



Kaipara District Council

Environmental Scan

February 2014



Kaipara te Oranganui

**KAIPARA
DISTRICT**

Two Oceans Two Harbours

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A. Executive Summary

This Environmental Scan was completed in February 2014. 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 third issue of the environmental scan is to be followed by later editions every six months which will ensure up to date information on key indicators is always available. While this version does repeat some of the key information included in the last edition; much of the information contained in the past edition, though still up-to-date, has not been re-included with the intent of keeping this document a reasonable length.

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

Legal

- Amendments to the Local Government Act 2002 are currently underway. These include the removal of most of the Act's requirements to use the special consultative procedure, adding a provision for councils to include a 30-year infrastructure plan in their Long Term Plans, and redefining the laws around Development Contributions including the introduction of a new Development Contribution objection process. This will increase the workload of Council's staff in the period following royal assent as policy changes will be required to implement the Bill;
- The Local Government Commission is currently considering reorganisation of local government across the whole of Northland. Their proposal is to amalgamate the four Northland council's into a single unitary authority with a second tier of government provided by seven community boards based on the boundaries of the current Northland Regional Council wards. Amalgamation of the councils may cause a loss of representation, services and related jobs in rural areas such as Kaipara and may cause issues around the distribution of debt. Conversely it may also allow for better "big picture" planning and the ability for Northland to speak with one voice (though this already exists through the Northland Mayoral Forum);
- Auckland Council is developing its Unitary Plan. The Proposed 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. It is envisioned that if demand for affordable low density or rural residential housing cannot be met in Auckland, this demand will be met by areas beyond Auckland's boarder such as Kaipara. This will result in a growth in Kaipara's population and rating base. Council is submitting on the Unitary Plan, focusing on cross boundary issues.

Social

- The per capita crime rate in Kaipara is lower than in Auckland and crimes that are committed are more likely to be solved. This helps to make Kaipara a more favourable place to live and creates an environment in which people feel safe;
- The District has a population of 18,963 (2013 census), of whom about 4,251 live in Dargaville;

- The population is largely rural, living in small settlements dotted in amongst the rolling hills;
- The District's population has grown by 4.6 per cent since the 2006 census;
- Most growth has, and is expected to continue to, occur in the east of the District around Mangawhai, and Kaiwaka. By contrast population in the remainder of the District has been and is predicted to continue declining. This has implications for how Council allocates its spending on infrastructure. While capital works in growth areas such as Mangawhai and Kaiwaka will need to be future proofed to accommodate growth, Council must also consider how to sustain future maintenance and overall viability of existing facilities in areas experiencing population decline such as Dargaville. Council may also consider how to target economic development initiatives to encourage growth or population retention in existing areas of decline;
- Mangawhai's population has increased by 44.8% since 2006. Comparing dwelling growth to populating growth suggests that the proportion of permanent residents in Mangawhai is increasing. This may raise demands on Council's infrastructure;
- Dargaville's population has declined by 4.6% since 2006. This appears to be in concert with the rest of rural New Zealand, including much of western Kaipara. This trend looks set to continue unless efforts are made to prevent further losses of jobs and services in rural areas;

Economic

- Kaipara's economic success is based on its primary industries, particularly dairy and forestry. The recent drought hurt Kaipara's economic performance, and there continues to be soil moisture deficiencies particularly in the western coastal parts of the District. The outlook for the current season looks more promising than last season due to a high dairy payout. Council could give consideration to measures that assist the Districts primary industries. These measures may include the provision of strategic infrastructure and appropriate regulatory provisions. Council may also work with other organisations such as Northland Regional Council to encourage planning provisions which make it easier for farmers to establish farm dams and irrigations schemes;
- Kaipara's level of GDP was \$615 million (2010 prices) during 2013, a decrease of 0.7% from \$620 million dollars the previous year. By comparison GDP in the national economy increased by 2.6% and GDP in Northland increased 1.2%. Considering the prolonged dry weather and the District's economic dependence on the dairy industry, the minor decrease in GDP of 0.7% shows underlying strength in Kaipara's economy which can mostly be attributed to the construction industry;
- The greatest limitations on industry in Northland are limitations in transport networks (Roads, and of particular importance for heavy freight Rail), electricity generation/security of electricity supply and the need for better broadband. Council could assist the establishment and retention of industry in the District by lobbying Central Government to provide better state highway, rail and broadband infrastructure in the District. Council could also show support for local power generation schemes;

- Annual house sales in Kaipara increased by 38.5% compared with the 12 months leading up to September 2013. Growth was higher than in the Northland region (29.1%) and higher than in New Zealand (14%). This suggests a growing demand for houses in the District. This may lead to an increase in population and rating base in some areas;
- The average house price in Kaipara increased by 1.8% in the year to September 2013. Kaipara's average house price was \$203,000 in the year to September 2013, which was lower than the average for the Northland Region (298,000) and lower than for New Zealand (\$388,000).
- Housing is more affordable in Kaipara than in Northland and the country as a whole. Since 2009 housing in Kaipara has become more affordable relative to the national average level. This may help to attract more people to settle in Kaipara;
- The number of dwellings in the District has increased by 1,942 (21.8%) since the last census.
- The number of dwellings in the Mangawhai Area, including Mangawhai heads, has increased by 891 (57.5%) since the last census. This will increase the amount of rates which are collectable in this area;

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 eastern 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.
- It is considered that non-resident ratepayers have higher service level expectation than resident ratepayers. Furthermore, large non-resident populations tend to place greater demand on public infrastructure during holiday periods than during the remainder of the year. Council may anticipate this in its contracts by including provision for heightened service levels during holiday periods, e.g. more frequent emptying of rubbish bins;

Physical

- The National Construction Pipeline Report identifies Auckland as one of New Zealand's 'construction hot spots', with around a third of building work predicted to take place there. Any increase in construction and changes in housing demand in Auckland is expected to have flow on effects for the Kaipara District.
- The New Zealand Transport Authority is currently reviewing the financial assistance rate it provides to Council. Any change in this subsidy is likely to have a significant effect on Council's finances as roading currently comprises 77% of Council's annual capital expenditure and 47% of annual operational expenditure;

- 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. Maintaining such a large network with a small rating base is challenge Council continues to face;
- 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. This will increase the cost of road maintenance and the frequency of road works in the District. More truck movements will also increase travel times and reduce road safety;
- Northland's roads are made of a softer roading aggregate than elsewhere in the country meaning they degrade faster;
- The District's rail network is underutilised and threatened with closure. This could further increase the number of truck movements on the District's roads;
- The Environmental Protection Agency are now analysing the submissions received on the Pkhai to Wellsford motorway extension in preparation for a hearing in March/April 2014. Council made a submission to this application. A final decision on the statutory approvals is expected in late 2014. The start date for the Pkhai to Warkworth section of the project is now 2014-2019 with construction due for completion by 2022. This roading development will further reduce travel times between Auckland and Northland, especially during peak holiday periods. This is likely to further increase the desirability of real-estate in eastern Kaipara to people living in Auckland.

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B. The Kaipara District

Kaipara District Council is one of the few councils that stretches 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](#), Matakohē, [Paparua](#), [Maungaturoto](#), [Kaiwaka](#) and [Mangawhai](#), as well as the rural area which surrounds them. It has a population of 18,963 (2013 census), of whom about 4,251 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](#), 60 kilometres northeast of Dargaville.

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

Statistics New Zealand is predicting static growth for Kaipara District as a whole with little to no growth over the next eight years. This is consistent with the 2013 census results which recorded 4.6% population growth for the District from 2006 to 2013. Looking at the towns within the District, statistics from between the 2006 and 2013 census showed Mangawhai (including Mangawhai heads) with an increase of 36.2%, Kaiwaka 7.3%, Dargaville -4.6% and Maungaturoto -9.7%. It is anticipated that most growth will continue to occur in the east of the District with population decline expected to continue in the remainder of the District.

Source: Statistics New Zealand – February 2014

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.

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.

C. 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

New Minister of Local Government

The Hon Paula Bennett has been named the new Minister of Local Government. Ms Bennett replaces the outgoing Minister of Local Government, Hon Chris Tremain who is retiring at the next election. Ms Bennett begins as of 28 January 2014. Ms Bennett's existing portfolio also includes roles as Minister for Social Development and Associate Minister of Housing. The new Associate Minister of Local Government will be Peseta Sam Lotu-liga, MP for Maungakiekie.

Local Government Reorganisation

The Local Government Commission has released its draft proposal for reorganisation of local government in Northland. The highlights are:

- One council and one mayor to speak with a region-wide voice for Northland.
- A second tier of boards to represent diverse local communities.
- The name of the new local authority to be Northland Council.
- It replaces the Far North District Council, Whangarei District Council, Kaipara District Council and Northland Regional Council. The new council would be a unitary authority, combining the functions of the district councils and the regional council.
- Northland Council would have nine councillors elected from seven wards. The mayor would be elected by all Northland voters.
- Northland Council would have seven community boards with 42 elected members. The seven council wards and seven community boards would share the same boundaries.
- The proposed names of the wards and community boards are: Te Hiku (far north), Hokianga-Kaikōhe (north-west), Coastal North (north-east), Coastal Central (east), Whangarei (south-east), Coastal South (south-east), and Kaipara (south-west). These names are open to public submission.

- Northland Council would have a standing committee to ensure the views of the large Māori population are heard. The Māori Board would include elected members of council and representatives of all local iwi. There would also be a Māori Advisory Committee to advise the council committee responsible for issues under the Resource Management Act.
- Northland Council administrative headquarters would be in the current Whangarei District. The council would also have offices in a further nine towns: Kaitia, Rawene, Kaeo, Kerikeri, Kaikohe, Kawakawa, Ruakaka, Mangawhai and Dargaville.
- Existing council debt, rates and other financial arrangements would be ring-fenced to the communities which incurred them or benefit from them.

Source: Local Government Commission website January 2014.

Public submissions on this proposal are currently being called for. Council is going to make a submission on this proposal. 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.

Bills before Parliament or recently enacted

- **Local Government Act 2002 Amendment Bill (N°3)**

Current Status: Introduction 04/11/13

This Bill is expected to have a high impact on Council. Council is going to make a submission on this Bill. When this Bill gains Royal Assent it will create a number of different work-streams around decision-making, community engagement, Development Contributions and drafting an infrastructure strategy. Council will also need to ensure that AMPs are consistent with the infrastructure strategy.

- **Building Amendment Bill (No 4)**

Current Status: Royal assent 27/11/13

This Bill is expected to have a medium impact on Council. This has some administration impact for the building team. As a result of this amendment Council must amend its existing Dangerous and Insanitary Buildings Policy to take into account affected buildings. A territorial authority must amend an existing policy to take into account affected buildings at the latest, within a reasonable period following the next review of its policy required under section 132(4). Under section 132(4) building policies are to be reviewed every five years.

- **Building (Earthquake-prone Buildings) Amendment Bill**

Current Status: Introduction 09/12/13

This Bill is expected to have a medium impact on Council. This Bill will require some additional staff resourcing to undertake the requirements of this Act. It is estimated that Kaipara will have less than 50 buildings throughout the District which this Bill would apply to.

- **Human Rights Amendment Bill**

Current Status: First reading 05/11/13

This Bill is expected to have a low impact on Council. This does not have direct implications on Council Operations; 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 (e.g. equal employment opportunities). This should be monitored to ensure that the correct legislative version is used when needed.

- **New Zealand Public Health and Disability Amendment Bill (No 2)**

Current Status: Select Committee Report 26/06/2008

This Bill is expected to have a low impact on Council. Council has powers and duties under the Health Act. The changes proposed should be minimal, if any, to Council operations.

- **Electronic Transactions (Contract Formation) Amendment Bill**

Current Status: Select Committee Report 11/11/13

This Bill is expected to have a medium-high impact on Council. Council issues a number of contracts throughout any given year. This can clarify the status of acceptance of contracts via electronic communication. This will mean that more care is required when communicating electronically about contracts.

- **Employment Relations Amendment Bill**

Current Status: Select Committee Report 11/12/13

This Bill is expected to have a low impact on Council. Most of the changes will have minimal affect on Council operations or management of staff.

- **Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill**

Current Status: First Reading Negatived - 10/07/2013

This Bill is expected to have a medium impact on Council. If this gets passed into law, Council would need to keep this in mind if any more restructures were to occur and redundancies were to happen.

- **Food Bill**

Current Status: Statement of proposal 278

This Bill is expected to have a medium impact on Council. Council will become a Registration Authority. Council will have additional functions, however these are likely be out source to our Local inspectors.

- **Gambling Amendment Bill (No.2)**

Current Status: Statement of proposal No. 84

This Bill is expected to have a medium impact on Council. 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.

- **Heritage New Zealand Pouhere Taonga Bill**

Current Status: Statement of proposal No.135, 372, 373

This Bill is expected to have a low impact on Council.

- **Worksafe New Zealand Act (formerly Part of the Health and Safety (Pike River Implementation) Bill)**

Current Status: Third Reading 14/11/13 - Assent 18/11/13

This Act establishes Worksafe New Zealand, the new Government department that will deal with matters concerning health and safety.

This Act is expected to have a low impact on Council. However the work which this agency undertakes may have a high impact on Council in terms of health and safety in the workplace and potential changes that this agency may recommend. This is the new body for which to contact for all health and safety information and advice within the workplace. This organisation takes over from the Department of Labour.

- **Parental Leave and Employment Protection (Six Months Paid Leave) Amendment Bill**

Current Status: First Reading 25/07/12

This Bill is expected to have a medium impact on Council. Council needs to be aware of this as an employment concern which they may need to give effect to.

- **Resource Management (Restricted Duration of Certain Discharge and Coastal Permits) Amendment Bill**

Current Status: Select Committee Report 09/08/13

This Bill is expected to have a medium – high impact on Council. 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 Council's consents (from 35 years to 5 years). Applying for a renewal of consent more often will add to the cost of the scheme. It could also mean that higher standards may need to be met in order for a longer consent timeframe to apply, or upgrade to infrastructure required more often.

- **Kaipara District Council (Validation of Rates and Other Matters) Act 2013**

Current Status: Assent 10/12/13

This Act is expected to have a high impact on Council.

- **Auckland Council Unitary Plan**

The [Proposed Auckland Unitary Plan](#) was notified on 30 September, 2013 with submissions closing on 28 February 2014. The Plan 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.

More information is available at www.shapeauckland.co.nz

- **Proposed 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.

Decisions were released at the end of last year by the Northland Regional Council on the proposed Regional Policy Statement. Council has appealed a decision of the Regional Council regarding the minimum floor levels and the mapping of flood hazard areas. Environment Court mediation is expected to commence in March 2014.

3.2 Social

Health

The following table compares selected health variables for Kaipara with those for New Zealand. The data shows Kaipara residents are less likely to visit the emergency department of a hospital than average New Zealand residents (14,149.5 per 100,000 compared to 23,466.7 per 100,000 nationally) and are much less likely to attend mental health or addiction treatment (891.9 per 100,000 compared to 3,623.6 per 100,000 nationally). However these lower rates may to some extent be influenced by a lack of access to facilities rather than a lack of cases.

Disappointingly, when compared to the national level, Kaipara had higher alcohol related hospital discharges and far higher child and youth hospital discharges. The higher level of child and youth hospital discharges may be partially influenced by Kaipara's having a greater proportion of children per head of population than in the national population.

Kaipara also had higher occurrences of malignant cancer registrations and ischaemic heart disease hospital discharges than the national rate but had a lower rate of chronic lower respiratory disease.

