700	710	713	715
Wellington	800	806	834	863	850
Nelson/Tasman/Marlborough/West Coast	700	700	719	705	720
Canterbury	684	729	750	776	767
Otago	663	729	763	731	737
Southland	684	695	740	760	720
Total	729	756	767	767	800

Over the past four years Northland has consistently had the lowest median weekly income of any New Zealand region. This is likely a reflection of the region's remote, rural nature and lack of major industry (large-scale factories, manufacturing plants and ports). Furthermore there are few company head offices located in the region and no high tech educational institutes (universities). This coupled with deeper labour markets elsewhere results in many higher skilled professionals being based outside the region. Age demographics are another issue with young professionals being under-represented in the region.

The following table shows an estimate of median household income in private occupied dwellings for households in different areas of the Kaipara District for the year ended June 2012. According to the "New Zealand Income Survey: June 2012 quarter", median weekly household income from all sources increased by 1.2 percent nationally compared to the June 2011 quarter.

Area	Median Household Income in Private Occupied Dwellings
Te Kopuru	$29,558.19
Kaipara Coastal	$47,126.92
Maungaru	$52,350.05
Dargaville	$38,342.55
Maungaturoto	$53,774.54
Ruawai	$38,936.09
kaiwaka	$43,209.57
Rehia-Oneriri	$47,601.75
Mangawhai	$40,954.12
Mangawhai Heads	$41,785.08
Average	$43,363.89

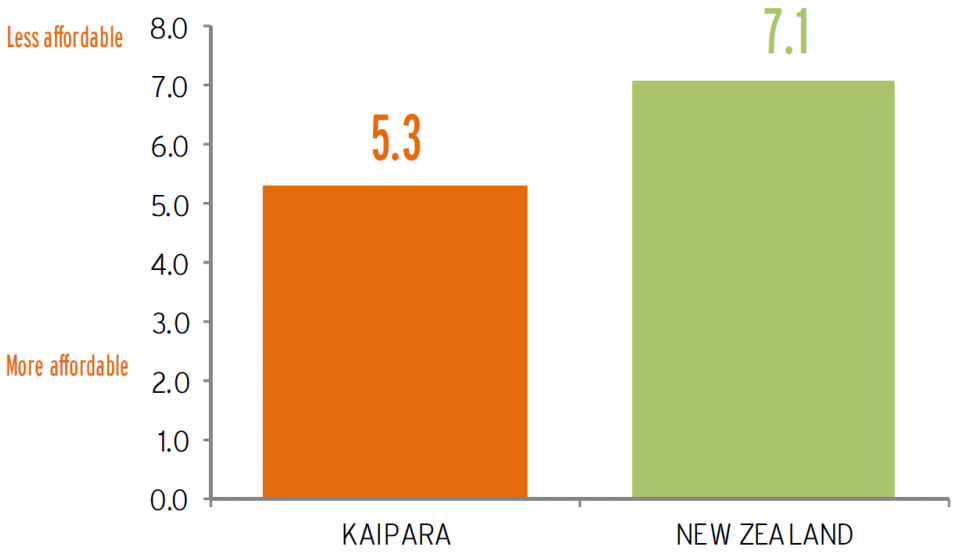
Housing Affordability

The cost of housing is a major component of household spending. House prices are 23% below their December 2008 peak, while the annual running total of residential building consents is 44% below its March 2007 level. Annual house sales in Kaipara increased by 37.5% compared with the previous 12 months. Growth was higher than in the Northland region (27.7%) and higher than in New Zealand (16.7%). The average house price in Kaipara decreased by 2.7% in the year to March 2013 compared with the previous twelve months. Kaipara's average house

price was $187,000 in the year to March 2013, which was lower than the average for the Northland region ($295,000) and lower than for New Zealand ($376,000).

The figure below investigates the affordability of housing by comparing median house prices with average earnings. Infometrics have estimated a housing affordability index which is the ratio of the median house price to annual average earnings measured in the Linked Employer Employee Data. A higher ratio therefore indicates lower housing affordability.

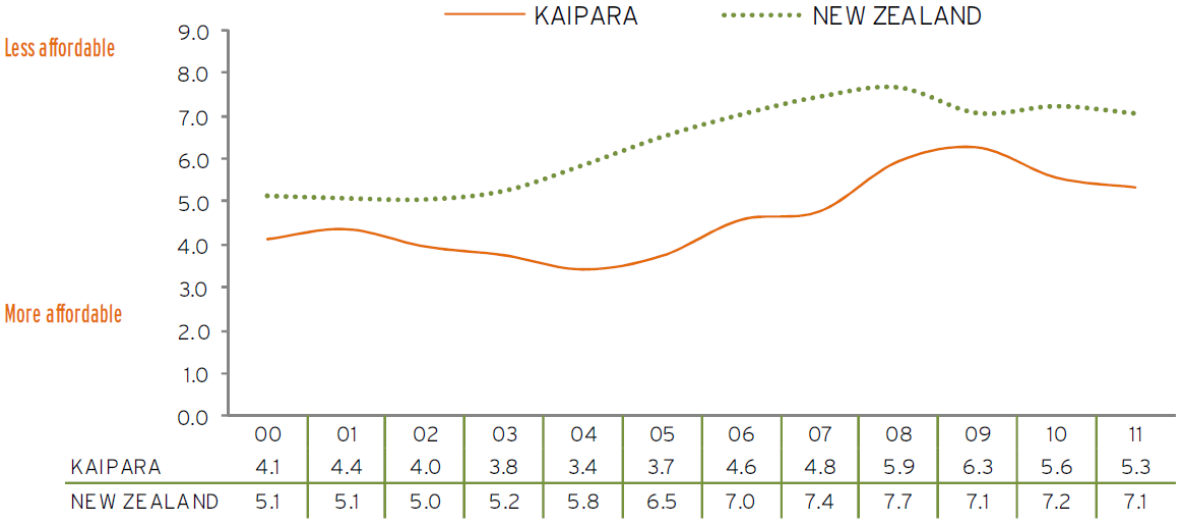
Housing affordability index (year to March 2011)



Source: Infometrics 2012 Annual Economic Profile: Kaipara

The housing affordability index in Kaipara was 5.3 in the year to March 2011, which was lower than the national index of 7.1. This means that housing is more affordable in Kaipara than in the country as a whole. Since 2000 housing in Kaipara has become more affordable relative to the national average level.

Housing affordability index (2001-2011)



	00	01	02	03	04	05	06	07	08	09	10	11
KAIPARA	4.1	4.4	4.0	3.8	3.4	3.7	4.6	4.8	5.9	6.3	5.6	5.3
NEW ZEALAND	5.1	5.1	5.0	5.2	5.8	6.5	7.0	7.4	7.7	7.1	7.2	7.1

Source: Infometrics 2012 Annual Economic Profile: Kaipara

3.4 Customer Expectations

Absentee Ratepayers

An area which is concerning for the Kaipara District is how to recognise absentee ratepayers. Acknowledging that the absentee versus permanent proportions of ratepayers varies between our different communities, absentee ratepayers can make up a significant part of some communities in holiday areas, especially Mangawhai. These areas are important as they are those in which our District's growth is predicted to occur.

From the census data that is available the permanent residents in Mangawhai are usually:

- Low income
- Retired
- Shop workers
- Builders/plumbers/blue collar workers

It is expected that absentee ratepayers are usually:

- Aucklanders
- Mid/high level income earners
- Business owners
- White collar workers

It is also useful to acknowledge that the absentees create different sorts of demand on Council services. They will often have service level expectations and bring 'larger' numbers of people during the peak periods which puts different demands on our services.

How the District recognises absentee ratepayers has an effect on how the community perceives the amount of debt per capita. This means that the figure presented publically is somewhat inaccurate as it is normally worked out on the number of residents within the District on a certain day.

By linking the location of a ratable property to the location given by the owner's postal address it is possible to gain an indication of what percentage of Kaipara's residents live permanently in the District and what percentage are non-resident. It should be noted that due to the scale of this undertaking the results should not be considered totally accurate but rather provide an indication of trends as they were at April 2013.

It was found that 63% of properties in Kaipara are owned by people living in Kaipara, 24% by people living in Auckland, 5% by people living in Whangarei and 2% by people with a Wellsford postal address.