Selected health indicators, Kaipara domiciled patients	Period	Age standardised rate (per 100,000 population)	
		NZ	Kaipara
Hospital discharges (inpatient events) - alcohol related*	2012/13	417.2	612.3
Hospital discharges (inpatient events) - child and youth (0-24)**	2012/13	6,627.9	8,036.3
Hospital discharges (inpatient events) - chronic lower respiratory disease***	2012/13	398.5	312.1
Hospital discharges (inpatient events) - ischaemic heart disease***	2012/13	268.9	367.4
Emergency department visits	2011/12	23,466.7	14,149.5
Malignant cancer registrations	2011	293.1	330.2
Patients that attended mental health or addiction treatment	2012/13	3623.6	891.9

* based on primary and secondary diagnosis

** excluding birth events

*** based on primary diagnosis only

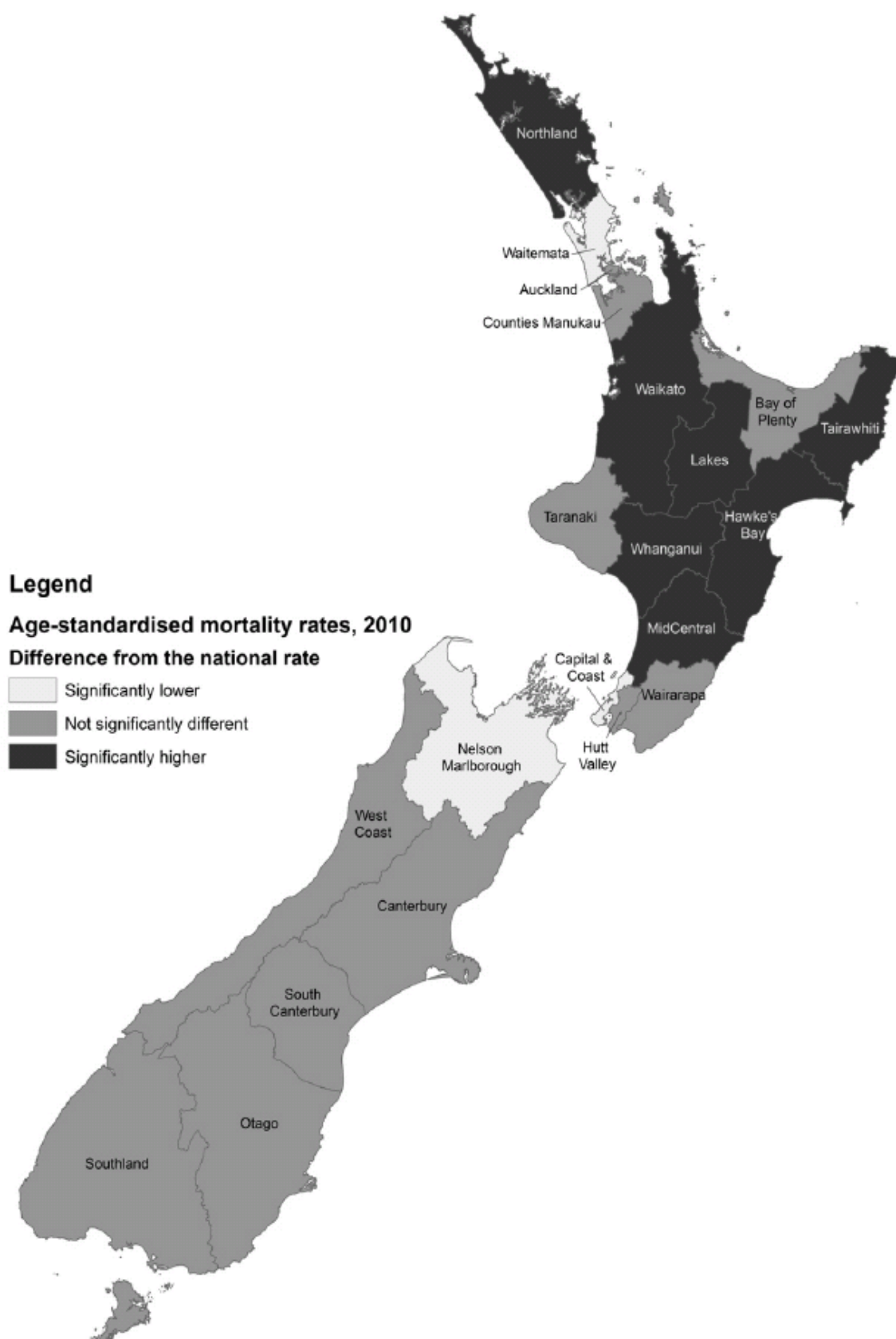
Source: National Collections, Ministry of Health, January 2014 (all data is provisional and subject to minor change)

The following table shows that Northland had a higher smoking rate than other comparable regions and the national average. 17% of Northlanders were regular smokers and a further 25% were former smokers. The reason for this is not known (source: Census 2013). It should be considered when comparing this data that statistics for Northland as a whole may not accurately reflect the situation for Kaipara District. This is because Kaipara socio-economic factors can differ markedly from those in Whangarei and Far North Districts.

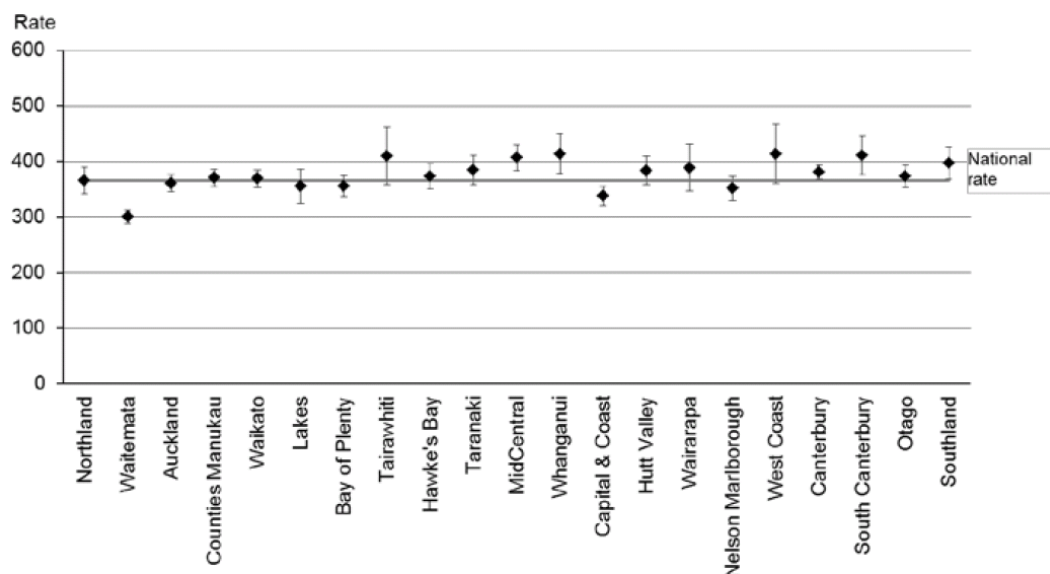
Regional Council of Usual Residence	Regular Smoker			Ex-Smoker			Never Smoked Regularly			Not Elsewhere Included		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Northland Region	8%	9%	17%	13%	12%	25%	21%	25%	46%	6%	6%	12%
Auckland Region	6%	5%	12%	9%	8%	17%	27%	34%	61%	5%	5%	10%
Waikato Region	8%	8%	16%	11%	11%	22%	25%	29%	54%	5%	5%	9%
Taranaki Region	8%	8%	16%	11%	11%	23%	24%	28%	52%	5%	5%	9%
Manawatu-Wanganui Region	8%	8%	16%	11%	11%	22%	24%	28%	52%	4%	5%	9%
Total New Zealand	7%	7%	14%	11%	10%	21%	26%	31%	56%	5%	5%	9%

Mortality Rates

2010 Mortality and Demographic Data show that Northland had significantly higher rates of mortality relative to the national rate. This appears to be because of the higher proportion of Maori in the Northland population, as Maori exhibit higher rates of mortality. Non-Maori in Northland had the same mortality rates as the national rate. Furthermore, smoking and obesity rates are known to be higher among people living in more deprived areas (Ministry of Health 2012), and Northland, particularly the Far North, is known to have a higher proportion of such areas. People living in many parts of Northland are also required to travel greater distances to reach healthcare facilities and this is also thought to increase the regional mortality rate (source: Ministry of Health: Mortality and Demographic Data 2010). The figure below shows how rates of mortality vary across New Zealand relative to the national rate.

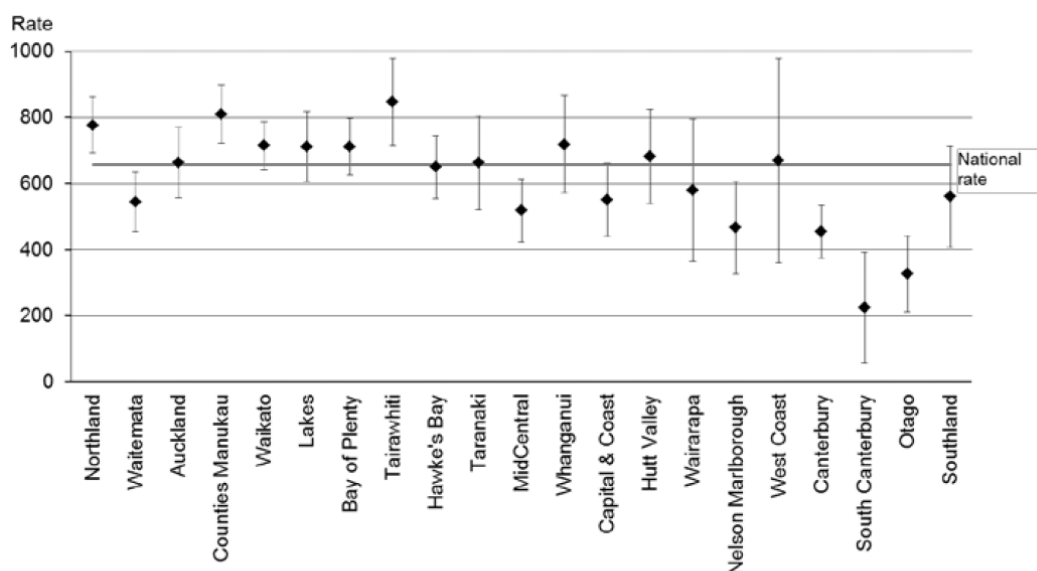


The following figure shows non-Māori age-standardised mortality rates by District Health Board (DHB) region, compared against the rate for all of New Zealand. It shows that Non-Māori in Northland had the same mortality rates as the national rate.



Note: Rates per 100,000 non-Māori population, age-standardised to WHO World Standard Population.

The figure below shows the age-standardised mortality rates by DHB region of residence for Māori compared to the rate for all Māori. This shows that Māori Northland had a higher rate of mortality than the national rate for Māori.



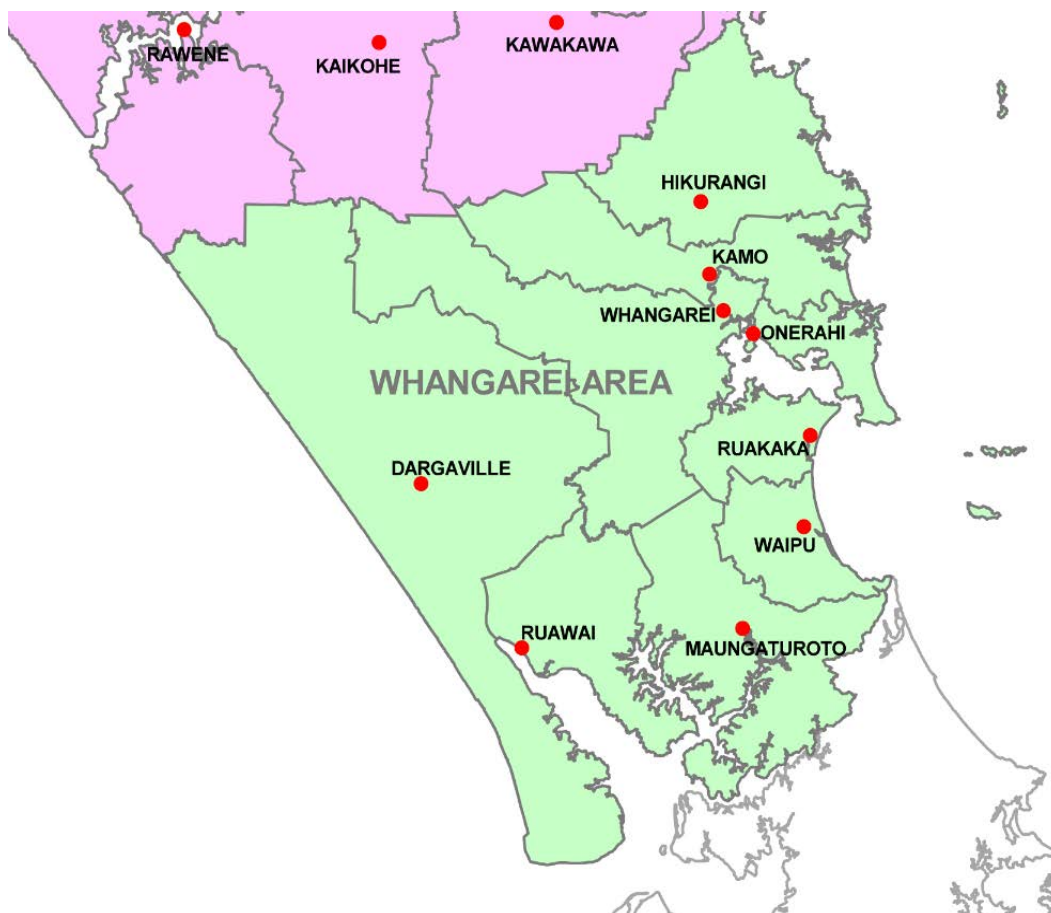
Note: Rates per 100,000 Māori population, age-standardised to WHO World Standard Population.

Crime rates

Officers in the Whangarei policing area, which includes the Kaipara and Whangarei districts but excludes Mangawhai and the Far North (see map below), are aware of 95 likely crimes per 1000 people in the year to July 2013 (compared to 102 in Auckland). Furthermore, 56% of

crimes in the Kaipara are solved compared to only 34% in Auckland. This is despite a rise in crime of 3% in the Whangarei policing area and a 17% decrease in Auckland. Nationally, just two policing districts had an increase in total recorded crime; Northland and Canterbury. The average national Decrease was 7.4%. There were a total of 9,225 crimes recorded in the Whangarei policing area in the year till July 2013. These included 1,346 acts intended to cause injury (up 17%), 109 reported cases of sexual assault (up 5%), 31 dangerous or negligent acts (up 7%), 437 reported cases of abduction and harassment (up 48%), 52 reported cases of robbery and extortion (down 34%), 1,299 reported cases of burglary and unlawful entry (down 3%), 2,218 reported cases of theft (down 4%), and 263 cases of fraud and deception (up 13%).

Map showing the extent of the Whangarei Policing Area. The Northland Policing District is comprised of the Whangarei and Far North Policing Areas.



Notifications (reports of concern) to Child, Youth and Family

The data below relates to notifications made to Child, Youth and Family for each financial year (from 1 July 2007). The data includes family violence referrals from Police as well as from education providers, members of the public and other sources.

Notifications at a national level

	F2009	F2010	F2011	F2012	F2013	F2014 1 July - 30 Sept 2013
Care and Protection Notifications	110,797	124,921	93956	90729	90893	21783
Police Family Violence Referrals			57153	62678	57766	14317
C&P Notifications (including Police Family Violence referrals)	110,797	124,921	151109	153407	148659	36100
Distinct clients that have C&P notifications** (including Police Family Violence referrals)	74,340	80,218	94561	95670	94099	29263

* From July 2010 the family violence referrals requiring no CYF action have been recorded separately.

** Some clients may have two or more notifications in the same period

Notifications at a regional level *(Note that 'Tai Tokerau' is Northland)*

Region	Operational Area	F2009	F2010	F2011	F2012	F2013	F2014 1 July - 30 Sept 2013
Northern Region	Tai Tokerau	4,884	6,059	6,299	7,116	8,222	1,877
Northern Region	Waitemata	14,530	19,765	21,879	22,147	20,288	4,576
Northern Region	Counties / Manukau	23,276	23,235	26,798	26,016	25,049	5,886
Midlands Region	Waikato	8,505	8,845	15,743	17,248	15,464	3,974
Midlands Region	Bay Of Plenty	10,016	12,376	15,936	15,494	15,546	3,769
Central Region	Western	5,148	6,980	8,301	8,426	8,078	2,064
Central Region	Eastern	8,608	9,139	11,671	10,713	11,315	2,837
Central Region	Lower North Island	6,371	8,562	8,978	9,658	8,319	1,974
Central Region	Greater Wellington	9,372	10,259	12,260	12,523	10,547	2,578
Southern Region	Upper South	3,579	3,582	5,031	5,578	5,611	1,396
Southern Region	Canterbury	10,340	10,601	11,906	11,536	13,210	3,543
Southern Region	Otago / Southland	5,606	4,792	5,496	6,177	6,381	1,539
Contact Centre / Adoptions		562	726	811	775	629	87
National		110,797	124,921	151,109	153,407	148,659	36,100

* From July 2010 the family violence referrals requiring no CYF action have been recorded separately.

Notifications at site level

Operational Area	Site	F2009	F2010	F2011	F2012	F2013	F2014 1 July - 30 Sept 2013
Tai Tokerau	Kaitia	851	1,080	1,216	1,619	1,798	414
Tai Tokerau	Kaikohe	1,438	1,621	1,754	1,944	2,145	438
Tai Tokerau	Whangarei	2,146	2,798	2,658	2,782	3,471	827
Tai Tokerau	Dargaville	449	560	671	771	808	198
National		110,797	124,921	151,109	153,407	148,659	36,100

In 2013 there were 808 notifications made to Child Youth and Family's Dargaville site. The number has been increasing steadily since 2009 when there were 449 notifications at this site. Over the same period, the number of notifications has also risen steadily across the rest of

Northland as indicated by data from the Kaitaia, Kaikohe and Whangarei sites (see table above). The number of notifications nationally has also increased since 2009. The reason for the increase is not known. It is possible however, that better awareness and reporting by both the public and professionals such as education staff are resulting in more cases being reported to the authorities.

Of the 808 notifications from the Dargaville site in 2013, over half (472) required further action by child youth and family. This number has also increased steadily since 2009 when there were 398 such incidents. The number of notifications requiring further action also increased regionally and nationally as is shown in the table below. It is interesting to note that the proportion of notifications requiring further action relative to total notifications has been decreasing. This suggests that much of the increase in notifications may have been due to improved reporting of less serious issues.

Notifications that required further action - site level

Operational Area	Site	F2009	F2010	F2011	F2012	F2013	F2014 1 July - 30 Sept 2013
Tai Tokerau	Kaitaia	443	400	553	692	781	145
Tai Tokerau	Kaikohe	769	664	630	745	858	208
Tai Tokerau	Whangarei	1,322	1,472	1,628	1,926	2,176	441
Tai Tokerau	Dargaville	398	369	379	469	472	138
National		49,224	55,494	57,783	60,330	61,877	14,776

The number of Children in out of home placements has increased slightly across Northland (Te Tai Tokerau Region) since 2009. By comparison the number nation wide has decreased slightly.