Summary for whole of Kaipara		
Location	Number of Properties	% of total
Kaipara	9449	63%
Auckland	3620	24%
Whangarei	682	5%
Wellsford	265	2%
Over Seas	195	1%
Warkworth	171	1%
Wellington	143	1%
Unknown	123	1%
Far North	108	1%
Waikato	89	1%

A further break down of individual "roll groups" reveals that the percentage of Kaipara property owners with an Auckland postal address is greater in southern areas. The extreme example of this being Mangawhai where just 24% of properties referred to a Mangawhai postal address and 50% of rateable properties referred to an Auckland postal address.

Summaries of the individual breakdowns for each or the roll groups are shown in the tables below. The tables give the number of properties in each role group with a postal address referring to a given location. [Contact Council's Policy Analyst for full details of this analysis.]

Ruawai		
Location	Number of Properties	% of total
Ruawai	585	43%
Other Kaipara	314	23%
Auckland	257	19%
Whangarei	87	6%
Warkworth	24	2%
Wellington	15	1%

Tangiteroria		
Location	Number of Properties	% of total
Tangiteroria	263	48%
Other Kaipara	139	25%
Whangarei	76	14%
Auckland	24	4%
Wellington	11	2%
Far North	9	2%

Mangawhai		
Location	Number of Properties	% of total
Mangawhai	980	24%
Auckland	2028	50%
Other Kaipara	516	13%
Wellsford	143	4%
Whangarei	83	2%
Over Seas	76	2%

Matakohe		
Location	Number of Properties	% of total
Matakohe	171	60%
Other Kaipara	46	16%
Auckland	34	12%
Whangarei	11	4%
Wellsford	5	2%
Over Seas	4	1%

Maungaturoto		
Location	Number of Properties	% of total
Maungaturoto	766	63%
Auckland	232	19%
Other Kaipara	91	7%
Whangarei	41	3%
Wellington	18	1%
Warkworth	16	1%

Paparoa		
Location	Number of Properties	% of total
Paparoa	463	48%
Auckland	221	23%
Other Kaipara	129	13%
Whangarei	72	7%
Warkworth	18	2%
Over Seas	15	2%

Dargaville		
Location	Number of Properties	% of total
Dargaville	1822	76%
Auckland	244	10%
Whangarei	75	3%
Other Kaipara	69	3%
Unknown	55	2%
Over Seas	22	1%

Dargaville North		
Location	Number of Properties	% of total
Dargaville/Dargaville North	754	70%
Auckland	107	10%
Whangarei	89	8%
Wellington	23	2%
Other Kaipara	22	2%
Far North	19	2%

Dargaville South East		
Location	Number of Properties	% of total
Dargaville/South East	380	90%
Whangarei	13	3%
Auckland	10	2%
Other Kaipara	5	1%
Waikato	3	1%
Taupo	3	1%

Dargaville South West (Pouto)		
Location	Number of Properties	% of total
Dargaville/South West	918	77%
Auckland	122	10%
Whangarei	59	5%
Far North	23	2%
Wellington	16	1%
Unknown	12	1%

Dargaville West		
Location	Number of Properties	% of total
Dargaville/West	411	74%
Auckland	72	13%
Whangarei	29	5%
Other Kaipara	7	1%
Warkworth	7	1%
Wellington	5	1%
Over Seas	5	1%

Kaiwaka		
Location	Number of Properties	% of total
Kaiwaka	481	45%
Auckland	240	22%
Other Kaipara	103	10%
Wellsford	96	9%
Whangarei	55	5%
Warkworth	20	2%
Over Seas	20	2%

Shared Services

The current government is transforming the public sector, including local government, and is looking for ways that local government can be more efficient and thereby make savings. One way that Kaipara could do this would be to look at shared services with other local authorities.

Kaipara already collaborates with Northland Regional Council to provide services such as civil defence planning and economic monitoring. Further shared services with other territorial authorities could help to develop economies of scale, the ability to streamline administrative functions and a more efficient use of capital equipment. Further potential benefits could include cost savings, increased access to skills, improved strategic planning, improved service delivery and improved compliance with regulations and standards (*Source: Local Government New Zealand, Shared Services for Local Government, June 2011*).