Children in out of home placements, by region

Region	F2009	F2010	F2011	F2012	F2013	As at 30 Sept 2013
Te Tai Tokerau Region	180	182	179	224	205	204
Auckland Region	1,125	1,052	993	1,003	1,016	1,066
Midlands Region	869	876	743	749	759	781
Central Region	1,027	958	800	846	851	877
Southern Region	1,204	1,166	1,169	1,062	1,013	978
Adoptions / Others	3	4	1			
National Total	4,408	4,238	3,885	3,884	3,844	3,906

Snapshot as at 30 June each year

Excludes placement types - 'Independent Living', 'Remain Home' and 'Return Home'

Education

Almost one-third (32%) of Kaipara residents aged 15 and over in 2006 had no educational qualifications (compared to 22% nationally). The proportion of residents with no qualifications

was particularly large in Ruawai, and it was relatively small in the Rehia-Oneriri, Mangawhai and Mangawhai Heads Census Unit Areas. Only 5% of Kaipara's population were qualified at degree level or above (compared to 14% nationally). The southern areas, Rehia-Oneriri, Managawhai and Mangawhai Heads had relatively large proportions of their populations with high level qualifications. The following table shows highest qualification by Census Area Unit in 2006.

CAU	No Qualification	School Qualification	Level 1-3 Certificate	Level 4 Certificate	Diploma	Bachelor Degree	Post Graduate Qualification	Total
Te Kopuru	35%	27%	3%	7%	3%	2%	1%	348
Kaipara Coastal	32%	28%	4%	10%	6%	4%	2%	2,283
Maungaru	30%	32%	4%	11%	8%	4%	1%	1,293
Dargaville	36%	28%	3%	10%	6%	3%	1%	3,447
Maungaturoto	31%	36%	3%	10%	4%	4%	1%	621
Ruawai	46%	25%	4%	7%	4%	4%	1%	336
Kaiwaka	35%	31%	4%	12%	4%	2%	3%	378
Rehia-Oneriri	29%	31%	4%	11%	8%	5%	2%	3,852
Mangawhai	26%	31%	5%	13%	10%	4%	2%	633
Mangawhai Heads	23%	31%	4%	14%	10%	5%	3%	720
Kaipara District	32%	30%	4%	11%	7%	4%	1%	13,911

Source: Census 2006

Drownings

There were 81 drownings in New Zealand during 2013. 11 of these were in Northland making it the second worst region trailing Auckland on 16 and ahead of Waikato on nine. Northland drownings were up five on the six who drowned in 2012. In Northland, land-based fishing accounted for five of the eight who drowned nationally from this activity. Northland had three swimming related deaths contributing to 16 nationally. Of the 11 drowned in Northland 10 were male. This compares to 62 of the 81 drowned nationally being male. Nationally the greatest number of drownings were at beaches (19), rivers (18) and tidal water (13) compared to just six in swimming pools (source: Dargaville and District News 15/01/2014).

The high occurrence of drowning in Northland is likely due to the high accessibility of the coast, warm climate and popularity of swimming and fishing with both locals and holiday makers.

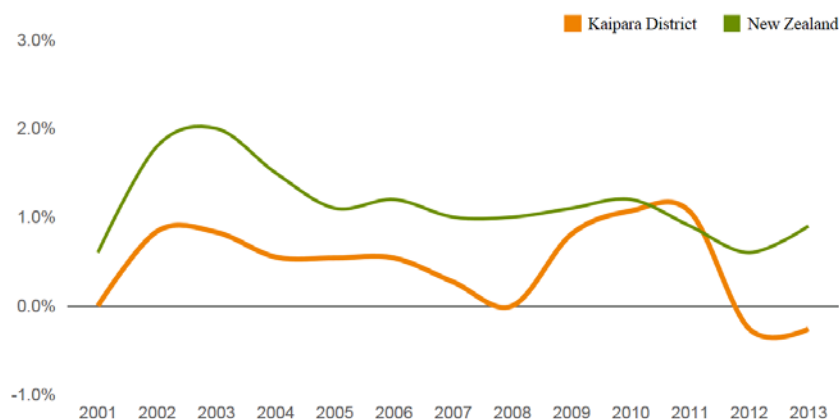
Population growth and demographic trends

Net migration to New Zealand continues to climb rapidly, with the annual net inflow lifting to 15,174 people in the year to September 2013. More than three-quarters of the turnaround in net migration over the last year has been caused by changing flows of people going to and coming from Australia. Adding to this trend has been an increase in annual arrivals from Asia, while arrivals from France, Germany, and the US are at record high levels. There are upside risks to Infometrics' forecast migration of 22,000 pa in the first half of 2014, especially if the Australian labour market continues to soften (source: Infometrics Quarterly Economic Monitor September 2013).

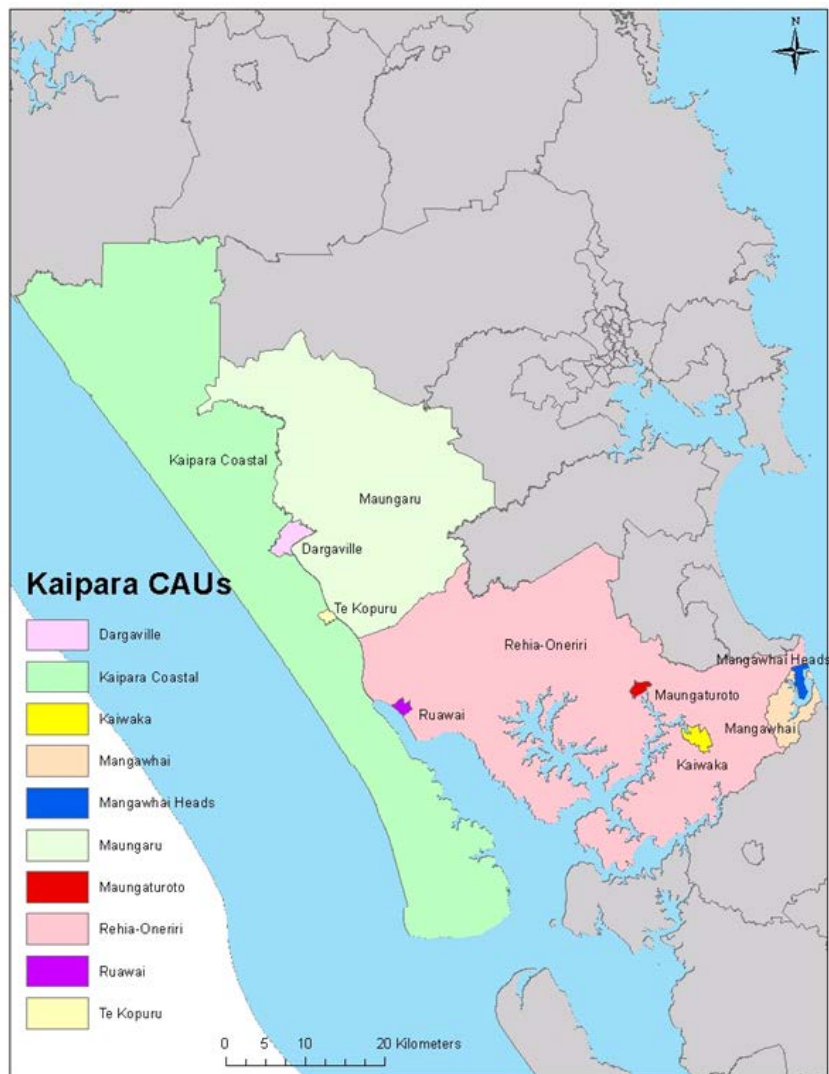
Population growth is an indicator of a district's attractiveness as a place to live and work. A strong local economy with plentiful job opportunities will help a district retain its population and attract new residents from other districts and abroad.

The Infometrics "2013 Annual Economic Profile: Kaipara" shows how the population growth rate in Kaipara has fluctuated since 2000. Over this period, growth in Kaipara reached a high of 1.1% in 2010 and 2011 and a low of -0.3% pa in 2012 and 2013.

Population growth: 2000 - 2013

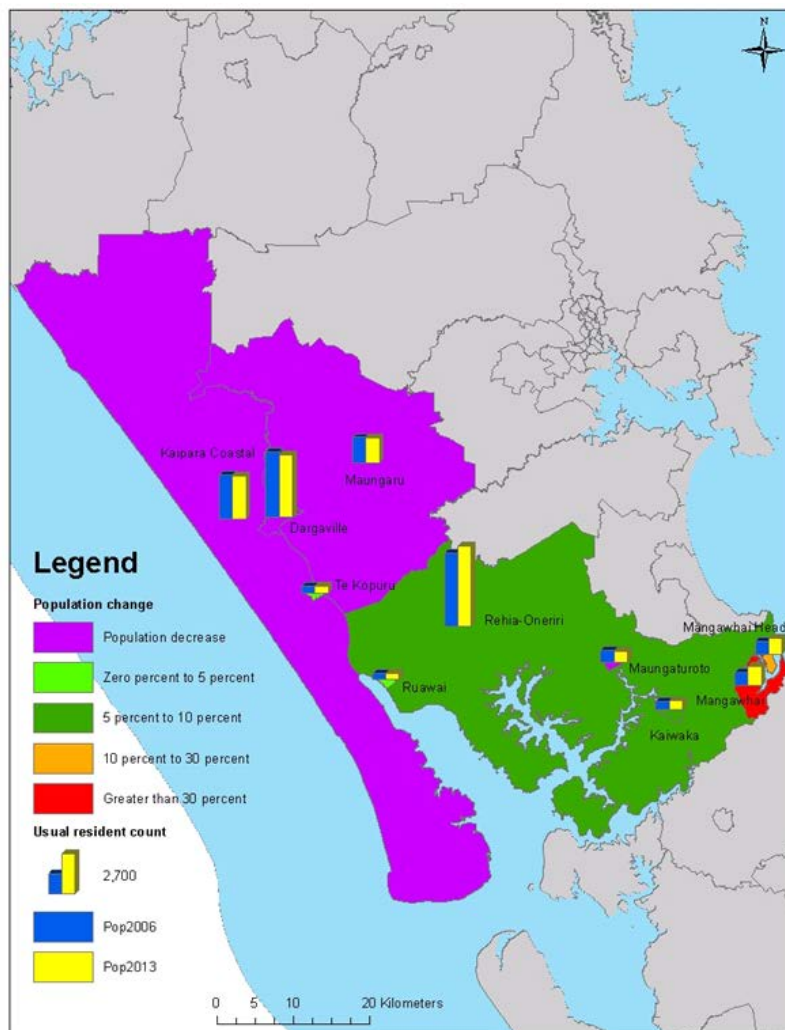


Most of the population information presented below is based on Census data. Accordingly, the communities referred to are based on Census Area Units (CAUs). The CAU names and boundaries are shown in the map below. A key feature of Kaipara's CAUs is that several (i.e. Kaipara Coastal, Maungaru and Rehia-Oneriri) cover hundreds of square kilometres, whereas others (e.g. Te Kopuru, Ruawai and Maungaturoto) cover fewer than 10 square kilometres.



The 2013 census shows that Kaipara's usually resident population has increased by 4.6% since 2006. The usually resident population is now 18,963. This increase has however not been uniform across the District with most growth occurring in southern areas while the north suffered population decline. A breakdown of population changes across the District is given in the following table and is mapped in the figure below. Note that these numbers have yet to be adjusted to take into account the number of residents who did not fill in their census or were outside the District on census night. The adjusted figures are anticipated to be released by the end of February 2014.

Area	Census usually resident population count			
	2001	2006	2013	% change 06-13
504400 Te Kopuru	480	453	465	2%
504501 Kaipara Coastal	3,048	2,985	2,955	-1%
504502 Maungaru	1,662	1,725	1,692	-1.6%
504600 Dargaville	4,530	4,455	4,251	-4.6%
504700 Maungaturoto	750	837	756	-9.70%
504800 Ruawai	453	426	432	2.1%
504900 Kaiwaka	534	537	576	7.3%
505010 Rehia-Oneriri	4,599	4,947	5,415	9.5%
505021 Mangawhai	681	918	1,329	44.80%
505022 Mangawhai Heads	720	855	1,086	27%
Total Kaipara District	17,457	18,135	18,960	4.6%



The above table and figure shows that while the population of the District as a whole is growing, this growth is not spread equally across the District. Mangawhai, for example, grew by 44.8% while Dargaville's population declined by 4.6%. It is difficult to say if the population decline in Maungaturoto reflects an actual exodus from this area or if the data is simply misleading. This is because the Statistics New Zealand area unit "504700 Maungaturoto" only includes part of the Maungaturoto Township and does not include the adjacent Station Village or surrounding countryside. It could be therefore, that the population decline in this part of the township has been matched by an increase in the surrounding countryside. The area has certainly noted an increase in lifestyle blocks over recent years.

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. This has contributed to population decline in the District. At the same time, roading improvements and the popularity of coastal living have resulted in growth in holiday destinations such as Mangawhai.

Net migration gains to Southern Kaipara may increase further as roading improvements between Wellsford and Auckland improve its accessibility to those who wish to live rurally but still enjoy the services of the big city. Rising Auckland real-estate prices are also expected to force more people to settle beyond the metropolis. The increasing popularity of lifestyle blocks and small holdings also allows for the increase of Kaipara's rural population.

The 2013 census shows that the total number of dwellings in the District has increased by 21.8% since 2006. The number of occupied dwellings has increase 16.4%, and the number of unoccupied dwellings has increased 39.2%. As with population growth, dwelling growth was not spread equally across the District with total dwellings in the Mangawhai area (including Mangawhai Heads and Mangawhai Village) growing 57% since 2006 while Ruawai saw an increase of just 2.2%. The following table compares changes in the number of dwellings across the District.

Area	Occupied dwellings			Unoccupied dwellings			Total dwellings		
	2006	2013	% change 06-13	2006	2013	% change 06-13	2006	2013	% change 06-13
504400 Te Kopuru	186	192	3.2%	24	27	12.5%	209	219	4.5%
504501 Kaipara Coastal	1,133	1,224	7.4%	407	483	15.8%	1,540	1,707	10.8%
504502 Maungaru	638	666	4.2%	69	72	4.3%	707	738	4.4%
504600 Dargaville	1,747	1,818	3.9%	129	174	26.1%	1,876	1,992	6.2%
504700 Maungaturoto	288	285	-1%	22	39	44.4%	310	324	4.7%
504800 Ruawai	177	186	5.1%	32	27	-18.2%	208	213	2.2%
504900 Kaiwaka	186	213	12.7%	6	33	83.3%	191	246	28.5%
505010 Rehia-Oneriri	1,792	2,202	18.6%	542	786	31%	2,335	2,988	28.0%
505021 Mangawhai	302	582	48.1%	105	315	66.7%	407	897	120.4%
505022 Mangawhai Heads	372	570	34.8%	772	975	20.8%	1,144	1,545	35.1%
Mangawhai Area (505021 + 505022)	674	1,152	71.0%	877	1,290	47.1%	1,551	2,442	57.5%
Total Kaipara District	6,821	7,938	16.4%	2,106	2,931	39.2%	8,927	10,869	21.8%

An increasing number of unoccupied dwellings usually means one of two things; either an area is becoming a 'ghost town' as people leave and are not replaced by new comers, or that an area is growing as a holiday destination with increasing numbers of holiday homes which are only occupied for part of the year.

In the case of the Mangawhai Area, the 47.1% increase in unoccupied dwellings is a likely reflection of new holiday homes being established. By contrast, the 26.1% increase in unoccupied dwellings in Dargaville coupled with an increase in occupied dwellings of just 3.9%

suggests people are leaving the area and not being replaced by new comers. This is consistent with the 4.6% population decrease experiences in the town.

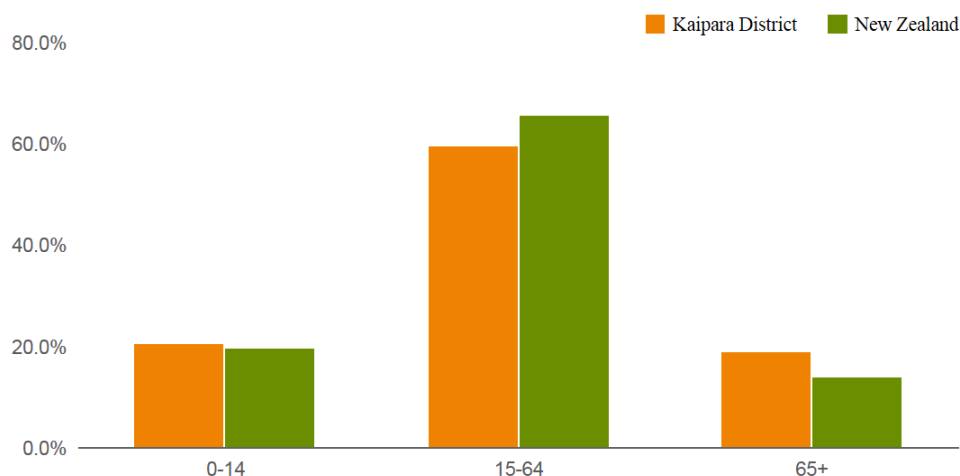
Interestingly, the percentage increase in occupied dwellings in the Mangawhai Area (71%) is larger than the percentage increase in unoccupied dwellings for this area (47.1%), indicating that the percentage of permanent residences to holiday homes is increasing.

It is also interesting to note that Ruawai was the only part of the District to experience a reduction in the number of unoccupied dwellings. This was coupled with an increase in the number of occupied dwellings (5.1%), total dwellings (2.2%) and population growth of 2.1%.

Age structure of Kaipara's population

In 2013, 59.9% of Kaipara's population was of working age (15-64). This was significantly lower than the proportion of the national population (65.7%). Kaipara had a higher proportion (20.8%) of children (0-14) than the country as a whole (20%) and a significantly higher proportion (19.4%) of people 65 years and older compared with the national level (14.3%). Overall the dependency ratio in Kaipara (67.1%) was higher than in the national economy (51.8%). 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). This means that Kaipara has more dependants to less workers than is typical of the country as a whole.

Age composition of Kaipara's population 2013



Source: Infometrics 2013 Annual Economic Profile: Kaipara

Age composition of Kaipara's population year to June 2013

	Kaipara District		New Zealand	
	Number	% of total	Number	% of total
0-4	1,298	6.8%	307,625	6.9%
5-9	1,308	6.9%	297,985	6.7%
10-14	1,358	7.1%	285,464	6.4%
15-19	1,138	6.0%	305,945	6.8%
20-24	929	4.9%	333,835	7.5%
25-29	859	4.5%	305,325	6.8%
30-34	799	4.2%	286,294	6.4%
35-39	939	4.9%	273,564	6.1%
40-44	1,118	5.9%	310,575	6.9%
45-49	1,288	6.8%	308,635	6.9%
50-54	1,488	7.8%	311,725	7.0%
55-59	1,448	7.6%	270,044	6.0%
60-64	1,398	7.3%	238,734	5.3%
65-69	1,268	6.7%	205,033	4.6%
70-74	988	5.2%	155,442	3.5%
75-79	609	3.2%	111,762	2.5%
80-84	449	2.4%	84,411	1.9%
85+	369	1.9%	78,701	1.8%
Total population	19,050		4,471,100	
Dependency ratio*	67.1%		51.8%	

Ethnicity of Kaipara's Population

The table below shows the ethnic make-up of Kaipara's population in the different communities as at 2006. Four of the Census Area Units (CAU) (Te Kopuru, Ruawai, Dargaville and Kaiwaka) have relatively large Maori populations, while the opposite is true for Mangawhai and Mangawhai Heads.

CAU	European	Māori	Pacific	Other	Total
Te Kopuru	63.7%	39.3%	4.4%	12.6%	453
Kaipara Coastal	74.3%	22.2%	2.2%	13.3%	2,982
Maungaru	82.9%	15.1%	0.9%	11.6%	1,725
Dargaville	69.9%	31.0%	5.0%	10.0%	4,455
Maungaturoto	78.4%	24.9%	1.8%	8.8%	837
Ruawai	74.8%	36.0%	5.0%	5.0%	426
Kaiwaka	73.4%	30.6%	2.3%	8.7%	537
Rehia-Oneriri	80.1%	17.4%	1.5%	12.6%	5,055
Mangawhai	87.5%	7.8%	1.6%	12.5%	810
Mangawhai Heads	86.8%	9.9%	0.7%	11.0%	852
Kaipara District	76.8%	22.3%	2.6%	11.4%	18,132

Source: Census 2006

3.3 Economic

The New Zealand economy has been defying already optimistic expectations, with net migration rising, manufacturing and service activity expanding rapidly, and favourable movements in export and imported capital goods prices. Although Chinese growth rates are moderating, China's increased focus on promoting consumption should ensure that demand for our primary

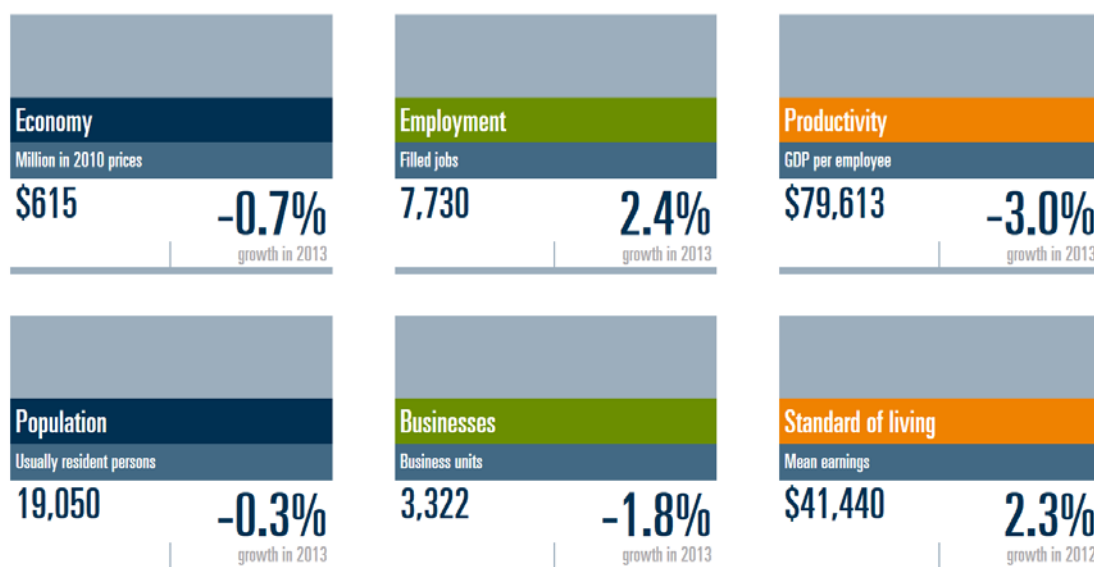
exports remains strong. With all the pieces of the economic recovery falling into place, a rapid lift in activity in New Zealand over the next year looks assured. This strong economic performance will be accompanied by good employment growth, and rising wages, inflation, and interest rates. Rising mortgage rates and the Reserve Bank's new loan-to-value restrictions will limit house price growth during 2014, even with the strengthening economy and persistent housing shortages in Auckland and Canterbury (source: Infometrics Quarterly Economic Monitor September 2013).

Kaipara's level of GDP was \$615 million (2010 prices) during 2013, a decrease of 0.7% from \$620 million dollars in 2012. By comparison GDP in the national economy increased by 2.6% and GDP in Northland increased 1.2%.

This decline in economic activity can be attributed to Kaipara's economic dependence on agriculture and the effect the drought and continuing dry conditions have had on this industry over the past year. That Kaipara's economy saw only minor decline in the face of the drought shows underlying strength in the economy which appears to have mainly been driven by the construction industry.

An end to the persisting dry conditions would likely cause significant growth to Kaipara's economy.

Kaipara Economic Indicators



Growth in economic activity in Kaipara slowed over the first half of 2013, as the drought lowered underlying milk production. However, with pastoral conditions having entered the spring in good condition and Fonterra's forecasted milk pay-out at a record level, economic activity has since recovered a little. This brightening outlook, coupled with elevated forestry activity, is helping boost employment prospects in the region and beginning to buoy confidence to spend and invest (source: Infometrics Quarterly Economic Monitor September 2013). Despite the persisting dry conditions, Kaipara households are nonetheless showing more confidence to invest in larger items, with car registration climbing 9.5% over the year to September 2013 and house sales increasing by 38%. A 157.5% spike in non-residential building consents was created by \$9

million worth of shops, restaurants and taverns consents in the September quarter. However, it is clear that business confidence to invest is on the up, with commercial vehicle registrations rising 21% over the year to September (source: Infometrics Quarterly Economic Monitor September 2013).

Household Incomes

The Regional Economic Activity Report shows that Northland's average annual household incomes are still the lowest of any region in New Zealand. Analysis of median household incomes in private occupied dwellings in the Kaipara District shows that incomes tend to be higher in rural areas than in urban areas. Maungaturoto had the highest median household income while Te Kopuru had the lowest, as is shown in the table below (Note that household income statistics from the 2013 census are not expected to be released until September 2014).

Town/Area	2006 Median Household Income in Private Occupied Dwellings (2006 census)	2012 Median Household Income adjusted from 2006 assuming an increase of 18.7076%
Maungaturoto	\$ 45,300.00	\$ 53,774.54
Maungaru	\$ 44,100.00	\$ 52,350.05
Rehia-Oneriri	\$ 40,100.00	\$ 47,601.75
Kaipara Coastal	\$ 39,700.00	\$ 46,568.10
Kaipara District	\$ 37,700.00	\$ 44,752.77
Kaiwaka	\$ 36,400.00	\$ 43,209.57
Mangawhai Heads	\$ 35,200.00	\$ 41,785.08
Mangawhai	\$ 34,500.00	\$ 40,954.12
Ruawai	\$ 32,800.00	\$ 38,936.09
Dargaville	\$ 32,300.00	\$ 38,342.55
Te Kopuru	\$ 24,900.00	\$ 29,558.19

This analysis also shows that Kaipara median household incomes are lower than most of our neighbours and peers, as is shown in the table below.

Town/Area	2006 Median Household Income in Private Occupied Dwellings (2006 census)	2012 Median Household Income adjusted from 2006 assuming an increase of 18.7076%
New Zealand	\$ 59,000.00	\$ 70,037.48
Rodney District	\$ 56,800.00	\$ 67,425.92
Otorohanga District	\$ 47,400.00	\$ 56,267.40
South Taranaki District	\$ 45,400.00	\$ 53,893.25
Whangarei District	\$ 43,900.00	\$ 52,112.64
Rangitikei District	\$ 40,500.00	\$ 48,076.58
Northland Region	\$ 40,200.00	\$ 47,720.46
Kaipara District	\$ 37,700.00	\$ 44,752.77
Far North District	\$ 37,000.00	\$ 43,921.81
Thames-Coromandel District	\$ 36,100.00	\$ 42,853.44

This is likely a reflection of the District'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.

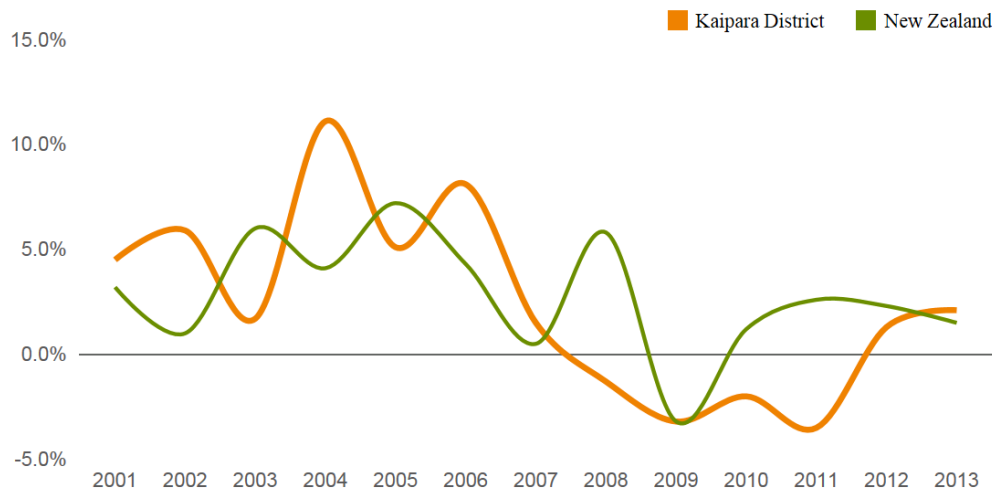
Tourism

Total guest nights in Kaipara increased by 18.6% during the year to September 2013 compared with the previous 12 months. The increase in Kaipara was higher than in the Northland Region (0.2%) and higher than in the country as a whole (3.4%). Visitors stayed 10,800 guest nights in Kaipara during the September 2013 quarter. This accounted for 5.1% of total guest nights in the Northland region and 0.2% of the national total (source: Infometrics Quarterly Economic Monitor September 2013). Guest nights in Kaipara may continue to increase in the face of both increased international and domestic travellers. Statistics New Zealand reported in December 2013 that arrivals to New Zealand 'soared' to a new November record, up by 15,200 arrivals in 2012 to reach 251,100 for the month. The November year ended growth rate for international arrivals is now running at 8%.

There is now consistent strong growth out of Australia the United States and Germany, whose visitors take longer holidays and have the time and interest in visiting Northland (source Press Release: Whangarei District Council 20 December 2013).

Tourism GDP has grown rapidly in New Zealand since 2000. Not only has the number of overseas tourist arrivals increased substantially, but the level of domestic tourism has also expanded rapidly as spending on leisure by New Zealand residents increased. The following table and figure show how tourism GDP has grown over time.

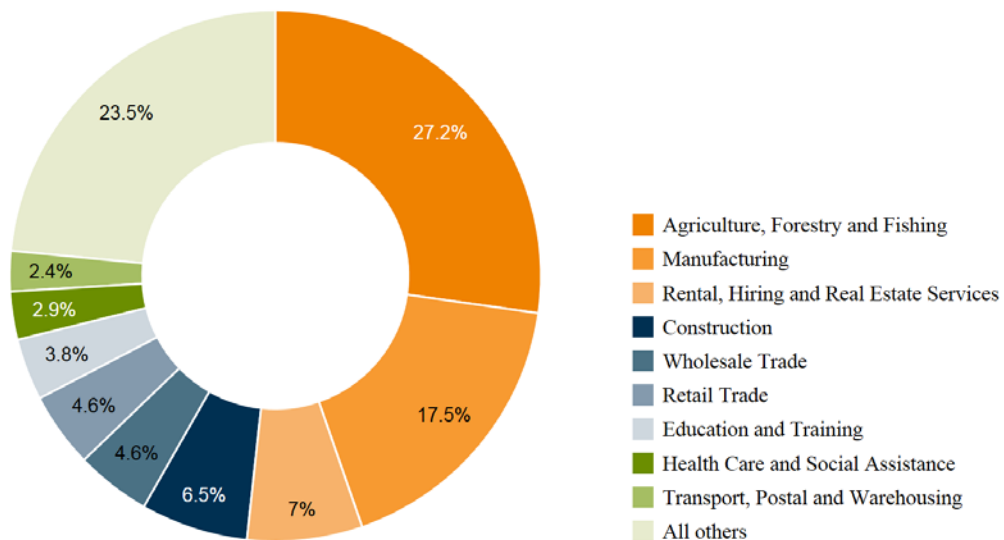
Year	Kaipara District			New Zealand	
	Level	Change		Level	Change
2000	7			3,808	
2001	8	4.5%		3,930	3.2%
2002	8	5.9%		3,968	1.0%
2003	8	1.7%		4,204	6.0%
2004	9	11.1%		4,377	4.1%
2005	10	5.1%		4,691	7.2%
2006	10	8.1%		4,892	4.3%
2007	11	1.5%		4,915	0.5%
2008	10	-1.3%		5,202	5.8%
2009	10	-3.2%		5,034	-3.2%
2010	10	-2.0%		5,095	1.2%
2011	10	-3.5%		5,230	2.6%
2012	10	1.3%		5,349	2.3%
2013	10	2.1%		5,431	1.5%



Kaipara's Economy by Industry Groups

The Primary sector was the largest contributor to GDP and employment in the Kaipara District in 2013. More specifically, it generated \$167.3 million in GDP (27.3% of Kaipara's total). It is expected this contribution to GDP would have been much higher had it not been for the persistence of the drought and ongoing dry weather. The primary sector also provided 2,220 jobs (29% of Kaipara's employment) and contained the largest number of business units in the District with 1,377 business units, or 41.5% of the total (source: Infometrics 2013 Annual Economic Profile: Kaipara). The second largest industry in Kaipara was manufacturing (17.5%).

Proportion of Kaipara GDP Growth by Industry, 2013



Breaking this down further; dairy cattle farming was the largest contributor to GDP in Kaipara in 2013, despite the drought, accounting for 14.7% of total GDP. The second greatest contributing industry was property operating and real-estate services (6.4%) followed by Meat & Meat Product Manufacturing (5.9%), and Sheep, Beef Cattle & Grain Farming (5.9%). The following table shows how the different, industry groups contributed to overall GDP in the Kaipara District in 2013.