Kaipara and Whangarei District Councils are exploring a memorandum of understanding for sharing animal management staff and facilities and closer working relationships between the Councils for animal and noise control and bylaw enforcement services. Both Councils currently have the same service provider.

Kaipara and Whangarei Building Consent Authorities continue to work towards a closer alignment of their Building Consent Authorities Manuals, policies and procedures.

Kaipara District Council is also exploring with other Northland Councils the possibility of developing a One Plan. The aim of the One Plan would be to combine regional and district plans, thereby simplifying the resource consent process for the community.

The One Plan initiative is currently in the early stages of investigation.

3.5 Physical

Roading

The Kaipara District has a large roading network (1,570 km), with a large proportion of these roads being unsealed (1,124 km). Also part of the roading infrastructure are 353 Bridges, 1,136 Streetlights, 88km of footpaths, and more than 6,600 road traffic signs. Roading presently comprises 77% of Council's annual capital expenditure and 47% of annual operational expenditure (source; Annual Plan 2013/2014). This is likely to increase as Kaipara's roading network is becoming increasingly more expensive to maintain. This is partly due to:

- the isolated, rural nature of much of the District and its difficult topography;
- unstable geology combined with regular high intensity rainfall events;
- Scarcity and high costs of roading materials, typically aggregates;
- The reduction in the NZ Transport Agency's subsidy rate by 1 per cent per annum over the past two years.

The extent of unsealed roads in the district is likely to remain unchanged over the foreseeable future as changes in NZ Transport Agency's (NZTA) priorities have made subsidised seal extensions almost impossible to attain.

Roading maintenance requirements are likely to increase as forestry volumes are set to increase as more forest stands reach maturity and are harvested. Ongoing conversion of pasture to forestry within the District means this increase will likely be sustained into the future. Increasing the number of heavy vehicle movements on our roads will have a greater effect in Northland than in many other parts of the country as the region's roads are made of a softer roading aggregate.

The new roading maintenance contract has been awarded to Transfield Services New Zealand LTD to the schedule value of $13,926,985.33. This is for the next 23 months, with the possibility to extend it by a year over a three year period. The new Contract has been structured so that Council will have more input into the type, quantity and timing of maintenance work on our roads.

The following tables and graph show that both the amount of cargo passing through North Port and the number of truck movements are increasing. Over the past 10 years, truck movements to the port have increased form 76,646 to 106,026. With the proposal for a rail link to serve this port still undecided, this increase will inevitably result in increasing maintenance costs to Northland's roads.