GDP by Industry 2013

Industry	GDP Level (\$M)		Share of total	
	Kaipara District	New Zealand	Kaipara District	New Zealand
Dairy Cattle Farming	90	4,368.80	14.70%	2.20%
Property Operators & Real Estate Services	39	10,392.80	6.40%	5.20%
Meat & Meat Product Manufacturing	36.1	2,749.60	5.90%	1.40%
Sheep, Beef Cattle & Grain Farming	36.2	2,752.10	5.90%	1.40%
Wholesale Trade	28	10,539.60	4.60%	5.20%
Education & Training	23	8,876.10	3.80%	4.40%
Construction Services	19.1	6,167.00	3.10%	3.10%
Health Care & Social Assistance	17.8	11,959.90	2.90%	5.90%
Horticulture & Fruit Growing	17.5	1,200.30	2.90%	0.60%
Wood Product Manufacturing	15.2	1,352.60	2.50%	0.70%
Dairy Product Manufacturing	13.7	865.3	2.20%	0.40%
Professional, Scientific & Tech Services	13.1	15,180.70	2.10%	7.50%
Other Store & Non Store Retailing	12	5,163.40	2.00%	2.60%
Building Construction	11.3	2,615.10	1.80%	1.30%
Forestry & Logging	11.1	1,333.10	1.80%	0.70%
Road Transport	10.3	2,855.90	1.70%	1.40%
Agric Support Services & Hunting	10.5	1,168.30	1.70%	0.60%
Heavy & Civil Engineering Construction	9.3	3,416.60	1.50%	1.70%
Supermarket & Specialised Food Retailing	8.7	2,557.10	1.40%	1.30%
Accommodation & Food Services	7.7	4,224.20	1.30%	2.10%
Furniture & Other Manufacturing	8.1	547.4	1.30%	0.30%
Mining	8.2	3,640.40	1.30%	1.80%
Motor Vehicle, Parts & Fuel Retailing	6.8	1,277.80	1.10%	0.60%
Central Gov Admin, Defence & Safety	6.4	7,571.80	1.00%	3.80%
Finance	6.2	7,713.60	1.00%	3.80%
Fruit, Cereal & Other Food Product Manu	6	2,200.50	1.00%	1.10%
Other Services	5.1	3,881.00	0.80%	1.90%
Machinery & Other Equipment Manu	5.2	2,837.50	0.80%	1.40%
Non-Metallic Mineral Product Manu	5	922	0.80%	0.50%
Textile, Leather, Clothing, Footwear Manu	4.9	730.6	0.80%	0.40%
Beverage & Tobacco Product Manu	5.1	1,810.00	0.80%	0.90%
Administrative & Support Services	4.5	4,368.20	0.70%	2.20%
Rental & Hiring Services	4.4	2,620.50	0.70%	1.30%
Postal, Courier & Warehousing Services	4.2	3,788.20	0.70%	1.90%
Local Government Administration	3.9	1,021.00	0.60%	0.50%
Fabricated Metal Product Manufacturing	3.8	1,904.90	0.60%	0.90%
Polymer Product & Rubber Product Manu	3.5	1,228.50	0.60%	0.60%
Arts & Recreation Services	3.1	2,505.80	0.50%	1.20%
Information Media Services	1.6	1,794.80	0.30%	0.90%
Water, Sewerage & Waste Services	1.8	1,065.10	0.30%	0.50%
Auxiliary Finance & Insurance Services	1.3	1,836.30	0.20%	0.90%
Telecomms, Internet & Library Services	1.5	4,793.70	0.20%	2.40%
Poultry, Deer & Other Livestock Farming	1.3	325.8	0.20%	0.20%
Rail, Water, Air & Other Transport	0.7	1,946.60	0.10%	1.00%
Printing	0.6	590.1	0.10%	0.30%
Fishing & Aquaculture	0.8	177.1	0.10%	0.10%
Insurance & Superannuation Funds	0	1,897.60	0.00%	0.90%
Electricity & Gas Supply	0	5,206.20	0.00%	2.60%
Transport Equipment Manufacturing	0	1,223.50	0.00%	0.60%
Primary Metal & Metal Product Manu	0	1,265.60	0.00%	0.60%
Basic Chemical & Chemical Product Manu	0	3,057.10	0.00%	1.50%
Petroleum & Coal Product Manufacturing	0	1,054.70	0.00%	0.50%
Pulp & Paper Product Manufacturing	0	765.4	0.00%	0.40%
Seafood Processing	0	310.5	0.00%	0.20%
Owner-Occupied Property Operation	38.9	11,130.80	6.40%	5.50%
Unallocated	40.8	12,506.50	6.70%	6.20%
Total	613.1	201,255.50	100%	100%

Source: Infometrics 2013

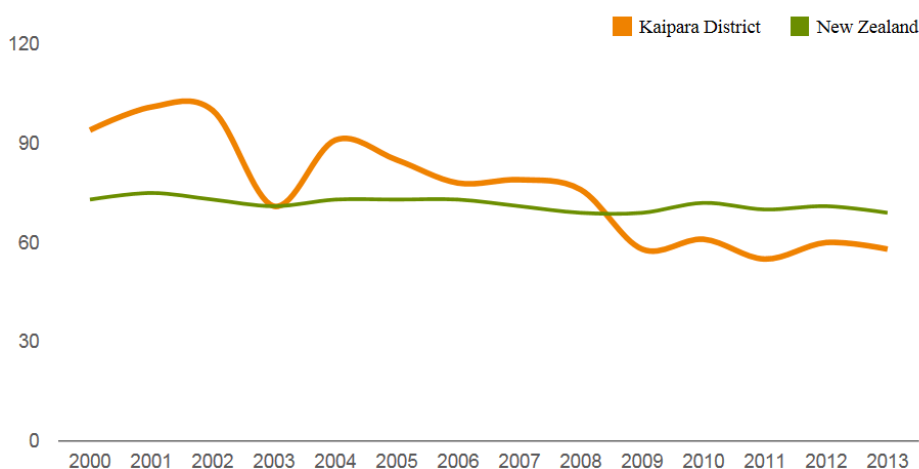
Annual Economic Profile:

Kaipara

According to the Infometrics “2013 Annual Economic Profile: Kaipara” the industries which are most over-represented in Kaipara compared to the national economy are dairy farming, dairy product manufacturing, furniture and other manufacturing, horticulture and fruit growing, meat and meat product manufacturing, sheep, beef cattle and grain farming, and wood product manufacturing.

According to Infometrics, Kaipara’s economy has very little diversity. Kaipara had a Herfindahl–Hirschman Index (HHI) (a diversity rating where a score of 0= total diverse) of 58 in 2013, compared to 69 in the national economy. Since 2000 Kaipara’s HHI has decreased from 94 indicating a more diverse industrial structure. During the same period the national economy has become slightly more diversified with the HHI decreasing from 73 to 69.

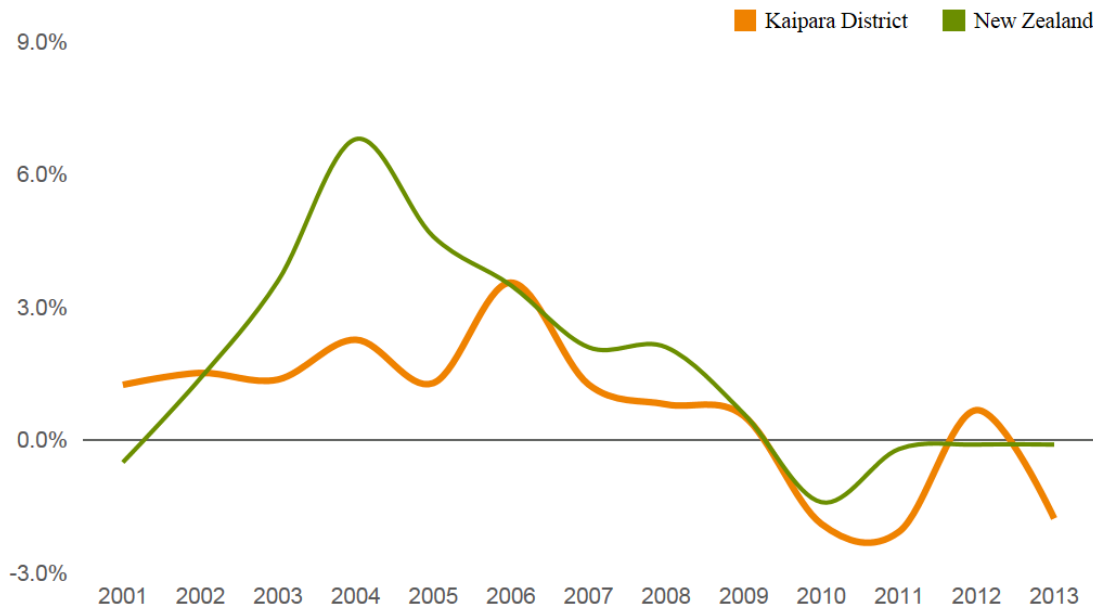
HHI Index in Kaipara District and New Zealand, 2000 - 2013



From an analysis of the literature 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 with GDP growth far exceeding that in other districts. Conversely, drought years have the opposite effect.

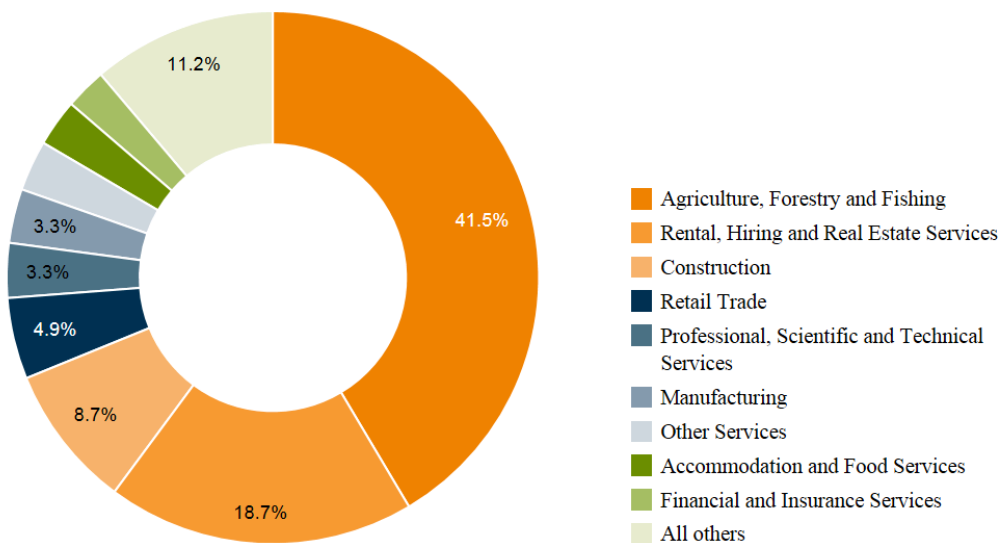
Business Units

There were a total of 3,322 business units in Kaipara in 2013. This equated to a 1.8% decrease on the previous year (compared to a 0.1% decrease in the national economy). The figure below shows that business units in both Kaipara and the national economy have decreased over the past seven years.



The following figure shows how business units were spread across different industries in Kaipara in 2013. The majority, 41.5% were in the primary sector, a further 18.7% were in rental, hiring and real-estate services, and 8.7% were in construction.

Industries: Share of business units



Over the past 10 years, the biggest contributing industries to growth in business units have been rental, hiring and real-estate services, and construction, as is shown in the table below.

Biggest contributors to growth in business units last 10 years

Rental, Hiring and Real Estate Services	176
Construction	110
Financial and Insurance Services	61
Professional, Scientific and Technical Services	60
Administrative and Support Services	22
All other industries	-282
Total increase in employment	147

Obstacles to Industry

The Regional Economic Activity Report identifies broadband upgrades as being vital to expanding business in Northland. Improved Broadband will not only assist the efficiency of local businesses but also allow larger companies currently based in Auckland to move outside the metropolis.

A lack of transport infrastructure (road and rail) to service heavy industry and provide fast business links also 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 Northland 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.

Employment

Signs of stabilisation to Kaipara's labour market emerged in the June quarter and continued throughout the September quarter. Infometrics' estimates suggest that Kaipara's unemployment rate during the September 2013 quarter was approximately 6.8%, compared with a level of just over 7% a year earlier.

Total employment in Kaipara averaged 7,730 in 2013, an increase of 2.4%. The primary sector (agriculture, forestry and fishing) was the largest employer in Kaipara in 2013, accounting for 28.7% of total employment (dairy farming alone accounted for 13.2%, beef farming 4%, vegetable growing 3.3% and logging 1.2%). The second largest employer was manufacturing at 11.1% of total employment followed by construction at 9.2%.

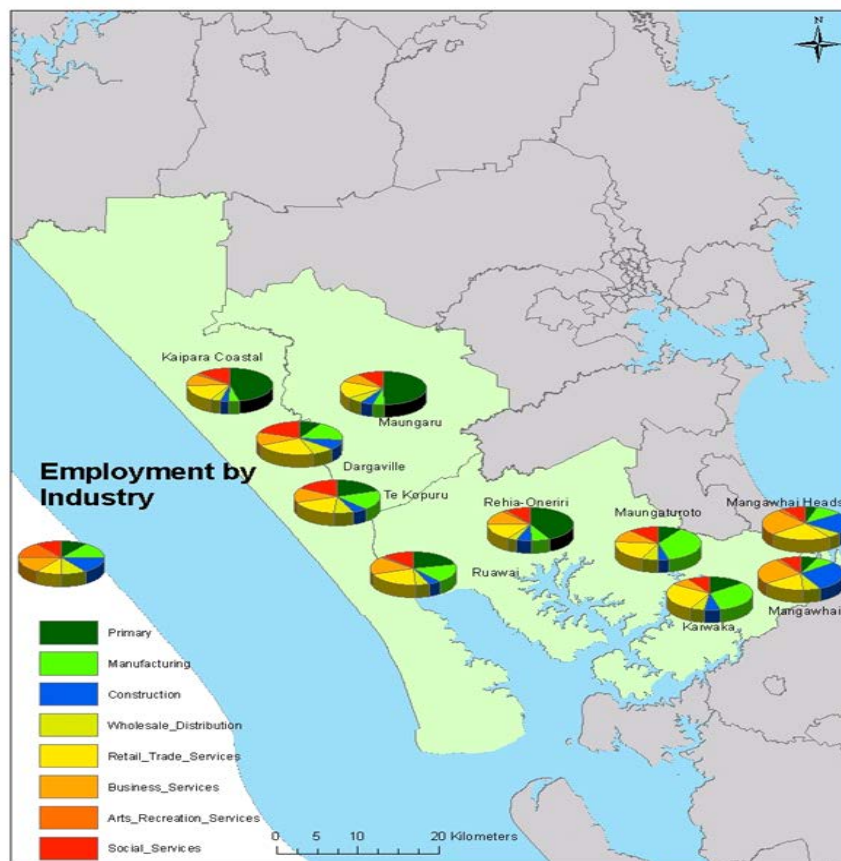
The following table shows that more than half of commercial ratepayers (business owners) in Kaipara live in Dargaville. This suggests that many of the District's businesses and therefore jobs are based in Dargaville. The table also indicates that only 23% of commercial rates bills are sent to addresses outside the District, compared to 34% in the case of residential rates bills (see section 3.4 Customer Expectations) suggesting that most employers live locally. In the cases of Mangawhai Heads and Mangawhai, where more than half of residential rates bills are

sent to Auckland, fractionally more than one-fifth of commercial rates bills are sent to Auckland addresses.

CAU	Kaipara District	Auckland	Northland	Rest of North Island	South Island	Overseas	Total ratepayers
Te Kopuru	80%	10%	0%	0%	10%	0%	10
Kaipara Coastal	95%	5%	0%	0%	0%	0%	19
Maungaru	25%	25%	25%	0%	0%	25%	4
Dargaville	76%	9%	10%	4%	2%	0%	221
Maungaturoto	72%	17%	5%	3%	0%	2%	58
Ruawai	93%	4%	4%	0%	0%	0%	28
Kaiwaka	64%	20%	4%	8%	4%	0%	25
Rehia-Oneriri	92%	8%	0%	0%	0%	0%	25
Mangawhai	76%	21%	2%	0%	0%	0%	12
Mangawhai Heads	76%	21%	2%	0%	0%	0%	30
Kaipara District	77%	11%	6%	3%	1%	1%	432

Source: Kaipara District Council

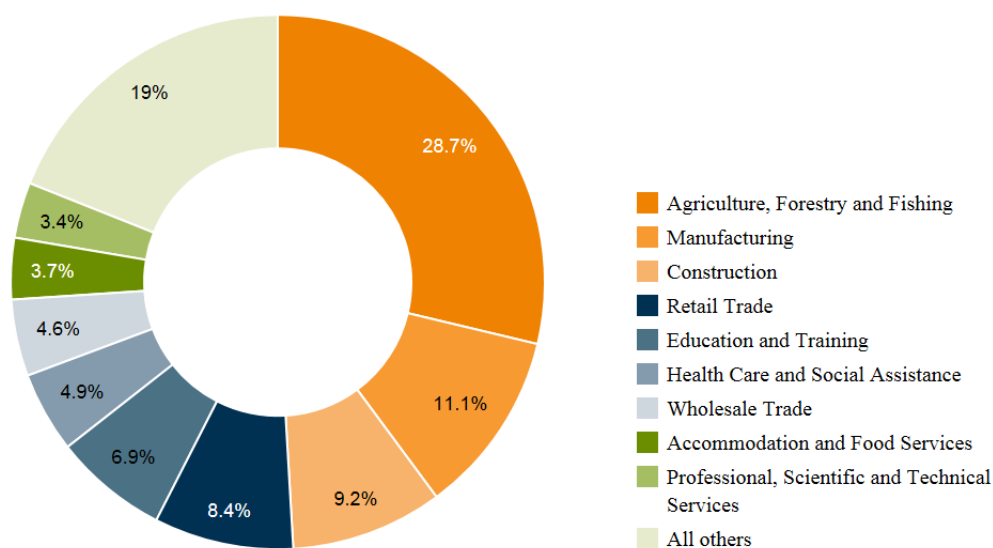
The following figure shows how employment in different industries varied across the District (note: based on 2006 census data).



This figure indicates that the composition of employment varies considerably across the District. From it we see that employment in the construction industry is relatively important in Mangawhai and Mangawhai Heads. Manufacturing is relatively important in the small townships of Kaiwaka, Maungaturoto and Te Kopuru. Primary industry employment is relatively important in Rehia-Oneriri, Maungaru and Kaipara Coastal.