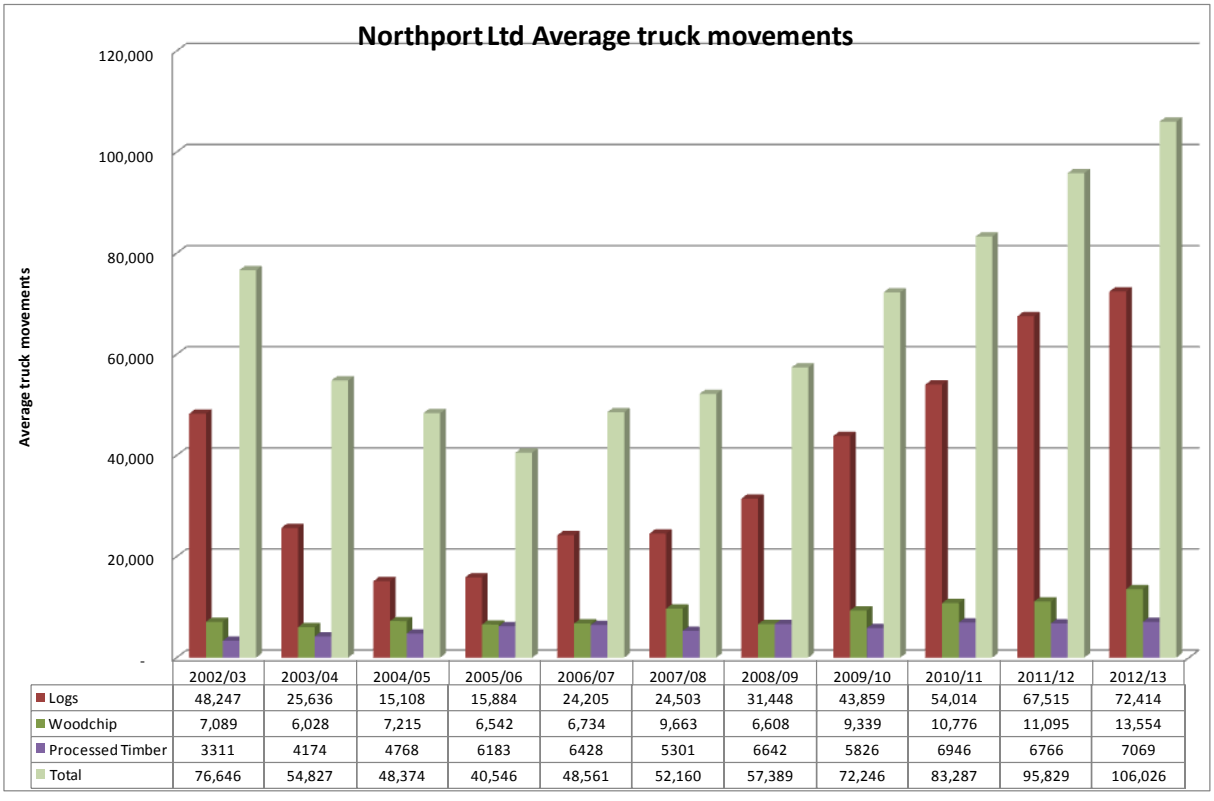
Northport Ltd

Cargo Stats

Year	Logs	Woodchip	Fertiliser	Cement	Clinker	Gypsum	Coal	Palm Kernel	Processed Timber	Kiwifruit	Meat	Pulp Logs	Other	Total
2002/03	1,399,170	198,484	156,828	62,199	84,841	23,548	108,786	-	115,872	6,996	18,970	12,318	17,281	2,205,294
2003/04	743,430	168,790	142,999	40,482	158,284	22,969	55,151	-	146,091	7,901	18,249	68,169	10,591	1,583,106
2004/05	438,135	202,012	178,862	-	211,273	38,337	55,536	-	166,887	5,678	14,664	41,240	44,023	1,396,647
2005/06	460,634	183,188	110,252	-	90,428	32,520	82,075	-	216,394	2,738	3,511	4,903	6,445	1,193,088
2006/07	701,938	188,552	103,524	11,026	74,963	23,265	85,554	-	224,991	10,963	-	-	1,348	1,426,124
2007/08	710,578	270,577	154,479	33,782	-	52,493	79,631	4,808	185,549	8,734	-	-	6,873	1,507,504
2008/09	911,984	185,013	108,223	49,424	-	25,262	92,869	20,153	232,482	11,668	-	-	3,696	1,640,774
2009/10	1,271,920	261,497	60,205	58,344	-	24,203	59,246	52,553	203,924	11,786	-	-	752	2,004,430
2010/11	1,566,407	301,732	64,648	40,420	-	25,595	58,319	42,636	243,098	9,011	-	-	103	2,351,969
2011/12	1,957,939	310,654	71,583	-	-	26,073	62,546	37,142	236,827	9,606	-	-	15,822	2,728,192
2012/13	2,100,000	379,500	69,500			25,000	60,000	65,000	247,400	11,000			13,300	2,970,700
	12,262,135	2,649,999	1,221,103	295,677	619,789	319,265	799,713	222,292	2,219,515	96,081	55,394	126,630	120,234	18,037,127

Average Truck Movements

Year	Logs	Woodchip	Fertiliser	Cement	Clinker	Gypsum	Coal	Palm Kernel	Processed Timber	Kiwifruit	Meat	Pulp Logs	Other	Total
2002/03	48,247	7,089	5,601	2,488	3,030	841	3,885		3311	280	759	425	691	76,646
2003/04	25,636	6,028	5,107	1,619	5,653	820	1,970		4174	316	730	2351	424	54,827
2004/05	15,108	7,215	6,388		7,545	1369	1,983		4768	227	587	1422	1761	48,374
2005/06	15,884	6,542	3,938		3,230	1161	2,931		6183	110	140	169	258	40,546
2006/07	24,205	6,734	3,697	441	2,677	831	3,056		6428	439			54	48,561
2007/08	24,503	9,663	5,517	1,351		1875	2,844	481	5301	349			275	52,160
2008/09	31,448	6,608	3,865	1,977		902	3,317	2015	6642	467			148	57,389
2009/10	43,859	9,339	2,150	2,334		864	2,116	5255	5826	471			30	72,246
2010/11	54,014	10,776	2,309	1,617		914	2,083	4264	6946	360			4	83,287
2011/12	67,515	11,095	2,557			931	2,234	3714	6766	384			633	95,829
2012/13	72,414	13,554	2,482			893	2,143	6500	7069	440			532	106,026
	422,832	94,643	43,611	11,827	22,135	11,402	28,561	22,229	63,415	3,843	2,216	4,367	4,809	735,891



Recognising congestion during peak (holiday) periods, Auckland Council has fast tracked the Pūhoi to Wellsford motorway extension by declaring the project a proposal of "national significance". This means it can be fast-tracked through the Environmental Protection Authority, instead of going through the normal Council consent processes, and then the Environment Court should there be appeals. According to the NZTA's website (http://www.nzta.govt.nz/network/projects/puhoi-to-wellsford/) the start date for this project is now 2014-2019 with construction due for completion by 2022.

The project is divided into two stages, with the Pūhoi to Warkworth section a priority to progress towards obtaining consents and a designation ready to build. At this stage options to progress the Warkworth to Wellsford section are being considered as part of a long term strategy to identify a programme of improvements for the entire Auckland to Northland state highway corridor.

Rail

Two rail lines pass through the Kaipara District; the Dargaville Branch and the North Auckland Line. Both primarily transport forestry products (logs and wood chips) though the North Auckland Line also carries tonnage from Fonterra's Dairy factory at Kauri. The contribution of rail in reducing heavy vehicle movements on our roads, and therefore lowering road maintenance cost and improving travel times, needs to be considered when assessing land transport in our region. It is therefore concerning that the whole of the North Auckland Railway system is threatened with closure. The Dargaville line particularly, is under threat. If this section is closed, additional truck movements through Dargaville and on to Whangarei will result. While the increased costs of road maintenance will largely fall to NZTA, Kaipara as a whole is likely to experience increased travel times, poorer business links and reduced road safety. Port Dargaville Cruses Ltd have secured permission to begin running a light-rail tourist venture over a section of the Dargaville line from Dargaville to Tangowahine with the potential to extend to Waiotira in future. By linking with river cruises and other tourism and hospitality operators, this venture promises economic opportunities for the District and ensures that the rails will be left in place if the line is closed, thus allowing for future use should freight services become viable again.

Coastal

Kaipara's coastal resources can be broadly grouped into three regions; the exposed west coast beaches, sheltered Kaipara Harbour and Mangawhai area. The west coast beaches are challenged by their remoteness and dangerous swimming conditions. Kaipara's Ripiro Beach runs continuously almost the entire length of the District from Pouto to Aranga Beach and the Maunganui Bluff. This long, wide, continuous beach also serves as a road and provides opportunities for cyclists and horse trekkers.

The Kaipara Harbour is New Zealand's largest estuarine ecosystem and the largest harbour in the southern hemisphere. It has high ecological importance as a major nursery for commercial and recreational fish species, potentially affecting the fish stocks of much of the upper North Island's west coast. The key challenge facing the harbour is management of sediment and, to a lesser extent, nutrients washing into streams and rivers across its 640,000 hectare catchment. The high sediment loads entering the harbour are causing it to become increasingly shallow, congested with mangroves and difficult to navigate as well as smothering benthic biota (living things on the sea bed) and reducing water clarity. Better land use management is needed to protect the harbour. Council is currently addressing this through its support and involvement with the Integrated Kaipara Harbour Management Group (IKHMG). The IKHMG was initiated by Te Uri o Hau on behalf of Ngati Whatua to achieve "a healthy and productive Kaipara Harbour".

The group has been proactive in promoting this goal, however the scale of the harbour's catchment leaves much work still to be done.