The following figure shows how people in Kaipara were employed in 2013 across the various industry groupings compared to New Zealand as a whole.

Industries: Proportion of filled jobs



Source: Infometrics 2013 Annual Economic Profile: Kaipara

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

Rank	Industry	Kaipara District		New Zealand
		Jobs	% of total	% of total
1	Dairy Cattle Farming	1,017	13.20%	1.70%
2	Beef Cattle Farming (Specialised)	311	4.00%	0.40%
3	Vegetable Growing (Outdoors)	253	3.30%	0.20%
4	Meat Processing	245	3.20%	0.90%
5	Primary Education	244	3.20%	2.20%
6	House Construction	200	2.60%	1.40%
7	Other Agriculture and Fishing Support Services	171	2.20%	0.80%
8	Supermarket and Grocery Stores	168	2.20%	2.50%
9	Secondary Education	153	2.00%	1.60%
10	Cafes and Restaurants	151	2.00%	2.50%
11	Sheep-Beef Cattle Farming	142	1.80%	0.60%
12	Non-Residential Property Operators	123	1.60%	0.60%
13	Cheese and Other Dairy Product Manufacturing	114	1.50%	0.40%
14	Fruit and Vegetable Wholesaling	114	1.50%	0.10%
15	Not Stated	98	1.30%	0.80%
16	Logging	94	1.20%	0.20%
17	Road Freight Transport	92	1.20%	1.30%
18	Aged Care Residential Services	91	1.20%	1.40%
19	Log Sawmilling	87	1.10%	0.20%
20	Urban Bus Transport (Including Tramway)	86	1.10%	0.30%
21	Site Preparation Services	84	1.10%	0.40%
22	Local Government Administration	84	1.10%	0.90%
23	Real Estate Services	76	1.00%	0.90%
24	Hardware and Building Supplies Retailing	73	0.90%	0.70%
25	General Practice Medical Services	73	0.90%	0.70%
26	Electrical Services	71	0.90%	0.80%
27	Wooden Furniture and Upholstered Seat Manufacturing	71	0.90%	0.20%
28	Hospitals (except Psychiatric Hospitals)	70	0.90%	2.90%
29	Labour Supply Services	68	0.90%	1.20%
30	Plumbing Services	66	0.90%	0.50%
31	Road and Bridge Construction	64	0.80%	0.60%
32	Other Automotive Repair and Maintenance	63	0.80%	0.70%
33	Accounting Services	60	0.80%	1.00%
34	Management Advice and Other Consulting Services	59	0.80%	1.50%
35	Preschool Education	55	0.70%	1.10%
36	Accommodation	54	0.70%	1.30%
37	Fuel Retailing	52	0.70%	0.40%
38	Other Agricultural Product Wholesaling	50	0.60%	0.20%
39	Other Residential Care Services	48	0.60%	0.70%
40	Shearing Services	45	0.60%	0.20%
41	Combined Primary and Secondary Education	42	0.50%	0.20%
42	Postal Services	42	0.50%	0.40%
43	Hairdressing and Beauty Services	41	0.50%	0.60%
44	Department Stores	37	0.50%	0.70%
45	Gardening Services	35	0.40%	0.30%
46	Painting and Decorating Services	34	0.40%	0.50%
47	Car Retailing	33	0.40%	0.50%
48	Other Heavy and Civil Engineering Construction	33	0.40%	0.80%
49	Veterinary Services	33	0.40%	0.20%
50	Wooden Structural Fittings and Components Manufacturing	33	0.40%	0.30%
	All other industries total	2,133	27.60%	58.70%
	Total	7,730	100%	100%

Source: Infometrics 2013 Annual Economic Profile: Kaipara

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

Rank	Industry	Jobs		Change 2012 - 2013	% of total 2013
		2012	2013		
1	Meat Processing	212	245	32	3.20%
2	Shearing Services	18	45	27	0.60%
3	Dairy Cattle Farming	999	1,017	18	13.20%
4	General Practice Medical Services	57	73	16	0.90%
5	Primary Education	229	244	15	3.20%
6	Labour Supply Services	55	68	13	0.90%
7	Trailer and Other Motor Vehicle Wholesaling	0	11	11	0.10%
8	Secondary Education	141	153	11	2.00%
9	Liquor Retailing	20	30	10	0.40%
10	Urban Bus Transport (Including Tramway)	77	86	9	1.10%
11	Wooden Structural Fittings and Components Manufacturing	24	33	9	0.40%
12	Other Personal Services n.e.c.	8	16	8	0.20%
13	Other Interest Group Services n.e.c.	11	19	7	0.20%
14	Furniture and Floor Coverings Wholesaling	13	20	7	0.30%
15	Other Goods Wholesaling n.e.c.	22	29	6	0.40%
16	Plumbing Services	60	66	6	0.90%
17	Newspaper Publishing	21	27	6	0.30%
18	Management Advice and Other Consulting Services	53	59	6	0.80%
19	Natural Rubber Product Manufacturing	0	5	5	0.10%
20	Other Machinery and Equipment Wholesaling n	21	26	5	0.30%
21	Preschool Education	50	55	5	0.70%
22	Real Estate Services	72	76	4	1.00%
23	Confectionery Manufacturing	21	25	4	0.30%
24	Timber Resawing and Dressing	0	4	4	0.00%
25	Heavy Machinery and Scaffolding Rental and Hiring	9	12	4	0.20%
26	Other Machinery and Equipment Repair and Maintenance	12	16	4	0.20%
27	Other Hardware Goods Wholesaling	13	16	4	0.20%
28	Combined Primary and Secondary Education	39	42	4	0.50%
29	Adult, Community and Other Education n.e.c.	12	15	3	0.20%
30	Vegetable Growing (Under Cover)	12	15	3	0.20%
31	Log Sawmilling	83	87	3	1.10%
32	Cut and Sewn Textile Product Manufacturing	21	24	3	0.30%
33	Supermarket and Grocery Stores	165	168	3	2.20%
34	General Insurance	0	3	3	0.00%
35	Passenger Car Rental and Hiring	4	7	3	0.10%
36	Other Health Care Services n.e.c.	10	13	3	0.20%
37	Agricultural Machinery and Equipment Manufacturing	18	21	3	0.30%
38	Forestry	11	14	3	0.20%
39	Metal and Mineral Wholesaling	17	20	3	0.30%
40	Stone Fruit Growing	0	3	3	0.00%
41	Poultry Farming (Eggs)	11	14	3	0.20%
42	Ready-Mixed Concrete Manufacturing	5	8	3	0.10%
43	Forestry Support Services	14	16	2	0.20%
44	Printing	2	4	2	0.10%
45	Bricklaying Services	9	12	2	0.20%
46	Mining and Construction Machinery Manufacturing	0	2	2	0.00%
47	Gardening Services	33	35	2	0.40%
48	Sheep Farming (Specialised)	6	8	2	0.10%
49	Radio Broadcasting	3	5	2	0.10%
50	Video and Other Electronic Media Rental	4	6	2	0.10%
All other industries		4,856	4,719	-137	61.00%
Total		7,553	7,730	178	100%

Rank	Industry	Jobs		Change 2012 - 2013	% of total 2013
		2012	2013		
1	Vegetable Growing (Outdoors)	283	253	-30	3.30%
2	Accommodation	78	54	-25	0.70%
3	Other Store-Based Retailing n.e.c.	41	26	-15	0.30%
4	Other Heavy and Civil Engineering Construction	43	33	-10	0.40%
5	Aged Care Residential Services	101	91	-10	1.20%
6	Fuel Retailing	61	52	-9	0.70%
7	Other Agriculture and Fishing Support Services	178	171	-8	2.20%
8	Department Stores	44	37	-7	0.50%
9	Other Agricultural Product Wholesaling	57	50	-7	0.60%
10	Hardware and Building Supplies Retailing	79	73	-6	0.90%
11	Gravel and Sand Quarrying	39	33	-6	0.40%
12	Other Automotive Repair and Maintenance	69	63	-6	0.80%
13	Banking	33	27	-6	0.30%
14	Hairdressing and Beauty Services	47	41	-6	0.50%
15	Sheep-Beef Cattle Farming	147	142	-5	1.80%
16	Central Government Administration	29	24	-5	0.30%
17	Takeaway Food Services	37	33	-5	0.40%
18	Nursery Production (Outdoors)	21	17	-4	0.20%
19	House Construction	205	200	-4	2.60%
20	Other Social Assistance Services	28	24	-4	0.30%
21	Nature Reserves and Conservation Parks Operation	21	17	-4	0.20%
22	Automotive Body, Paint and Interior Repair	36	32	-4	0.40%
23	Newspaper and Book Retailing	11	8	-4	0.10%
24	Road Freight Transport	95	92	-4	1.20%
25	Higher Education	16	12	-4	0.20%
26	Other Furniture Manufacturing	26	23	-3	0.30%
27	Motor Vehicle New Part Wholesaling	19	16	-3	0.20%
28	Floriculture Production (Under Cover)	8	5	-3	0.10%
29	Agricultural and Construction Machinery Wholesaling	27	24	-3	0.30%
30	Catering Services	7	4	-3	0.10%
31	Road and Bridge Construction	67	64	-3	0.80%
32	Other Specialised Food Retailing	23	21	-3	0.30%
33	Non-Residential Property Operators	126	123	-3	1.60%
34	Child Care Services	13	10	-3	0.10%
35	Electronic (except Domestic Appliance) and Precision Equipment Repair and Maintenance	11	8	-3	0.10%
36	Other Crop Growing n.e.c.	6	4	-3	0.00%
37	Other Livestock Farming n.e.c.	6	3	-3	0.00%
38	Landscape Construction Services	20	17	-3	0.20%
39	Architectural Services	13	11	-3	0.10%
40	Professional Photographic Services	6	3	-3	0.00%
41	Local Government Administration	86	84	-2	1.10%
42	Sport and Physical Recreation Clubs and Sports Professionals	32	30	-2	0.40%
43	Jewellery and Watch Wholesaling	5	3	-2	0.00%
44	Flower Retailing	6	4	-2	0.00%
45	Buildings Cleaning Services	14	12	-2	0.20%
46	Clubs (Hospitality)	26	24	-2	0.30%
47	Other Goods and Equipment Rental and Hiring n.e.c.	8	6	-2	0.10%
48	Office Administrative Services	10	8	-2	0.10%
49	Specialist Medical Services	5	3	-2	0.00%
50	Wooden Furniture and Upholstered Seat Manufacturing	72	71	-2	0.90%
All other industries		5,111	5,549	437	71.80%
Total		7,553	7,730	178	100%

Source: Infometrics 2013 Annual Economic Profile: Kaipara

Meat processing made the largest contribution to employment growth in Kaipara between 2012 and 2013 with the industry adding 32 jobs. The greatest job losses were in vegetable growing (outdoors) and accommodation. Over the past 10 years, the biggest gains to employment in Kaipara have come from the construction and wholesale trade industries (see table below).

Biggest contributors to employment growth last 10 years

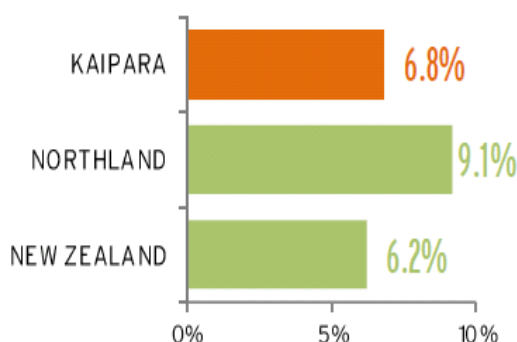
Construction	344
Wholesale Trade	181
Professional, Scientific and Technical Services	124
Transport, Postal and Warehousing	91
Administrative and Support Services	91
All other industries	56
Total increase in employment	886

Unemployment

The annual average unemployment rate in Kaipara was 6.8% in September 2013 down from 7.3% in March 2013 but still higher than it was in September 2012 (6.7%). The rate in Kaipara was higher than in the national economy (6.2%) but lower than in Northland as a whole (9.1%), Whangarei (8.6%) and Far North (10.8%).

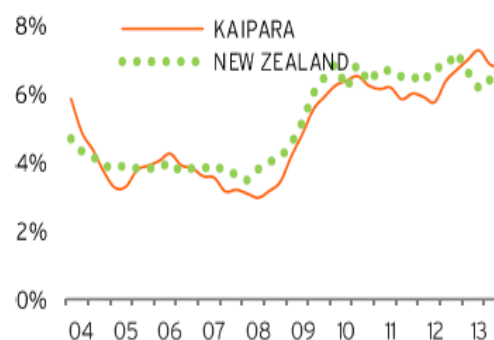
Unemployment rate

Annual average rate, September 2013 quarter



Unemployment rate

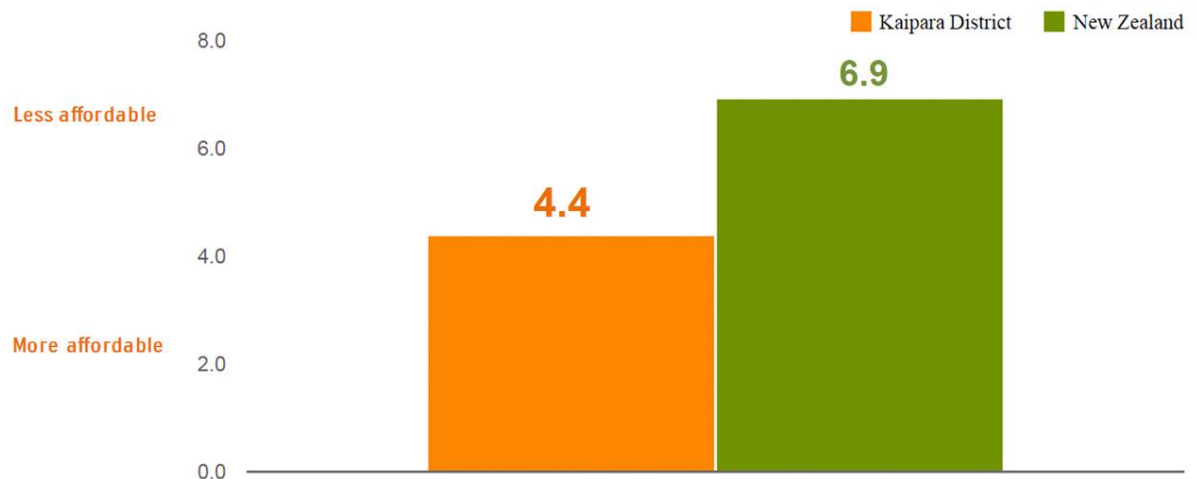
Average annual rate, 10 years to Sep 13



Housing Affordability

The cost of housing is a major component of household spending in New Zealand. Housing in the Kaipara is shown to be significantly more affordable than in the national economy. The figure below investigates the affordability of housing by comparing median house prices with average earnings. Infometrics have established 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.

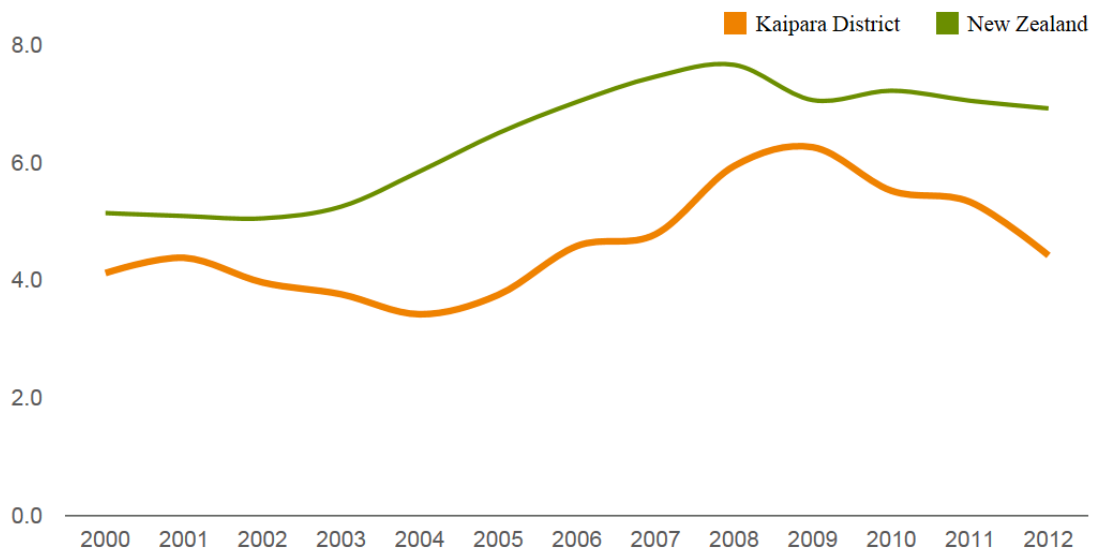
Housing affordability index (2012)



Source: Infometrics 2013 Annual Economic Profile: Kaipara

The housing affordability index in Kaipara was 4.4 in 2012, which was lower than the Northland index of 6.6 and lower than the national index of 6.9. This means that housing is more affordable in Kaipara than in Northland and the country as a whole. Since 2000 housing in Kaipara has become more affordable relative to the national average level. By comparison, housing in Northland as a whole has become less affordable since 2000.