The Mangawhai area includes the Mangawhai harbour and surrounding open coast beaches. Pressures on this area from stormwater and recreational use are likely to increase as the area's population grows. Key issues will be managing the health of the harbour and the stability of the harbour entrance, as well as protecting the area's natural character from development pressures.

Travel In/Out and Around District

The People of the Kaipara District are largely reliant on private motor vehicles for transport. The rural nature of the District means that the distances people are required to travel in order to obtain the goods and services they desire can be large.

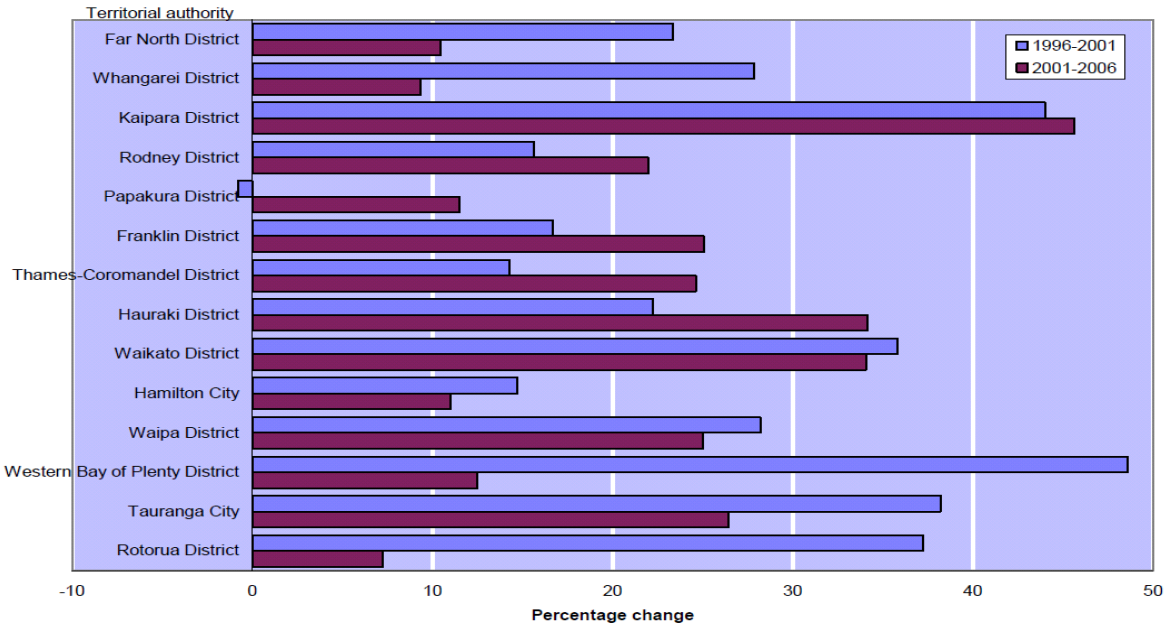
The following table shows that 138 people lived in the Kaipara District and worked in Auckland in 2006 (update figures from the 2013 census are not yet available). The figure below shows that this number has increased; rising over 40 per cent from 1996 to 2001 and over 40 per cent again from 2001 to 2006.

Table 2
Numbers of People Who Listed their Workplace Address in One of the Four Cities of Auckland, for selected territorial authorities, 2006

Usual residence	Number of Employed population that listed an Auckland city as a workplace addres				
	North Shore City	Waitakere City	Auckland City	Manukau City	Total, Auckland
Far North District	36	12	108	42	201
Whangarei District	60	36	174	51	321
Kaipara District	33	9	72	24	138
Rodney District	6,822	1,701	5,706	624	14,856
Papakura District	177	84	3,891	5,079	9,228
Franklin District	171	99	3,117	3,720	7,110
Thames-Coromandel District	21	12	105	60	195
Hauraki District	15	..C	57	48	123
Waikato District	30	21	261	234	546
Matamata-Piako District	9	..C	36	21	69
Hamilton City	75	24	345	126	573
Waipa District	24	9	84	39	156
Western Bay of Plenty District	15	9	72	24	120
Tauranga City	60	27	195	78	363
Rotorua District	27	15	81	39	165
Hastings District	21	12	72	9	114
Napier City	18	6	60	15	105
New Plymouth District	18	12	66	24	117
Palmerston North City	48	12	66	24	153
Lower Hutt City	27	15	141	24	204
Wellington City	63	24	351	45	483

Source: Census of Population and Dwellings, 2006.

Change in number of people listing a workplace address in the Auckland metropolis 1996 – 2006



Source: Census of Population and Dwellings, 1996, 2001, and 2006.

According to Statistics New Zealand, those who commute to larger centres from other regions are typically professionals rather than labourers, as professionals have greater flexibility in their hours of work and have higher incomes, thus giving them greater freedom as to where they live. Such professionals may also find the job market for people in their profession to be limited in their local area, requiring them to seek employment in the larger centres.

Understanding how people move around our district is important for understanding how infrastructure requirements may change. Roading upgrades must be anticipated and allocated only to those areas that require them.

Environmental Standards

Wastewater

The Council operates wastewater treatment facilities at Mangawhai, Kaiwaka, Dargaville, Maungaturoto, Glinks Gully and Te Kopuru. The Dargaville plant is sufficient to serve the town provided its population does not experience a major increase. At present the Glinks Gully system cannot be upgraded to service the remaining beachfront properties due to limitations in the capacity of its effluent field.

Experience demonstrates that consent conditions are becoming more stringent with increased monitoring requirements being commonplace and the likelihood of additional treatment being necessary. As a result of this, Maungaturoto wastewater scheme has been upgraded with installation of a membrane filtration plant to reflect new requirements. Increased expenditure is expected to meet similar requirements for other wastewater schemes within the District.

Drinking water quality

The Council supplies water to the communities of Maungaturoto, Ruawai, Dargaville (including Baylys Beach) and Glinks Gully as well as a smaller scheme servicing parts of Mangawhai.

The Dargaville water pipe network is set to require a large-scale overhaul with much of the pipe network needing replacement. As a first step towards this, a pipeline condition assessment is programmed for the 2013/2014 financial year which will determine the extent of the renewal work program. The other schemes are considered to require only minor upgrades, maintenance and monitoring.

The Dargaville water treatment plant must be upgraded to meet the 2005(revised in 2008) New Zealand Drinking Water Standards by 1 July 2014. To achieve this, Council is recommending the installation of a UV treatment process within the existing water treatment plant site.

At present, Maungaturoto and Ruawai water treatment plants comply with NZDWS 2002, however a monitoring regime needs to be implemented to comply with NZDWS 2005(revised in 2008).

Renewable energy

The lack of reliable electricity supply in Northland is a major limitation to industry in the region. Hence there is a great need for local generation of electricity to prevent the risk of black outs. The Kaipara District is fortunate to have the opportunity to develop renewable energy resources. These include opportunities for large wind farms (potentially supplying up to 300MW) at Glinks Gully (Red Hill), Rototuna (Pouto Peninsular) and Pouto.

Meridian Energy has spent the last five years investigating the potential for a wind farm on the Pouto peninsular. The planning for this project is now well advanced, although final project size has not yet been determined. A portion of the wind farm site has recently been purchased and the project has support from Te Uri o Hau. Meridian have stated that the wind farm is a desirable project in their portfolio but the timing is not right to progress for consent as the demand for electricity on the national market is currently insufficient to warrant new generation construction. This trend looks like it will continue for the foreseeable future. This project may become a reality as Auckland's growth fuels demand for energy and as changing social and political views increasingly favour renewable sources for electricity generation.

The District also has the opportunity to develop tidal power. Crest Energy Limited has a resource consent to develop a tidal power station in the mouth of the Kaipara Harbour. This could comprise up to 200 completely submerged turbines with a maximum generating capacity of around 200 megawatts. Crest Energy estimates this will generate sufficient power for an area from Albany to Cape Reinga. According to Jeremy Miller, Generation Development Manager for Nova energy; "Crest currently does not have any immediate plans with respect to the project. Crest is currently observing technological developments overseas and reviewing the economics of the project before proceeding any further."

Increasing electricity generation within the region would allow for expansion and establishment of major industries such as sawmills, wood processing plants and dairy factories in the District. This in turn would raise employment and increase prosperity in our District.

3.6 Technical

Please see attached map.