Housing affordability index (2000-2012)

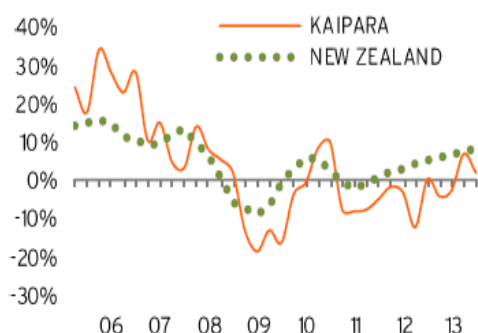


Source: Infometrics 2012 Annual Economic Profile: Kaipara

The average house price in Kaipara increased by 1.8% in the year to September 2013 compared with the previous 12 months. Over the same period, Whangarei house prices increased 2.1%, Far North houses decreased 5.9% and national inflation remained over 8%. Kaipara's annual average house price was \$187,000 in 2013, which was lower than the average for the Northland region (\$295,000), Whangarei (\$310,000), Far North (\$313,000) and New Zealand (\$376,000).

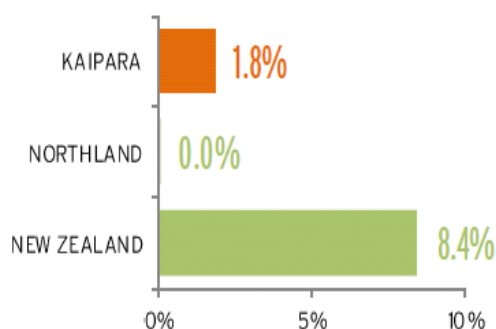
Change in average house prices

Annual % change, 10 years to Sep 13



Annual change in house prices

Annual change Sep 12 - Sep 13



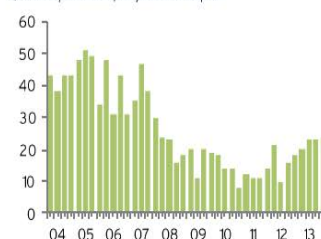
House sales in Kaipara in the year to September 2013 increased by 38.5% compared with the previous year. Growth was higher than in New Zealand (14.0%), Northland (29.1%), Whangarei (27.4%) and Far North (31.4%). A total of 24 houses were sold in Kaipara during the September 2013 quarter. Over the past ten years an average of 27 houses were sold each quarter. Currently, around 3% of dwellings in Kaipara are changing ownership each year. In 2004, the proportion was around 7%.

Number of house sales



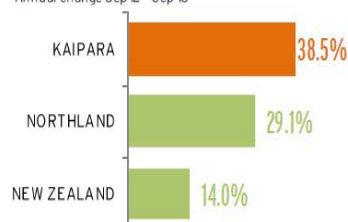
Number of house sales

Quarterly number, 10 years to Sep 13



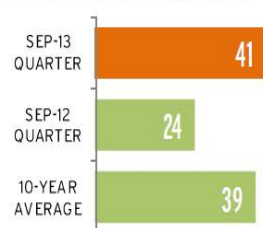
Annual change in house sales

Annual change Sep 12 - Sep 13



A total of 41 new residential building consents were issued in Kaipara during the September 2013 quarter, compared with 24 in the same quarter last year. On an annual basis the number of consents in Kaipara declined by 3.1% compared with the same 12 month period a year ago. The number of consents in the national economy declined by 23.7% over the same period.

Number of new dwelling consents



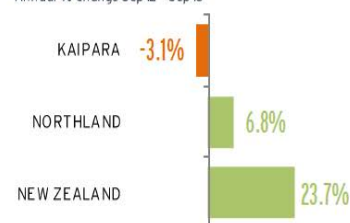
Number of new dwelling consents

Quarterly number, 10 years to Sep 13



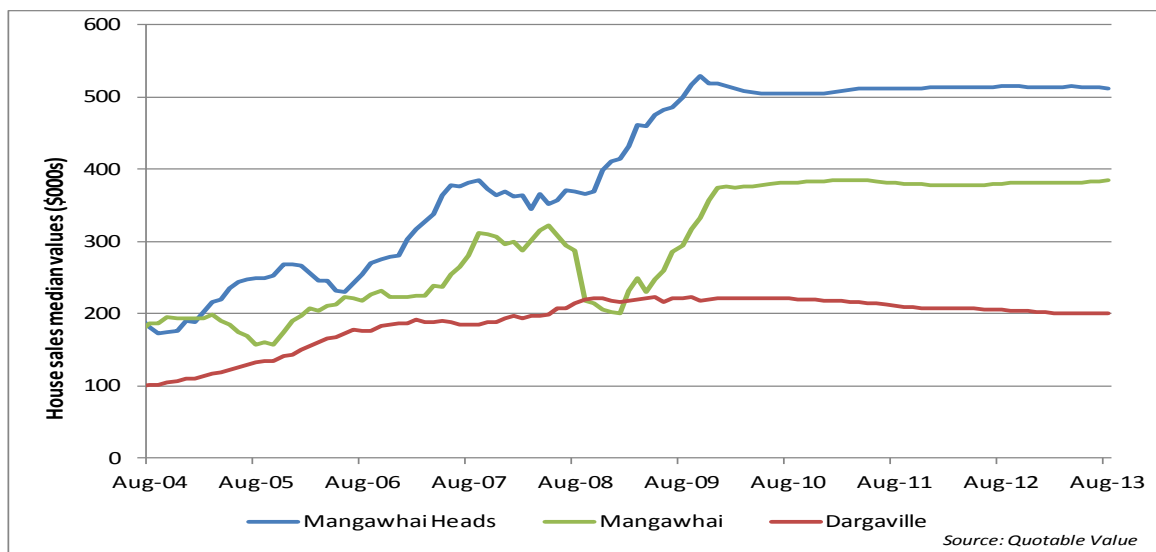
Annual change in new dwelling consents

Annual % change Sep 12 - Sep 13



Reflecting the relative inactivity in the market, there is little detailed information available on house prices in Kaipara. The figure below indicates increases in median sale prices occurred

over the period 2004 to 2009 in Mangawhai Heads, Mangawhai and Dargaville. Since 2010 median sale prices have stabilized with those in Mangawhai approximately twice the level of prices in Dargaville. Prices in Mangawhai Heads are roughly two-and-a-half times the prices in Dargaville.



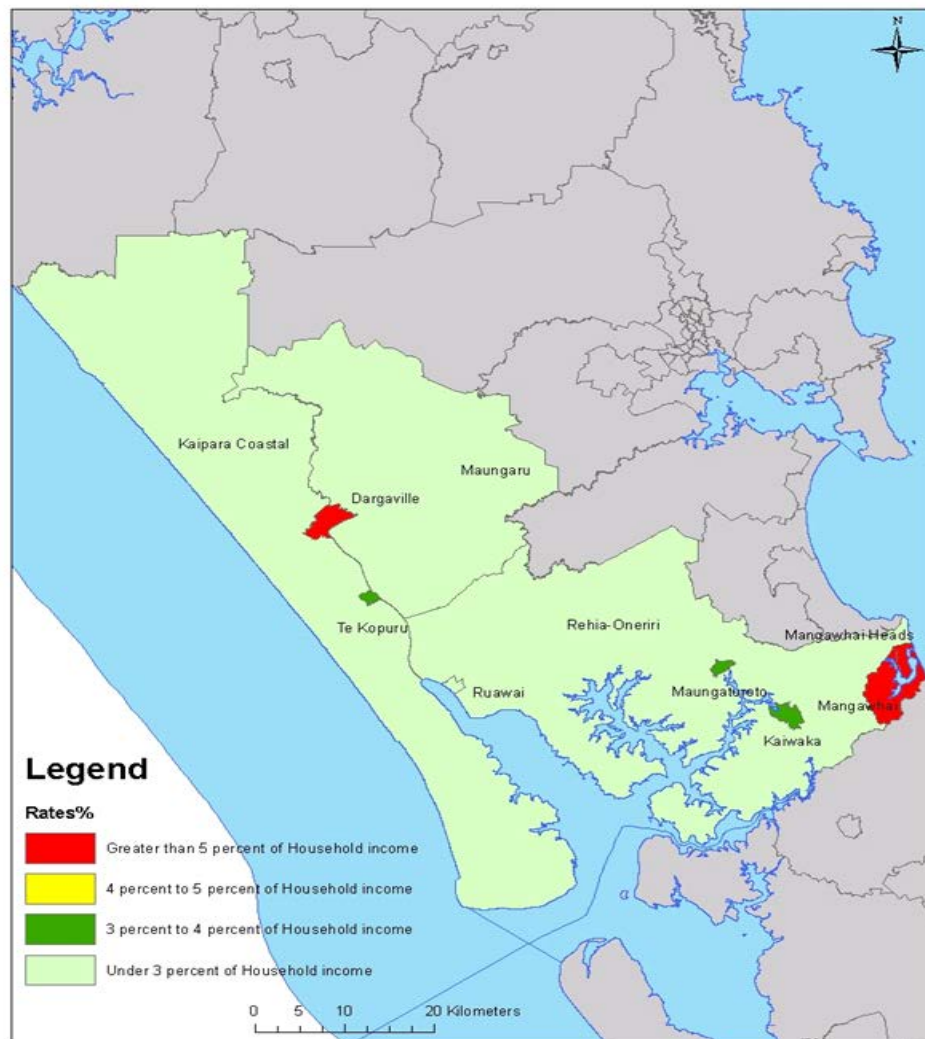
Rating Affordability

The table below shows BERL's estimates of the median incomes of all households (i.e. both usually resident and non-resident households) in the various Kaipara communities, and of the average rates paid by all usually resident and non-resident households in the same communities. This table suggests that ratepayers in Mangawhai and Mangawhai Heads pay a slightly higher-than-average proportion of their household incomes in rates. Again, however, this may overstate the rates burden on households because it has only been assumed that non-resident households have incomes that are equivalent to median Auckland household incomes. In reality it is expected that those Auckland residents who invest in a second home in Mangawhai earn greater than the average Auckland income.

CAU	Median household income of all residents (2013)	Average annual rates for all residents (2013/2014)	% of household income spent on rates
Te Kopuru	\$36,188	\$1,424	3.9%
Kaipara Coastal	\$48,281	\$1,324	2.7%
Maungaru	\$49,620	\$1,195	2.4%
Dargaville	\$41,136	\$1,966	4.8%
Maungaturoto	\$55,041	\$1,646	3.0%
Ruawai	\$47,246	\$1,200	2.5%
Kaiwaka	\$52,099	\$1,544	3.0%
Rehia-Oneriri	\$51,166	\$1,232	2.4%
Mangawhai	\$60,172	\$2,810	4.7%
Mangawhai Heads	\$60,492	\$2,810	4.6%
Kaipara District	\$52,231	\$1,969	3.8%

Source: Kaipara District Council, Statistics NZ

The following figure maps how the proportion of rates to household income varies across the District by Census Area Unit. It reveals that rates totalled greater than 5% of household income only in the population centres of Mangawhai and Dargaville where the greatest concentrations of Council services are located.



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.

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

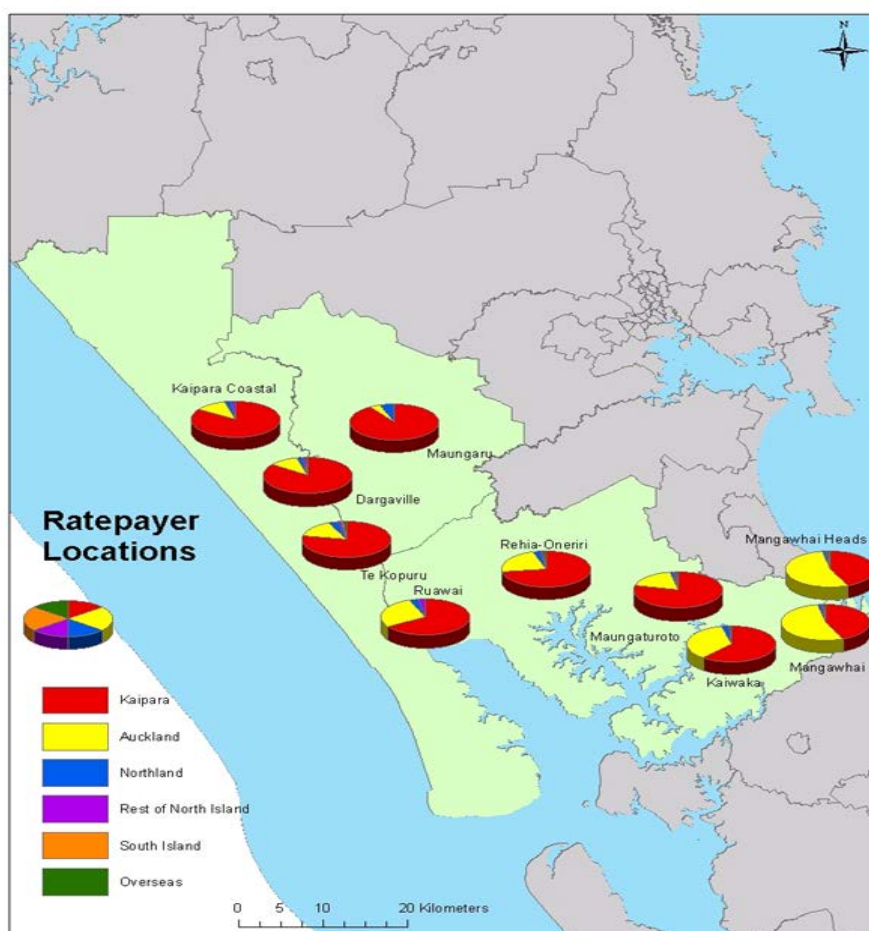
By linking the location of a ratable property to the location given by the owner's postal address it is possible to gain an indication of what percentage of Kaipara's residents live permanently in

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%

The figure below shows how percentages of resident and non-resident ratepayers vary across the Statistics New Zealand Census Area Units in the District.



This analysis 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 of the rates roll groups are included in the previous edition of the Environmental Scan.

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.

3.5 Physical

Auckland Building Boom

The National Construction Pipeline Report released 10 December 2013 is predicting the biggest forecast construction boom in 40 years.

The report identifies Auckland as one of New Zealand's 'construction hot spots', with around a third of building work predicted to take place there. Much of this is driven by the forecast that Auckland's residential housing demands will more than double. This is consistent with the projected population growth of Auckland over the next 30 years.

The National Construction Pipeline Report was commissioned by the Building and Construction Productivity Partnership and brings together economic forecasts and data from the public and private sectors on their forward construction workload (source: voxy.co.nz 10 December 2013).

Any increase in construction and housing demand in Auckland may have flow-on effects for Kaipara which has a large supply of affordable land and is located just across Auckland's border.

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, 88 km of footpaths and more than 6,600 road traffic signs.

The financial assistance rate which the NZ Transport Agency (NZTA) provides to Kaipara District Council is currently being reviewed. Any increase or decrease in this rate may have a significant effect on Council's finances. Roothing presently comprises 77% of Council's annual capital expenditure and 47% of annual operational expenditure (source: Annual Plan 2013/2014). Council is submitting on the proposed financial assistance rate.

The high cost of maintaining the network 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 NZTA's financial assistance rate by one percent 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 NZTA's priorities have made subsidised seal extensions almost impossible to attain.

Roading maintenance requirements are likely to increase as Northland forestry volumes are predicted to increase and truck movements to Northport continue to increase as the port increases its freight handling.

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.

Roading Maintenance Contract

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

Pkhoi to Wellsford Motorway Extension

The Pkhoi to Wellsford motorway extension was nominated as a Road of National Significance by the Government in 2009. The project will extend the motorway section of State Highway 1 from its current end point at the Johnstone's Hill tunnels to Wellsford. The project is divided into two stages, with the Pkhoi to Warkworth section a priority to progress towards obtaining consents and a designation ready to build.

At the end of August 2013 NZTA lodged an application with the Environmental Protection Authority (EPA) for resource consents and a designation to build the Pkhoi to Warkworth section of the motorway extension.

The EPA notified the proposal and received submissions from the public between 16 November and 13 December 2013. Council submitted on this proposal. The Project Team is now analysing the submissions received in preparation for a hearing in March/April 2014. A final decision on the statutory approvals is expected in late 2014.

According to the NZTA's website (<http://www.nzta.govt.nz/network/projects/pukoi-to-wellsford/>) the start date for this project is now 2014-2019 with construction due for completion by 2022.

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.

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. Statistics from the 2013 census showing how people in Kaipara moved around and how many worked outside the District are not yet available.

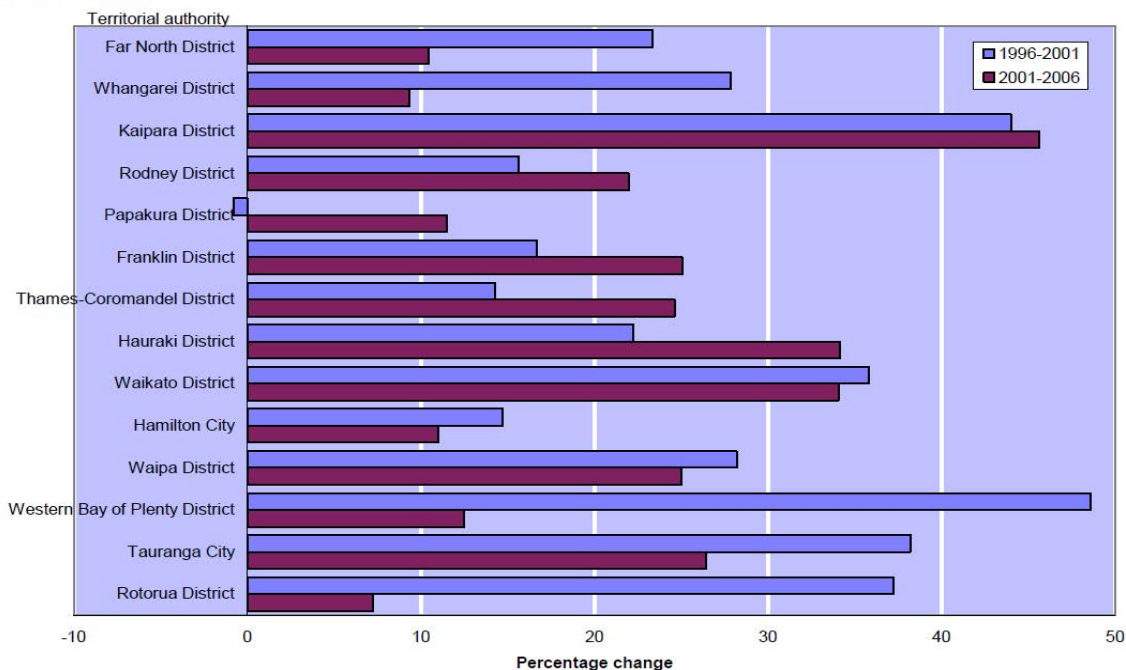
The following table shows that 138 people lived in the Kaipara District and worked in Auckland in 2006 (update figures from the 2013 census are not yet available). The figure below shows that this number has increased; rising over 40 per cent from 1996 to 2001 and over 40 per cent again from 2001 to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

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 address				
	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



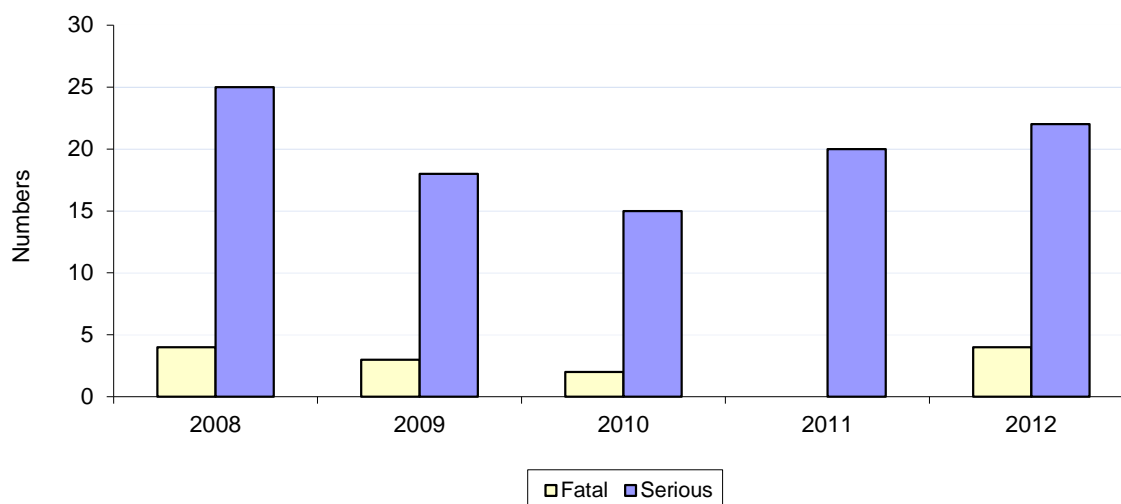
Source: Census of Population and Dwellings, 1996, 2001, and 2006.

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

Road Crashes

Safe and efficient travel in, out and around the District is perhaps the most important service Council offers and one that is vital to the economic and social well-being of Kaipara's communities. The ability to get in a car and travel freely, quickly and safely is fundamental to the lifestyle of New Zealanders and is of particular importance in rural areas where the scarcity of the population makes other transport options unviable.

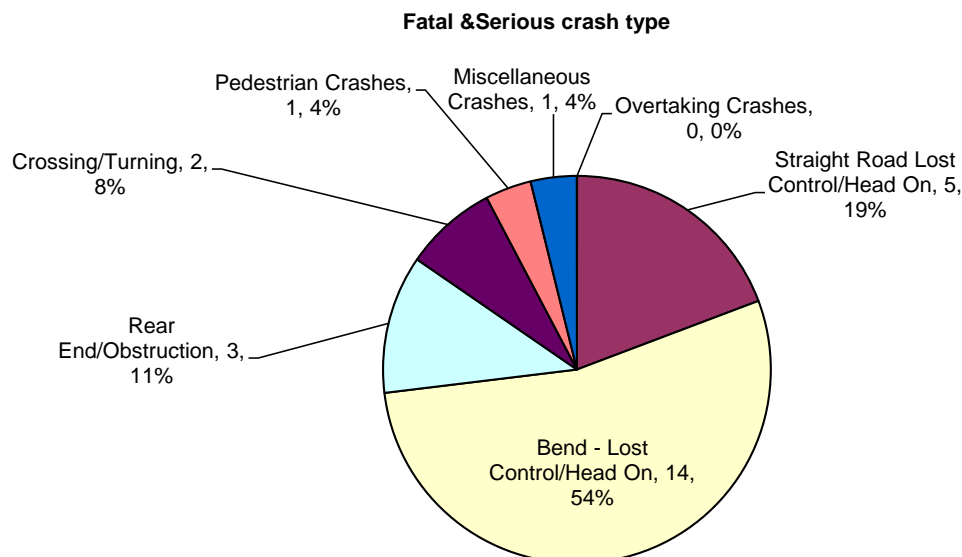
There were 113 serious/fatal crashes in Kaipara between 2008 and 2012. This compares to 240 in Far North and 208 in Whangarei over the same period. Of a total of 923 motor vehicle crashes in Kaipara over the five years till 2012, 13 (or 1%) resulted in fatalities, 100 (11%) resulted in serious injury, 256 (28%) resulted in minor injuries and 554 (60%) resulted in no injuries. The table below shows the number of fatal and serious crashes in Kaipara over the five years to 2012.

Fatal/Serious crash numbers 2008-2012

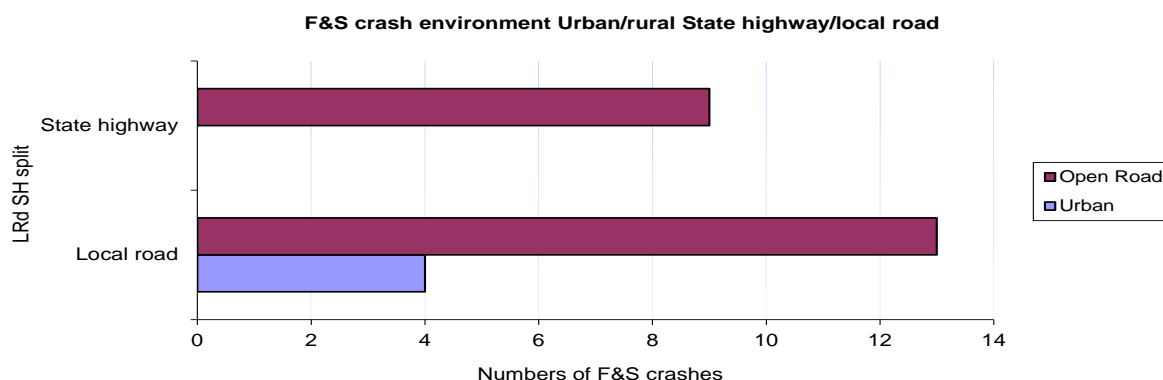
A total of 14 people were killed in motor vehicle accidents in Kaipara over the period 2008-2012. A further 122 were seriously injured and a further 392 received minor injuries. The following figure compares the numbers of fatally, seriously and minor injured casualties as they have varied over the period 2008-2012.

Casualties resulting from all crashes 2008-2012

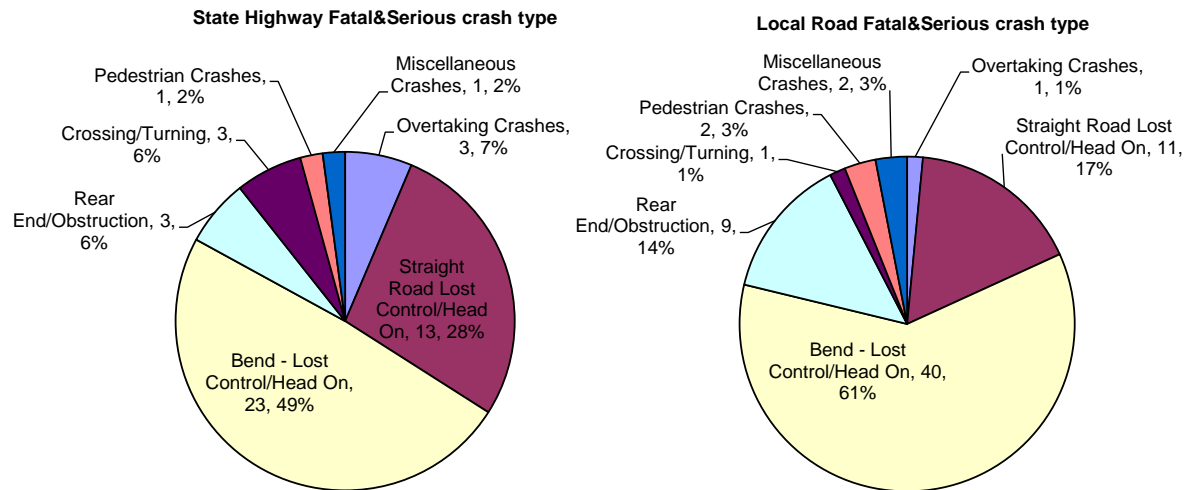
The following figure gives a breakdown of the circumstances under which Kaipara serious and fatal crashes occurred between 2008-2012. The figure shows that the majority of serious crashes occurred as a result of drivers losing control of their vehicles or veering off course.



The following figure shows how the number of road accidents on Kaipara District Council administered local roads compares to those on State Highways in the District. From it we see that crashes are more common on local roads than State Highways.



Analysis of the causes of serious and fatal crashes on both local roads and State Highways shows that crashes on local roads are more likely to be the result of losing control on a corner (61% of crashes) than crashes on State Highways (49%). Local roads also have a higher incidence of rear end/obstruction crashes (17%) compared to State Highways (6%). A higher percentage of crashes on State Highways were caused by drivers losing control on straights (28%) than on local roads (17%). These differences are shown on the figures below.



According to the 'Briefing Notes on Crash Analysis - June 2013', alcohol and drug related crashes are a high strategic priority for the District (as was identified in 'Safer Journeys'). Locally this issue is of concern due to the number of deaths and/or serious casualties when viewed against the local road use (VKT). This reflects a high level of personal risk.

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 and road safety, 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 on the road between Dargaville and 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.

Upper North Island Freight Story

The *Upper North Island Freight Story* is a 50-plus page summary of critical issues facing the Upper North Island area in its bid 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.

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 industries. Manufacturing (including fuel, cement and clay) rounds out the third place, again as both current and/or emerging industries.

According to former Northland Regional Council Chairman Craig Brown, 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

Coastal

Kaipara's coastal resources can be broadly grouped into two types; the exposed west and east coasts and the sheltered Kaipara and Mangawhai Harbours.

The west coast beaches are challenged by their remoteness and dangerous swimming conditions making them less suitable for holiday makers and tourists. However, for those with local knowledge or for the more experienced, these beaches offer numerous recreation opportunities. Kaipara's Ripiro Beach runs continuously almost the entire length of the District from Pouto to Maunganui Bluff. This long, wide, continuous beach also serves as a road, is part of the Kauri Coast Cycleway and provides opportunities for 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 and pathogens 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 Harbour is recognised for its cultural, landscape, ecological and heritage values. The history of the Harbour also signifies its importance to communities that have lived

on its shores (both Maori and later European settlement). Activities on the Harbour have included gathering of kaimoana, shipbuilding, kauri milling, gum digging and, more recently, farming and sand mining (ceased in 2004). The Mangawhai harbour experiences pressures from stormwater and recreational use, and these 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.

The East Coast of the District is comparatively limited in geographic extent, extending from Bream Tail in the north to the District boundary (just north of Te Arai Point) in the south. This area is characterised by its distinctive and popular surf and white sandy beaches. The coast is recognised as an area of significant and outstanding landscape value and for its ecological values.

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 requirements being added in the future. Increased expenditure may be required to meet revised compliance requirements for older (not Mangawhai) wastewater schemes within the District.

Drinking water quality

The Council supplies water to the communities of Maungaturoto, Ruawai, Dargaville (including Baylys) 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 programme. The other schemes are considered to require only minor upgrades, maintenance and monitoring.

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 blackouts. The Kaipara District is fortunate to have the opportunity to develop renewable energy resources. These include opportunities for large windfarms (potentially supplying up to 300MW) at Glinks Gully (Red Hill), Rototuna (Pouto Peninsular) and Pouto.

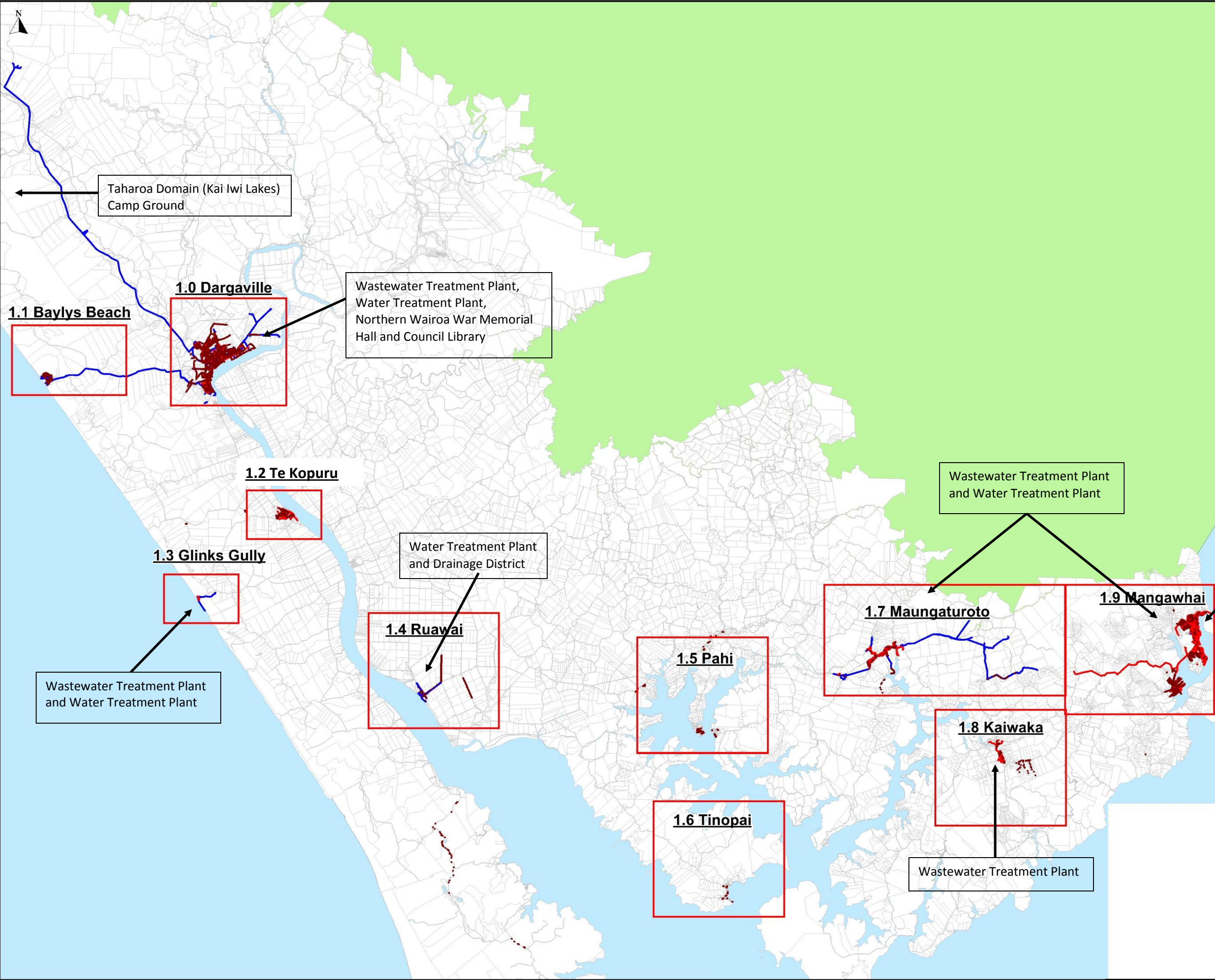
Meridian Energy has spent five years investigating the potential for a windfarm on the Pouto peninsular. The planning for this project is now well advanced, although final project size has not yet been determined. A portion of the windfarm site has been purchased and the project has support from Te Uri o Hau. Meridian has stated that the windfarm is a desirable project in its 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.



Legend

Pipes

- Water Distribution
- Stormwater Collection
- Wastewater Collection


Zones

- Parcel Boundaries

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KAIPARA DISTRICT COUNCIL

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Figure: Figure 0.0

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